TRAINOSE

A COMPANY OF THE FSI GROUP

# TRAINOSE TRANSPORTATIONS – PASSENGER AND CARGO TRANSPORTATION SERVICES RAILWAY SOCIETE ANONYME

## FINANCIAL STATEMENTS

## AS OF 31 DECEMBER 2021

## ACCORDING TO INTERNATIONAL FINANCIAL REPORTING STANDARDS AS ADOPTED BY EUROPEAN UNION

**TRAINOSE TRANSPORTATIONS – PASSENGER AND CARGO TRANSPORTATION SERVICES RAILWAY**

**SOCIETE ANONYME**

**Share Capital:** € 34.406.509,10 [*Fully paid up*]

**Registered Offices:** Petmeza 13 & Syggrou 41, P. C. 117 43, Athens, Greece

**Business Registry number: 6780801000**

**VAT number: EL 999645865**

**Web address:** http://www.trainose.gr/

## COMPANY MISSION

The company's mission is to provide a sustainable choice of transportation, environmentally friendly with:

- Safe and reliable schedules
- Reliable information
- Comfort and clean
- Competitive fares
- Friendly customer service
- High standards freight transportation

TRAINOSE's (hereinafter the "Company") vision is to constitute a reliable and high quality transport services provider in Greece, both for passenger and for freight transportation, and a financially sustainable company.

By way of the absorption of EESSTY S.A., the Company is active in the field of maintenance, repair and reconstruction services for rolling and other railway stock.

## CORPORATE BODIES

| **Board of Directors:** | **As elected on 18.10.2021** |
|---|---|
| Chairman | Dario LO BOSCO |
| Chief Executive Officer | Maurizio CAPOTORTO |
| Board member | Marco CAPOSCIUTTI |
| Board member | Daniela CAROSIO |
| Board member | Francesca SERRA |

**MANAGER IN CHARGE OF PREPARING THE COMPANY'S ACCOUNTING DOCUMENTS**

Lorenzo GENTILE

**INDEPENDENT AUDITING FIRM**

KPMG Certified Auditors – Accountants S.A.

**INDEX**

# Management Report according to article 150 of L. 4548/2018

## LEGEND AND GLOSSARY

The criteria used to determine the alternative performance indicators adopted within the context of this Management Report, compared to those indicated in the financial statements drawn up according to IFRS, are listed below. The management believes that these indicators are useful for monitoring the Company's performance, and are representative of the economic and financial results generated by the business:

**Gross Operating Margin - EBITDA:** constitutes an indicator of operating performance, and is attributable only to the core business. It is calculated as the difference between Operating Revenues and Operating Costs.

**Operating profit - EBIT:** constitutes an indicator of operating performance and is calculated as the algebraic sum of the "EBITDA", Amortisations, Write-downs and Impairments losses (write-backs) and Provisions.

**Net operating working capital**: calculated as the algebraic sum of the Inventories, Construction Contracts, Current and Non-Current Trade Receivables and Current/Non-Current Trade Payables.

**Other net assets:** calculated as the algebraic sum of MEF Credits and advances for grants, deferred tax assets, the Other Current and Non-Current Assets and the Other Current/Non-Current Liabilities.

**Working capital**: calculated as the algebraic sum of the Net Operating Working Capital and the Other Net Assets.

**Net non-current assets**: calculated as the sum of the Property, Plant and Equipment, Real Estate Investments, Intangible Assets and Shareholdings items.

**Other provisions:** calculated as the sum of the provision for post-employment benefits (TFR) and other employee benefits, the provision for staff and third party disputes, the other provisions occasionally set aside for minor risks, and deferred tax liabilities.

**Net Invested Capital - NIC:** calculated as the algebraic sum of the Working Capital, the Net Non-Current Assets, the Other Provisions, and the Net Assets held for sale.

**Net financial position - NFP**: constitutes an indicator of the financial structure, and is calculated as the algebraic sum of bonds, long-term Loans from banks, the current amounts associated with them, short-term loans from banks, current and non-current payables due to other lenders, MEF financial receivables for current fifteen-year contributions, cash and cash equivalents, and current and non-current financial assets.

**Equity - EQ**: a financial statement indicator calculated as the algebraic sum of the share capital, the reserves, the retained earnings (losses), the current and non-current financial liabilities, and the operating profit.

**EBITDA margin:** a percentage index of profitability, determined by the ratio between the EBITDA and the Operating Revenues.

**EBIT margin - ROS (return on sales):** a percentage index of sales profitability. Determined by the ratio between the EBIT and the Operating Revenues.

**Degree of financial indebtedness (NFP/EQ):** an indicator used to measure the company's indebtedness. Determined by the ratio between the NFP and the Equity.

**ROE (return on equity):** a percentage index of the return on equity. Determined by the ratio between the Net Profit (NP) and the Average Equity. The Average Equity is calculated as the mathematical average between the value at the start of the period (including the profit for the previous year) and the value at the end of the period (net of the profit at the end of the year).

**ROI (return on investment)**: a percentage index of profitability of the capital invested through the company's core business. Calculated as the ratio between the EBIT and the average NIC (between the start and end of the year).

**Net Asset Turnover:** an indicator of efficiency, as it expresses the invested capital's ability to "transform itself" into sales revenues. Calculated as the ratio between the Operating Revenues and the average NIC (between the start and end of the year).

**Recurring terms**

The glossary of the recurring terms used within the context of the Group's operating activities, and found within the Financial Statements, is provided below:

**Average load (pkm/tkm):** expresses the number of passengers km per train km, or rather the number of people a train can carry on average.

**Route:** a set of railway lines of particular importance due to the traffic volume and the transport relationships that take place upon them, linking the network's main centres or hubs.

**ERA (European Railway Agency):** the agency of the European Union (EU), which establishes the mandatory requirements for European railways and manufacturers in the form of technical interoperability specifications applicable to the trans-European rail system. The ERA sets the common safety objectives, methods and indicators, and adheres to the 2004/49/EC Directive, as amended.

**ERTMS (European Rail Traffic Management System):** the functional and operational integration system of the various railway networks established within the context of the European Union, which, at in terms of operational control, provides for the ETCS system.

**ETCS (European Train Control System):** a system made up of various national ATC (Automatic Train Control) operating systems. ATC systems are made up of traditional and innovative signalling systems, and can make use of CSR (Continuous Signal Repetition) and CDSR (Continuous Digital Signal Repetition).

**GSM-R (Global System for Mobile Communication):** European standard for public digital mobile telephony, with a transmission speed of 9.6 Kbps.

**Plant:** a production unit of a localisable railway company with an identifiable area of jurisdiction on the rail network. They can belong to both the Infrastructure Manager and the transport companies.

**Load factor (pkm/seatkm):** expresses the so-called filling factor, and therefore measures the saturation of the commercial offering.

**Hub:** a conventional term for a railway area normally coinciding with a major metropolitan centre with a high density and relative complexity of medium/large stations and other railway systems interconnected by various lines, which represent the continuation of the main itineraries that enter the hub itself, as well as other lines, and are designed to facilitate the circulation management of different traffic streams and alternative routes, or rather service belts and links.

**Doubling:** the transformation of a single track line into a double track line.

**TEN-T:** trans-European transport network.

**Terminal:** an infrastructure suitable for intermodal transport, mostly suitable for the exchange of large load units between carriers, with or without warehouses of modest size.

**Tonnes km (tonn km):** The product of the tonnes transported multiplied by the km travelled. This unit of measurement therefore corresponds to the sum of the kilometres actually travelled by the tonnes transported within a given period of time (indicator of commercial performance for freight transport).

**Combined transport:** Intermodal transport mainly carried out by rail, waterway or sea, with the initial and terminal routes carried out by road. Combined transport makes use of the railway with specific coded railways cars and lines.

**Intermodal transport:** transport that makes use of two or more modes of transport (land, rail, sea or river) with the movement of the load units between modes, without dividing the load itself: the load unit can either be a road vehicle or an intermodal transport unit (container, swap body, semi-trailer).

**Trains km (tkm):** this is the number of train events per kilometre travelled. This unit of measurement therefore corresponds to the sum of the kilometres travelled by all the trains within a given period of time (*performance* indicator referring to the network manager's production).

**TEU (Twenty-foot Equivalent Unit):** standard measure of volume for the transport of ISO containers, which corresponds to a total encumbrance of about 38 cubic metres.

**Passengers km (pkm):** number of passengers multiplied by the km travelled. This unit of measurement therefore corresponds to the sum of the kilometres actually travelled by all the passengers of a transport service within a given period of time (indicator of commercial performance for passenger transport).

**MAIN RESULTS ACHIEVED IN 2021**

| | | 2021 | 2020 |
|---|---|---|---|
| **ROE** | NP/EQ* | 0,27% | (53,42)% |
| **ROI** | EBIT/IC* | 0,01% | (0,01)% |
| **ROS (EBIT MARGIN)** | EBIT/OR | 4,28% | (10,18)% |
| **EBITDA/OPERATING REVENUES (EBITDA MARGIN)** | EBITDA/OR | 19,20% | 15,69% |
| **NET ASSET TURNOVER (NAT)** | OR/IC* | 120,58% | 123,72% |
| **FINANCIAL INDEBTEDNESS** | NFP/EQ | 3,52% | 3,35% |
| **IC*:** | | 93.204.994 | 85.911.531 |
| **NIC:** | | 96.221.501 | 90.188.487 |
| **EBITDA:** | | 21.579.379 | 16.673.999 |
| **EQ*:** | | 21.015.998 | 24.285.090 |
| **EQ:** | | 21.293.496 | 20.738.499 |
| **OR:** | | 112.382.254 | 106.291.345 |
| **NR:** | | 56.985 | (11.078.574) |
| **EBIT:** | | 4.813.662 | (10.820.324) |
| **NFP:** | | 74.928.005 | 69.449.988 |
| **NWC:** | | (35.912.398) | (3.131.192) |

**LEGEND**

**IC***: Average net invested capital (between the start and end of the year)

**NIC:** Net invested capital

**EBITDA:** Gross operating margin

**EQ***: Average equity (between the start and end of the year) net of the year-end result

**EQ**: Equity

**OR**: Operating revenues

**NR**: Net result

**EBIT**: Operating income

**NFP:** Net financial position

**NWC:** Net working capital

**MAIN EVENTS**

Following on the pandemic crisis, which had already impacted severely the Company business since March 2020, also the year 2021 was importantly affected by the disruptions generated by the Covid-19 pandemic. In this respect, the whole of the Greek territory was subject to lockdown measures from 1/1/21 to 4/5/21, and the measures limiting the maximum allowed capacity aboard of passenger trains was also restricted for the whole of the year, to the amount of 65% until 20/6/2021 and to 85% for the rest of the year. In face of this, the Company implemented a reduced passenger timetable until May 2021, gradually restoring the complete timetable until July 2021, with the exception of some services with characteristics that were deemed incompatible with the restrictions set by the health situation (the night service with sleeping couchettes).

During 2021, the Company executed the passenger routes on the Greek network by way of a one-year extension of the PSO Contract assigned by the Greek State by way of FEK A 40 - 16.03.2021. During this period, negotiations between the Company and the Ministry of Infrastructure and Transportation were conducted to refine the contractual draft of the new assignment for a period of 10 years, extendable by a further 5 years on the basis of the realization of an agreed-upon investment plan. As of 31/12/2021, the Company entered a further regime of extension of the PSO contract by 2 months, in order to allow for the assignment procedures to be completed.

On the contrary, the freight business saw a significant expansion in its turnover by way of increased services from/to the ports of Pireus and Thessaloniki, in force of the expansion of customer demand and of the rationalization of the servicing model of the freight transportation business.

**HUMAN RESOURCES**

The relations between Management and employees, as well as the employee benefits are regulated by applicable Collective Labour Agreements. The new Collective Labour Agreement in force has been signed on 30 December 2020, with a duration of two years.

Furthermore, in collaboration with OSE S.A., the Company invests in the continuous training of its employees through the Education Center as well as the participation of its executives in specialized seminar programs. Furthermore, the new Collective Labor Agreement provides the financial support to employees who choose to study at the Open University.

| | |
|---|---|
| **EMPLOYEES AS OF 31.12.2020** | **1063** |
| Hired | 239 |
| Exited | 111 |
| **EMPLOYEES AS OF 31.12.2021** | **1191** |
| **AVERAGE WORKFORCE 2020** | **1118** |
| **AVERAGE WORKFORCE 2021** | **1142** |

With regards to the above-mentioned figures and in reference to the procedures that were carried out by Human Resources during 2021, we would like to mention the following:

- 239 hirings (15 Administrative Staff, 74 technicians, 73 train drivers and 72 escorts and 5 Bus Drivers) took place in order to fulfill arisen needs in staff, while 111 dismissals (retirements, deaths, resignations, e.t.c.) took place during the reference period.
- The Company invests in mutually beneficial relationships with its staff and promotes smooth cooperation by investing in the thorough training of its human resources. The amount of the cost of the training programs and the number of employees who participated in them for the year 2021 according to the data observed by HR department are as follows::

| Objective of training | Cost of training courses | Number of employees |
|---|---|---|
| Employee training | 286.521 € | 385 |

**LABOUR AND RESPECT FOR HUMAN RIGHTS**

As part of our approach to Corporate Responsibility, we systematically recognize and prioritize labour and human right issues that are linked to our activities and which may have negative effects on our stakeholders as well as on Sustainable Development at National level. The connection of the impact of our activities with the Sustainable Development was made possible, through the United Nations Sustainable Development Goals.

We methodically approach the important labour and human right issues in order to minimize any negative effects that may occur by their improper management and to increase the benefit from their proper management.

Since its foundation, the Company is distinguished for its professional ethics and its timeless values, which define every aspect of its activity, and reveal the Company's identity to every shareholder, associate and employee and demonstrates its commitment to a standard behavior and continuous efforts for improvement in every field.

The Company pays particular attention as regards the implementation of all corporate governance guidelines as they have been developed internationally. These guidelines mainly focus on providing full and timely information to the investing public and the relevant authorities for any crucial matter concerning major developments or economic issues and as well as the protection of shareholders' rights.

Communication and awareness of all parties involved about our activities, in addition to complying with the mandatory provisions represent our primary concern, because this ensures the required transparency and strengthens the trust towards the Company.

Complying with the above, all employees contribute to the prevention and / or proper management of any case of abuse, corruption or malpractice, and ultimately contribute to the protection of the Company's reputation.

Constant education is a basic pillar of human resource development. There is a widespread perception in the Company, according to which the vision for steady improvement in business and work performance is directly related to the constant improvement of personnel skills.

The Company supports and is committed to the United Nations Universal Declaration of Human Rights and complies with the relevant legislation. TRAINOSE's priority is the satisfaction of its employees in terms of career development, remuneration, organization of seminars for further development. The Company examines the non-involvement of its associates in human rights violations.

**SAFETY**

The Company has developed and monitors strict safety regulations for both passenger and freight transportations, which ensure the safest possible transportation of passengers and freights.

A Railway Company (R.C.) must have a safety certificate in order to gain access to the railway infrastructure. This certificate consists of two parts, the certificate type A and certificate type B and is granted from the National Safety Authority.

Certificate Type A refers that the R.C. has established a Safety Management System (S.M.S.) whereas Certificate Type B confirms that it has received all the necessary measures, in order to respond to the special demands for the safe use of the railway network.

- This obligation derives from article 10 of directive 2004/49/EU and (Presidential Decree) Π.Δ. 160/2007.
- Regulatory Authority for Railways (R.A.S.) is the regulatory body for the railway transports in Greece. R.A.S. mission is to insure fair and non-discriminatory access to the national infrastructure and services.
- R.A.S. was founded on November 2010 according to law N.3891/2010. R.A.S. and is the National Safety Authority for the Railway Transportations according to law N. 4199/2013 (ΦΕΚ A 216/11.10.2013.
- In the end of 2017 TRAINOSE updated the safety certificates (Type A & B), which are valid until 31/12/2022.

For more details, please visit TRAINOSE's website at http://www.trainose.gr/%CE%B7-%CE%B5%CF%84%CE%B1%CE%B9%CF%81%CE%B5%CE%AF%CE%B1/%CE%B1%CF%83%CF%86%CE%AC%CE%BB%CE%B5%CE%B9%CE%B1/

**THE ENVIRONMENT**

As part of our approach to corporate responsibility, we systematically recognize and prioritize environmental issues that are related to our activities and which may have negative effects on our stakeholders and the general environment, as well as to the Sustainable Development at National level.

We methodically approach the environmental issues that we have identified to minimize the negative effects that may result from their improper management and thus to increase the benefit from proper management.

Continuous improvement of environmental performance ratios, prevention of pollution, the implementation of environmental legislation is a long-term commitment of the Company's Management. For this purpose, the Company applies a continuously evolving System of Integrated Management for the environment, quality, operational safety and generally all its activities.

A summarized view of the main actions taken by the Company management is presented in the following table.

| ACTIONS | STATUS | | |
|---|---|---|---|
| | Completed in 2021 | In progress | To be launched in 2022 |
| **Development of the Environmental / Energy Management System according to ISO 14001 & 50001** | X | | |
| **Development of an environmental KPIs control system** | | X | |
| **Environmental Risk Analysis** | | X | |
| **Incorporation of environmental contractual terms in all TRAINOSE contracts (where applicable)** | X | | |
| **Improvement of maintenance sites according to the environmental audits** | | X | |
| **Participation to the Climate Change Committee of the Attica Administrative Region** | | X | |
| **Personnel awareness on environmental issues** | | X | |
| **Development of environmental management procedures in rolling stock maintenance complexes** | X | | |
| **Development and observance of Electronic Waste Protocol according to law 4042/2013** | | X | |
| **Establishment of Energy, Environmental and Social Responsibility Indicators to contribute to FS Group Sustainability Report** | | x | |
| **Implementation of the Environmental / Energy management System** | | | X |

## CUSTOMERS

### Passenger transportation activity

The economic and operational results achieved in the passenger sector have been strongly influenced by the pandemic, insofar as the passenger transportation business has been one of the most exposed industries to the shock of the crisis worldwide.

The severity of the shock to the demand of passenger services was intensified by the lockdown which was enforced on the whole of the Greek territory until 4/5/2021. The Company ran an adapted, reduced timetable for the duration of the lockdown and then proceeded with a restoral of routes between the months of May and July of the year, according with the network capacity allocated by the Infrastructure Manager.

### Passenger satisfaction and quality of the services

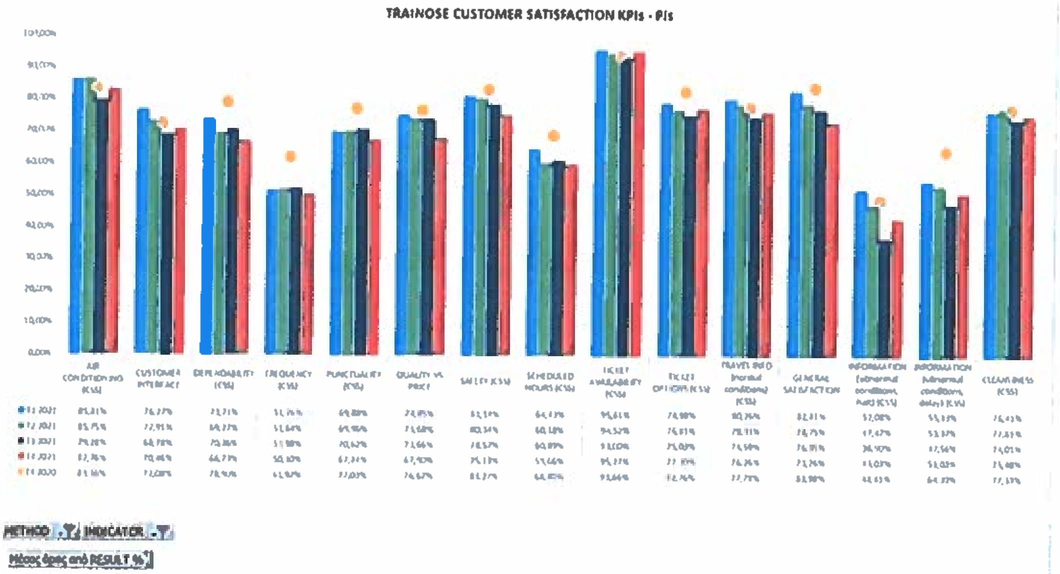
TRAINOSE SA has established and implemented a complete **system of quality control of passenger services** according to the **European standard EN 13816 2002: "Transportation- Logistics and services - Public passenger transport- Service quality definition, targeting and measurement"**. The implementation of such system is controlled and certified by the independent Certification Body TUV Nord, from 2013 as regards the route Athens - Thessaloniki with Intercity trains, and **from 2017 for the entire network.**

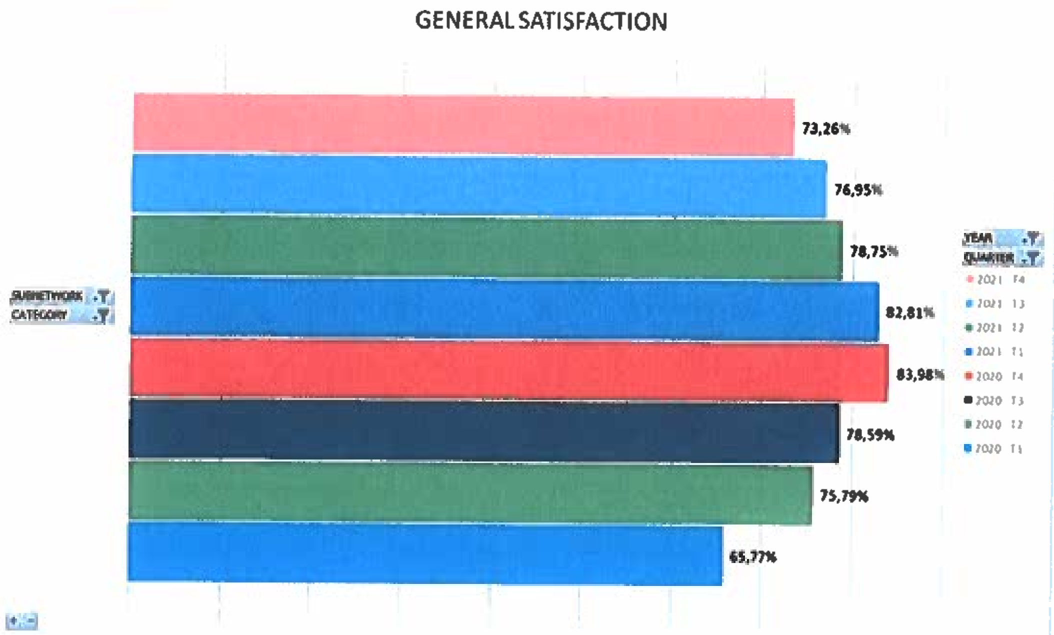
In this context, TRAINOSE SA has organized and monitored a series of Quality Indicators so to continuously improve the provided services, on the basis of quarterly passenger satisfaction surveys and quarterly evaluations carried out using secret passengers, conducted by an independent specialized research company.

More specifically, in the **4th quarter of 2021** the passengers of TRAINOSE, rating their journey in the more critical Quality Criteria (KPIs):

- **73.26%** state that they are **absolutely or very satisfied overall (general satisfaction)** (76.95% was the previous measurement),
- evaluate **very well** the **safety / security** they receive in their trip at a rate of **75.13%** (78.57% was the previous measurement),
- evaluate **very well** the **cleanliness of vehicles** at a rate of **75.48%** (74.01% in the previous quarter of 2021),
- evaluate **very well** the **travel information** they receive from TRAINOSE at a rate of **76.26%** (74.59% was the previous measurement)
- evaluate **very well the punctuality** of the routes at a rate of **67.24%** (70.62% in the previous quarter of 2021).

The total picture of measurements as shown in the following graphs.




TRAINOSE works steadily to achieve the quality targets and the satisfaction of its passengers by implementing specific actions and improvement measures. So far, TRAINOSE aims to continuously improve the Quality Indicators and at the same time maintain them **in positive ratings over 70%**. Cases that do not meet these two conditions are investigated in order to launch appropriate corrective actions.

**Freight**

Contrary to what happened in the Passenger sector, the Freight sector has proved substantially resilient to the effects of the pandemics, with increases both in revenue and in production.

The quality of the service offered from and to the Port of Piraeus was improved, with more frequent routes, and a highly appreciated capacity to modulate the production timetables to the specificities of the services requested by its customers. Excellent results have also been achieved in the steel and military transport sectors, for which the Company continues to reserve particular attention.

During 2021, the Company also set up a new regular service at the port of Thessaloniki, which effectively contributed to further increases of revenues of the freight activities.

**ECONOMIC TREND AND FINANCIAL POSITION**

Separate reclassified statements, different from those envisaged by the IFRS-EU accounting standards adopted by FS Group, have been prepared (as detailed in the Notes), in order to illustrate the Company's economic and financial results. These reclassified statements contain alternative performance indicators with respect to those deriving directly from the financial statements, which the management considers to be useful for the purpose of monitoring the Company's performance, as well as representative of the economic and financial results generated by the business. The methods for calculating these indicators are indicated in the "Legend and Glossary" section.

Sales turnover for 2021 amounted to € 57.739.132 compared to € 49.216.530 in the corresponding period of 2020, i.e. an increase of approximately 17,32%. This significant increase is mainly due to the rise in passenger sales by 11,53% and the increase in Revenues from freight transportation by 9,71% Worth mentioning is also the increase of Revenues from other services (+169%) due to the increased number of recognized works on leased rolling stock which can be included in the "extended maintenance" program. The aforementioned factors, together with the non-repetition of special contributions for the impacts of Covid-19 (which amounted to € 4.000.000 in 2020) led the total income of the Company (including financial income) to increase from € 106.291.345 in 2020 to € 112.338.791 in 2021.

The total expenses of the Company recorded a small increase in 2021 (+1,27%), i.e. from € 89.617.346 in the year 2020 to € 90,759,412 in the year 2021. This small change is a function of a series of opposite variations in specific cost items. Personnel costs increased, in line with the increase in the size of the workforce, from € 40.336.603 to € 41.519.356. On the energy costs, electricity traction costs increased in proportion with the increase in the electrified trainkm produced by the Company, from € 6.219.362 in 2020 to € 7.151.385 of 2021; on the other hand, the reduced amount of diesel train-kms could not lead to a saving, due to the increases in unitary prices of fuel. Important changes are also recorded in the quantification of infrastructure access charges (from €14.184.411 of 2020, to € 12.748.163 of 2021), due to the determination of this cost by exclusive application of the 2019 pricing rules, in line with the contractual bindings of the Company to the Infrastructure Manager. The rest of the cost items record a stable or diminishing trend, thanks to a careful operation of cost management applied by the Company to its operating base, with the only exception of Security costs and Maintenance costs, both linked to the arrival in Greece of new units of rolling stock, for the needs of servicing such new assets led to the activation of new contracts with third parties.

All of the above factors led the Company's EBITDA to improve significantly, from € 16.673.999 to € 21.579.379. Whereas depreciations remained substantially stable, the positive outcome of legal cases, as well as the reduction of gross credit exposure, allowed for the net release of provisions by € 2.545.233, which further added to the increase of the Company's Operating Result (EBIT), which reached € 4.813.662 (up from a negative EBIT of € 10.820.234 recorded in 2020).

Whereas the net financial result remained stable with respect to previous year, the net income tax effect absorbed almost all of the positive result before taxes (€ 1.585.860), allowing the Company to close the year 2021 with a positive result after taxes of € 56.985, in comparison with a net loss of € 11.078.574 recorded in 2020.

| **Amounts in euro** | **1/1-31/12/2021** | **1/1-31/12/2020** | **%Δ** |
|---|---|---|---|
| Revenues from passenger transportation | 36,525,721 | 32,749,683 | 11.53% |
| Revenues from freight transportation | 15,268,213 | 13,916,554 | 9.71% |
| Revenues from PSO | 50,000,000 | 50,000,000 | 0.00% |
| Revenues from maintenance to thirds | 5,612,884 | 2,087,245 | 168.91% |
| Income of exchange of rolling stock | 332,313 | 463,048 | -28.23% |
| Income from contributions | - | 4,000,000 | -100.00% |
| Other operating income | 1,322,279 | 1,264,281 | 4.59% |
| Other income | 3,277,380 | 1,810,534 | 81.02% |
| **Total revenues** | **112,338,791** | **106,291,345** | **5.69%** |
| | | | |
| Personnel cost | (41,519,356) | (40,336,603) | 2.93% |
| Spare parts - Consumables | (866,104) | (1,028,735) | -15.81% |
| Electricity | (7,151,385) | (6,219,362) | 14.99% |
| Fuel | (8,327,313) | (8,287,372) | 0.48% |
| Network utilization duties | (12,748,163) | (14,184,411) | -10.13% |
| Rent of exchange of rolling stock | (1,472,586) | (1,737,766) | -15.26% |
| Cleaning services | (2,174,667) | (2,135,634) | 1.83% |
| Maintenance services | (2,097,715) | (404,424) | 418.69% |
| Real Estate Services and utilities (3rd party Security of Real Estate) | (2,129,304) | (1,807,056) | 17.83% |
| Lease of real estate | (56,497) | (386,662) | -85.39% |
| Rent of means of transport | (317,240) | (327,388) | -3.10% |
| Other expenses | (11,899,080) | (12,761,934) | -6.76% |
| **Total expenses** | **(90,759,412)** | **(89,617,346)** | **1.27%** |
| | | | |
| **Gross operating margin (EBITDA)** | **21,579,379** | **16,673,999** | **29.42%** |
| Depreciations | (19,310,950) | (18,630,470) | 3.65% |
| Provisions | 2,545,233 | (8,863,853) | -128.71% |
| | | | |
| **Operating result (EBIT)** | **4,813,662** | **(10,820,324)** | **-144.49%** |
| Net financial result | (3,227,802) | (3,190,878) | 1.16% |
| **Result before taxes** | **1,585,860** | **(14,011,202)** | **-111.32%** |
| Income taxes | (1,528,875) | 2,932,628 | -152.13% |
| **Result after taxes** | **56,985** | **(11,078,574)** | **-100.51%** |

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

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

Until the issuance of the decision of the agenda, the Company applied IAS 19, distributing the conditions defined by article 8 of L.3198 / 1955, L.2112 / 1920, and its amendment by L.4093 / 2012 in period. from the recruitment [until the completion of 16 years of work following the scale of Law 4093/2012] or [until the date of retirement of the employees].

The application of this final Decision in the attached financial statements, has as a result now the distribution of benefits in the last [16] years until the date of retirement of employees following the scale of Law 4093/2012. Thus, the above, led to a retrospective remeasurement of the personnel benefit liability due to termination of employment. Hence, TRAINOSE's, equity balance as at 1.1.2020 was restated by 3.135.987 EUROS, increasing the equity figure. Annual result of the year ended 31.12.2020 was also restated by 1.487.358 additional loss. As a result, the losses of the fiscal year of 2020 were increased from 9.591.216 to 11.078.574.

## INVESTMENTS

On July 23rd of 2019, the purchase contract of 5 trains from Trenitalia has been signed for a total consideration of 47,5 million euros. The train model, ETR470, is destined to service new high-speed services between Athens and Thessaloniki, with higher seating capacity, upgraded comfort and safety standards compared to the rolling stock available in the Greek market. The new trains will be delivered in Greece after a full revamping cycle by the manufacturer (the 3 first units have entered the Greek network during 2021) and are expected to begin commercial services gradually around the beginning of the second quarter of 2022.

The Company began the renovation of the Thessaloniki Rolling Stock Depot in September 2020 to meet the needs of a suitable depot for the new rolling stock, as well as to acquire the necessary equipment and modernize the existing premises. At the end of the year 2021, the value of the works performed were circa 15,5 million euros out of a contractual amount of circa 15,6 million euros.

The Company also assigned in April 2021 Platform to the FS Group specialized technology company, FS Technology, the development of a Commercial Platform, based on the solutions already in use from the other passenger transportation companies of the FS Group and customized for the needs of the Greek market, for an investment value of 1,65 million euros. The development was still in progress at year end and rollout is expected to take place within the second quarter of 2022.

## RELATED PARTY TRANSACTIONS

Interrelations between TRAINOSE S.A., FS Italiane Group companies, and between these and other related parties are generally carried according to criteria of fairness, with the aim of ensuring mutual economic convenience, guided by the normal market conditions, which - where appropriate - are even identified with the help of external consultants; inter-company transactions share the common goal of creating efficiency and, therefore, value for FS Italiane Group as a whole.

These processes and transactions take place in compliance with the sector-specific, civil and tax legislation, in compliance with the Group and the Corporate Administrative Accounting Procedures and taking into account the characteristics and the specific aspects of the activities carried out by many of the Group's companies.

The most significant transactions are analyzed in the table below:

Values in Euros

| Company's Name | 31/12/2021 | | | | 2021 | | |
|---|---|---|---|---|---|---|---|
| **Parent companies** | Receivables | Payables | Loans | Acquisition of rolling stock & commercial platform | Finance costs – Loans | Costs | Revenues |
| FERROVIE DELLO STATO ITALIANE S.p.A. | - | (91.351) | 36.292.553 | - | 636.695 | 156.095 | 567.221 |
| FS TECHNOLOGY | - | 1.702.002 | - | 1.650.002 | - | 52.000 | - |
| TRENITALIA/CORP S.p.A. | - | 29.910.520 | - | 29.326.045 | - | 642.033 | 150.333 |
| RFI | - | 15.511 | - | - | - | 15.511 | - |
| MERCITALIA SHUNTING & RAIL | - | 4.906 | - | - | - | 4.906 | - |

## MANAGEMENT OUTLOOK

The management of the Company has launched an ambitious set of actions aimed at modernizing the operations and functioning of the Company, whose benefits are expected to be accrued already during 2022.

The upgrading of the Company's control room, in synergy with the Infrastructure Manager, will allow the Company to manage in the best possible way eventual criticalities and to minimize risks with appropriate monitoring and control systems shared between the Company and the Infrastructure Manager. Moreover, the Company is readying a project of rail terotechnology, again in partnership with the Infrastructure Manager, aimed at the prevention of risk of the worsening of conditions of the railway infrastructure, so to improve the safety and global quality of the railway operations, through the adoption of scientifically proven systems of on-condition maintenance and, prospectively, of predictive maintenance.

Particular attention will be given to the integration of the railway system with the urban centers, also with green last-mile mobility solutions such as bike and car sharing, programmed for the beginning of exercise of the ETR470 fleet, which has been homologated by the Regulatory Authority. Another strategic initiative of the Company, in this respect, is the promotion of touristic and cultural services, with the usage of historical trains aimed at promoting the artistic, environmental and archeological heritage of Greece, as well as "trains of taste" for the promotion of eno-gastronomical local products, in synergy with the Government and the Chambers of Commerce.

Such a strategy of optimizing the global quality of integrated railway transportation will be extended, during 2022, to a project of enhancement and development of the passenger station network, which the relevant institutional counterparts will individuated together with the Company, in order to improve the handling and quality levels in favor of our customers. Moreover, the Company has initiated a process of modernization of its ICT infrastructure, firstly through the development of a new commercial platform expected to roll out within the first half of 2022, and promoting suitable initiatives in the fields of cybersecurity and data protection, adapting protocols to the needs of the full control of connected risks.

Finally, particular importance must be given to the work of the management aimed to renew the PSO agreement for a period of 10+5 years, which is currently pending the formalization of the Court of Auditor exam and is expected to be signed immediately after. This PSO agreement foresees an investment plan which is key to strengthen the safety, quality, efficiency and dependability of the rail services offered by the Company to the entire Greek society as well as to the European mobility corridors, favoring the usage of new technologies and of green systems.

In this context must be placed, for example, the planned acquisition of new hydrogen-powered rolling stock as well as last-generation electrical traction trainsets which will constitute a first, important keystone in the innovative policies of sustainable mobility championed by the Company and the Ferrovie dello Stato Italiane group to which it belongs.

Athens, 9/3/2021

| | |
|---|---|
| Maurizio CAPOTORTO | Prof. Dario LO BOSCO |
| Chief Executive Officer | Chairman of Board of Directors |
| TRAINOSE S.A. | TRAINOSE S.A. |

## Independent Auditors' Report
## (Translated from the original in Greek)

To the Shareholders of
TRAINOSE TRANSPORTATIONS – PASSENGER AND CARGO TRANSPORTATION SERVICES RAILWAY SOCIETE ANONYME

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying Financial Statements of TRAINOSE TRANSPORTATIONS – PASSENGER AND CARGO TRANSPORTATION SERVICES RAILWAY SOCIETE ANONYME (the "Company") which comprise the Statement of Financial Position as at 31 December 2021, the Statements of Comprehensive Income, Changes in Equity and Cash Flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying Financial Statements present fairly, in all material respects, the financial position of TRAINOSE TRANSPORTATIONS – PASSENGER AND CARGO TRANSPORTATION SERVICES RAILWAY SOCIETE ANONYME as at 31 December 2021 and its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA), which have been incorporated in Greek legislation. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* and the ethical requirements that are relevant to the audit of the financial statements in Greece and we have fulfilled our ethical responsibilities in accordance with the requirements of the applicable legislation and the aforementioned Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Other Information

Management is responsible for the other information. The other information comprises the information included in the Board of Directors' Report, which is further referred to in the "Report on Other Legal and Regulatory Requirements" but does not include the Financial Statements and our auditors' report thereon.

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

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

## Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the Financial Statements in accordance with International Financial Reporting Standards as 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.

## Auditors' 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 auditors' 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 which have been incorporated in Greek legislation will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with ISAs, which have been incorporated in Greek legislation, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

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

### 1. Board of Directors' Report

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

(a) In our opinion, the Board of Directors' Report has been prepared in accordance with the applicable legal requirements of Articles 150 and 153 of L. 4548/2018 and its contents correspond with the accompanying Financial Statements for the year ended 31 December 2021.

(b) Based on the knowledge acquired during our audit, relating to TRAINOSE TRANSPORTATIONS – PASSENGER AND CARGO TRANSPORTATION SERVICES RAILWAY SOCIETE ANONYME and its environment, we have not identified any material misstatements in the Board of Directors' Report.

Athens, 24 March 2022

KPMG Certified Auditors S.A.
AM SOEL 114

Evangelia Karatsori, Certified Auditor Accountant
AM SOEL 21181

# Annual financial report as of 31 December 2021

## Statement of Financial Position

| | Notes | 31.12.2021 | 31.12.2020* |
|---|---|---|---|
| | | | *values in Euros* |
| **Non-Current Assets** | | | |
| Property, plant and equipment | 5 | 64.163.703 | 24.809.104 |
| Royalties to Property, plant and equipment (Finance Lease-IFRS 16) | 6 | 54.008.646 | 66.810.449 |
| Spare Parts of rolling stock | 5 | 21.144.602 | 20.114.719 |
| Intangible assets | 7 | 1.621.194 | 1.716.110 |
| Deferred tax assets | 8 | 4.204.227 | 5.859.024 |
| Other non-current assets | 9.1 | 917.436 | 915.324 |
| **Total non-current assets** | | **146.059.808** | **120.224.730** |
| **Current Assets** | | | |
| Inventories | 11 | 4.973.301 | 2.056.010 |
| Current trade receivables | 10 | 7.003.876 | 17.504.654 |
| Cash and cash equivalents | 9.2 | 17.847.293 | 25.396.903 |
| Other Current Assets | 12 | 50.368.853 | 42.222.735 |
| **Total Current Assets** | | **80.193.323** | **87.180.302** |
| **Total Assets** | | **226.253.131** | **207.405.032** |
| | | | |
| **Equity** | | | |
| Share capital | 13 | 34.406.509 | 34.406.509 |
| Reserves | 13 | (852.487) | (1.350.498) |
| Profits (Losses) carried forward | 13 | (12.317.511) | (1.238.937) |
| Profit (Loss) for the financial year | 13 | 56.985 | (11.078.574) |
| **Total Shareholders' Equity** | | **21.293.496** | **20.738.499** |
| | | | |
| **Non-Current Liabilities** | | | |
| Medium/long-term loans | 14 | 32.300.000 | 23.100.000 |
| Post-employment benefits and other employee benefits | 15 | 4.882.524 | 5.796.819 |
| Provisions for risks and charges | 16 | 6.830.309 | 12.202.779 |
| Non-current financial liabilities (including derivatives) | 17 | 44.771.081 | 54.164.899 |
| Other non-current liabilities | 18 | 70.000 | 1.090.542 |
| **Total non-current liabilities** | | **88.853.914** | **96.355.038** |
| **Current Liabilities** | | | |
| Short-term loans and current portion medium/long-term loans | 14 | 3.992.553 | 2.900.000 |
| Current trade payables | 19 | 80.284.005 | 57.924.190 |
| Current financial liabilities (IFRS 16) | 17 | 11.711.664 | 14.681.992 |
| Other current liabilities | 18 | 20.117.499 | 14.805.312 |
| **Total current liabilities** | | **116.105.721** | **90.311.494** |
| **Total liabilities** | | **204.959.635** | **186.666.533** |
| **Total Equity and liabilities** | | **226.253.131** | **207.405.032** |

***The accompanying notes in pages 32 to 90 are integral part of the Financial statements.***

***Pursuant to IASB Decision 12A / May 2021 "Attributing Benefit to Periods of Service (IAS 19)", the methodology for calculating the liability was modified regarding the time limits of the possibility of receiving compensation due to the retirement of each employee. The basic financial statements should be read in conjunction with the accompanying notes. For items that change due to the effect of the methodology of IAS 19 see note 15.**

## Income statement

| Values in euro | Notes | 2021 | 2020* |
|---|---|---|---|
| Income from sales and services | 20 | 57.739.132 | 49.216.530 |
| Revenue from PSO (Public Service Obligation) | 20 | 50.000.000 | 50.000.000 |
| Income from contributions | 20 | - | 4.000.000 |
| Other income | 21 | 4.643.122 | 3.074.815 |
| **Total revenue and income** | | **112.382.254** | **106.291.345** |
| Personnel costs | 22 | (41.519.356) | (40.336.603) |
| Raw materials, consumables, supplies and merchandise | 23 | (16.344.803) | (15.535.468) |
| Costs for services | 24 | (29.644.664) | (29.715.311) |
| Costs for leased assets | 25 | (373.738) | (714.050) |
| Other operating costs | 26 | (2.920.314) | (3.315.914) |
| **Total operating costs** | | **(90.802.875)** | **(89.617.346)** |
| **Amortisations** | 28 | (19.310.950) | (18.630.470) |
| Provisions | | 2.545.233 | (8.863.853) |
| **Operating income** | | **4.813.662** | **(10.820.324)** |
| Financial income | 29 | 16.669 | 345.762 |
| Financial expenses | 30 | (3.244.471) | (3.536.640) |
| **Total financial income and expenses** | | **(3.227.802)** | **(3.190.878)** |
| **Income before taxes** | | **1.585.860** | **(14.011.202)** |
| Income taxes | 31 | (1.528.875) | 2.932.628 |
| **Net operating result** | | **56.985** | **(11.078.574)** |

*The accompanying notes in pages 32 to 90 are integral part of the Financial statements.*

*Pursuant to IASB Decision 12A / May 2021 "Attributing Benefit to Periods of Service (IAS 19)", the methodology for calculating the liability was modified regarding the time limits of the possibility of receiving compensation due to the retirement of each employee. The basic financial statements should be read in conjunction with the accompanying notes. For items that change due to the effect of the methodology of IAS 19 see note 15.

## Statement of comprehensive income

| *values in Euros* | Notes | 2021 | 2020* |
|---|---|---|---|
| **Net operating result** | | **56.985** | **(11.078.574)** |
| Actuarial Gains/ (Losses) of Defined Personnel Benefits | 15 | 1.029.645 | 1.336.008 |
| Deferred Tax on other Comprehensive Income | 8 | (226.522) | (320.642) |
| Actuarial Gains/ (Losses) of DBO on Receivables | | (305.111) | (165.960) |
| **Total comprehensive income for the fiscal year** | | **554.997** | **(10.229.168)** |

*The accompanying notes in pages 32 to 90 are integral part of the Financial statements.*

*Pursuant to IASB Decision 12A / May 2021 "Attributing Benefit to Periods of Service (IAS 19)", the methodology for calculating the liability was modified regarding the time limits of the possibility of receiving compensation due to the retirement of each employee. The basic financial statements should be read in conjunction with the accompanying notes. For items that change due to the effect of the methodology of IAS 19 see note 15.

## Statement of changes in Equity

| | Share capital | Reserve for actuarial gains/(losses) for employee benefits | Extraordinary reserve due to merge with EESSTY S.A. | Other reserves | Total Reserves | Profits (losses) carried forward | Profit (loss) for the financial year | Total Shareholders' Equity |
|---|---|---|---|---|---|---|---|---|
| **Balance as of 1 January 2020** | **34.406.509** | **(4.998.907)** | **2.785.908** | **13.094** | **(2.199.904)** | **(4.374.924)** | **-** | **27.831.681** |
| **Change In accounting Estimate*** | - | - | - | - | - | **3.135.987** | - | **3.135.987** |
| Capital increase (capital reduction) | - | - | - | - | - | - | - | - |
| Other changes due to merge with EESSTY S.A. | - | - | - | - | - | - | - | - |
| Total Profit/(Losses) recognised of which: | - | - | - | - | - | - | - | - |
| Profit/(Loss) for the financial year | - | - | - | - | - | - | **(11.078.574)** | **(11.078.574)** |
| Profits/(Losses) recognised directly in Equity | - | **849.406** | - | - | **849.406** | - | - | **849.406** |
| **Balance as of 31 December 2020** | **34.406.509** | **(4.149.501)** | **2.785.908** | **13.094** | **(1.350.498)** | **(1.238.937)** | **(11.078.574)** | **20.738.500** |
| **Balance as of 1 January 2021** | **34.406.509** | **(4.149.501)** | **2.785.908** | **13.094** | **(1.350.498)** | **(12.317.511)** | **-** | **20.738.500** |
| Capital increase (capital reduction) | - | - | - | - | - | - | - | - |
| Other changes | - | - | - | - | - | - | - | - |
| Total Profit/(Losses) recognised of which: | - | - | - | - | - | - | - | - |
| Profit/(Loss) for the financial year | - | - | - | - | - | - | **56.985** | **56.985** |
| Profits/(Losses) recognised directly in Equity | - | **498.012** | - | - | **498.012** | - | - | **498.012** |
| **Balance as of 31 December 2021** | **34.406.509** | **(3.651.489)** | **2.785.908** | **13.094** | **(852.487)** | **(12.317.511)** | **56.985** | **21.293.496** |

***The accompanying notes in pages 32 to 90 are integral part of the Financial statements.***

***Pursuant to IASB Decision 12A / May 2021 "Attributing Benefit to Periods of Service (IAS 19)", the methodology for calculating the liability was modified regarding the time limits of the possibility of receiving compensation due to the retirement of each employee. The basic financial statements should be read in conjunction with the accompanying notes. For items that change due to the effect of the methodology of IAS 19 see note 15.**

## Statement of cash flows

| *Values in euro* | 1/1-31/12/2021 | 1/1- 31/12/2020* |
|---|---|---|
| **CASH FLOW FROM OPERATING ACTIVITIES** | | |
| **Profit(loss) for the period** | **56.985** | **(11.078.574)** |
| Plus / (Minus) Adjustments on: | | |
| Income Taxes | 1.528.875 | (2.932.628) |
| Amortization and depreciation | 19.310.950 | 18.630.470 |
| Risk provisions | (5.159.373) | 6.116.477 |
| Accruals for employee benefits payment | 2.288.380 | 1.439.567 |
| Financial interest and related expenses | 3.244.471 | 3.536.640 |
| Financial and related income | (16.669) | (345.762) |
| **Total** | **21.253.619** | **15.366.190** |
| **Changes in Working Capital** | | |
| (Increase) / Decrease in inventory | (4.991.520) | (3.764.115) |
| (Increase) / Decrease in short-term receivables | 476.328 | (18.538.272) |
| (Increase) / Decrease in long-term receivables | (2.113) | (23.346) |
| Increase / (Decrease) in liabilities | (20.069.341) | 1.057.822 |
| Increase / (Decrease) of restricted cash | 1.500.000 | - |
| Payment of employee benefits | (586.534) | (360.000) |
| Less: | | |
| Paid interest and relevant expenses | (280.389) | (201.227) |
| Paid income tax | (165.646) | (496.518) |
| Paid compensation for other risks | (87.500) | (314.303) |
| **Total inflows / (outflows) from Operating Activities** | **(2.953.096)** | **(7.273.767)** |
| | | |
| **CASH FLOW FROM INVESTING** | | |
| Purchases of property, plant and equipment | (13.501.359) | (20.494.032) |
| Matured interests | 15.355 | 345.762 |
| **NET CASH FLOW GENERATED FROM INVESTING AC TIVITIES** | **(13.486.004)** | **(20.148.270)** |
| | | |
| **CASH FLOW FROM FINANCING ACTIVITIES** | | |
| Loans received | 13.000.000 | 5.000.000 |
| Loans paid | (2.900.000) | (2.000.000) |
| Cash inflow due to merger | - | - |
| Interest paid | (577.522) | (795.343) |
| **NET CASH FLOW GENERATED FROM FINANCING ACTIVITIES** | **10.389.490** | **2.204.657** |
| | | |
| **Total cash flow generated in the year** | **(6.049.610)** | **(25.217.381)** |
| Cash and cash equivalents at the beginning of the period | 23.896.903 | 49.114.284 |
| **Cash and cash equivalents at the end of the period** | **17.847.293** | **23.896.903** |

*The accompanying notes in pages 32 to 90 are integral part of the Financial statements.*

*Pursuant to IASB Decision 12A / May 2021 "Attributing Benefit to Periods of Service (IAS 19)", the methodology for calculating the liability was modified regarding the time limits of the possibility of receiving compensation due to the retirement of each employee. The basic financial statements should be read in conjunction with the accompanying notes. For items that change due to the effect of the methodology of IAS 19 see note 15.

# Notes on the financial statements

## 1. Preliminary remarks

«TRAINOSE TRANSPORTATIONS – PASSENGER AND CARGO TRANSPORTATION SERVICES RAILWAY SOCIETE ANONYME» (henceforth also referred to as the "Company" or "TRAINOSE S.A." has the legal entity of a Societe Anonyme, is registered in the Societe Anonyme Register with no. 59777/001/B/05/0584 and in Greek Business Register with no. 6780801000.

The Company was established as a Societe Anonyme company in 2005, with a decision of the Ministry of Transportation and Communication (Φ4/65206/5120/22-11-2005) and its corporation document was published on Government Gazette FEK 12948/20-12-2005 volume of Societe Anonyme and Limited Companies. The incorporation document was published on 28/12/2018 GEMI No 1346769 (KAK: 1612039), regarding the decrease of the share capital (Note 10). The last amendment was published in Greek Business Register on 05/12/2020 regarding a) article 2 (purpose of the Company) and b) the alignment of other articles with L. 4548/2018, according to the Extraordinary Shareholders' Meeting on 05/12/2019. The Company's complete name is «TRAINOSE TRANSPORTATIONS – PASSENGER AND CARGO TRANSPORTATION SERVICES RAILWAY SOCIETE ANONYME» and its distinctive title «TRAINOSE S.A.».

The Company's headquarters and the offices of the Company's Management are located at a leased property at Syggrou 41 & Petmeza 13 str. in Athens.

According to Article 1 of the Article of Association, Company's duration is set at 50 years, calculated from the day that was registered in the Societe Anonyme Registry.

On July 14, 2016 the HRADF (Hellenic Republic Asset Development Fund) Board of Directors, announced that from the evaluation of the proposals which were offered for the purchase of TRAINOSE's 100% of shares, the Italian railway company «Ferrovie Dello Stato Italiane S.p.A» offering of € 45 million total value, was evaluated as the preferred investor for the particular acquisition. On January 18th 2017 the sale of the 100% TRAINOSE's shares, to the Italian railway company «Ferrovie Dello Stato Italiane S.p.A.», was signed. The completion of the contract agreement was finalized on 14.9.2017.

From September 14, 2017 Company's shareholder is Ferrovie Dello Stato Italiane S.p.A. with 100% participation.

On 1.6.2019, Ferrovie Dello Stato Italiane S.p.A transferred all the shares of TRAINOSE SA, to its subsidiary TRENITALIA S.p.A..

Briefly the basic information of the Company are the following:

| | |
|---|---|
| **GEMI Number** | 6780801000 |
| **Tax Register Number (AFM)** | EL999645865 |
| **Headquarters Address** | Syggrou 41 & Petmeza 13, 117 43, Athens, Greece |
| **Board of Directors composition**<br><br>**Board of Directors formation as elected on 18.10.2021** | Lo Bosco Dario (Chairman of BoD)<br>Capotorto Maurizio (Managing Director of BoD)<br>Caposciutti Marco (Member)<br>Carosio Daniela (Member)<br>Serra Francesca (Member) |

### 1.1. Objective of Activity

As it is described by Article 2 of the Articles of Association, the Company's objective of activity consists of:

- Providing pull services for the railway transportation cargo and passengers.
- Developing, organizing and commercially exploiting urban, suburban, regional, and international railway cargo and passenger transportation.
- Establishment and operation of general tourist offices domestic or abroad, as well as agency of transportation companies and general tourism offices.
- Organizing, exploiting commercially and providing lodging and catering.
- Organizing and operating the manufacturing, repair and maintenance of the railroad material.
- Developing, organizing and commercially exploiting transportations, which serve the purpose of improving the country's transportation system and integration.
- Development of any other activity which contributes to the growth of transportation and public transportation services

The publication of these financial statements was authorised by the Directors on 09/03/2021 and the same will be submitted to the Shareholders' Meeting for approval and subsequent filing, within the terms established by law. The Shareholders' Meeting has the power to make changes to these financial statements.

KPMG Certified Auditors – Accountants S.A. has been engaged to perform the statutory audit of the accounts.

## 2. Criteria for the preparation of the financial statements

These financial statements for the year ended on 31 December 2021 have been prepared in accordance with the *International Accounting Standards* (IAS) and the *International Financial Reporting Standards* (IFRS) issued by the International Accounting Standards Board (IASB), and the interpretations issued by the *IFRS Interpretations Committee* (IFRIC) and the *Standing Interpretations Committee* (SIC), recognised in the European Union pursuant to regulation (EC) no. 1606/2002 and in force at the end of the financial year (the set of all the reference standards and interpretations indicated above are henceforth referred to as the "EU-IFRS"). In particular, the EU-IFRS have been applied consistently to all the periods contained within this document.

It should also be noted that these financial statements have been prepared based on the best available knowledge of the EU-IFRS, and taking into account the best interpretations in this field; any future interpretative guidance and updates will be reflected in subsequent fiscal years in accordance with the methods required by the financial reporting standards, on a case-by-case basis.

The Company's functional currency, and the base currency for presenting the financial statements, is the Euro, which is the current currency of the main countries in which the Company operates; unless otherwise indicated.

The financial statements are made up of the Statement of Financial Position, the Income Statement, the Comprehensive Income Statement, the Statement of Changes in Equity, the Cash Flow Statement and the relative Explanatory Notes; in particular:

- the Statement of Financial Position has been prepared by classifying the assets and liabilities according to the "current/non-current" criterion,

- the income statement was prepared by classifying the costs by nature, providing separate disclosure, if present, of the net results of the continuing operations and those of the discontinued operations;
- In addition to the operating result, the comprehensive income statement also includes any other changes in the shareholders' equity items attributable to transactions not carried out with the Company's shareholders;
- the Statement of changes in Shareholders' Equity provides separate disclosure of the operating result for the year and any other change not recorded on the income statement;
- The Cash Flow Statement has been prepared by stating the cash flows resulting from operating activities according to the indirect method.

The Financial Report is also accompanied by the Management Report included with the financial statements.

These financial statements have been prepared in accordance with the going concern assumption, as the directors have verified the absence of any financial, managerial, or other indicators that could indicate problems with the Company's ability to cope with its obligations in the foreseeable future and, in particular, over the next 12 months.

The financial statements have been prepared based on the conventional historical cost criterion, except for the cases where the application of the fair value criterion is required.

It should also be noted that the term "current" means the 12 months following the reference date of this document, while the "non-current" means periods more than 12 months beyond the same date.

The same accounting standards adopted for the preparation of the Financial Statements as of 31 December 2019 were applied during the preparation of these financial statements.

## 3. Main accounting standards applied

The accounting standards and the most significant assessment criteria used for the preparation of the financial statements are indicated below.

**Property, plant and equipment**

The property, plant and equipment are recorded at purchase or production cost, net of accumulated depreciation and any impairment losses. The purchase or production cost includes the costs directly incurred to prepare the assets for their use, as well as any dismantling and removal costs that will be incurred as a result of contractual obligations requiring the asset to be restored to its original conditions. The financial charges directly attributable to the purchase, construction or production of qualified assets are capitalised and amortized based on the useful life of the asset to which they refer. The costs of an incremental nature for the improvement, modernisation and transformation of tangible assets are recognised among the balance sheet assets.

Charges incurred for routine maintenance and repairs are ascribed directly to the income statement when incurred. The capitalisation of the costs associated with the expansion, modernisation or improvement of structural elements owned or used by third parties is carried out to the extent that they meet the requirements for being separately classified as an asset or part of an asset, applying the component approach criterion, according to which each component subject to an autonomous assessment of its useful life and value must be dealt with individually.

Depreciation is calculated systematically based on the rates deemed to be representative of the assets' estimated economic-technical useful life.

Where necessary, the useful life and residual value of the tangible fixed assets are reviewed and updated at least at the end of each year. Land is not depreciated.
The depreciation rates and useful lives are as follows:

| Category | Depreciation rate |
|---|---|
| Buildings | *from 5 to 20 years* |
| Mechanical equipment | *from 5 to 10 years* |
| Means of transport | *from 5 to 10 years* |
| Other equipment | *from 4 to 6 years* |

**Leases**

i. Identification

On the start date of a lease or rental contract (the inception date, meaning the date upon which the contract is signed or that upon which the parties undertake to respect the contractual terms, whichever comes first) and with every subsequent amendment of the relative contractual terms and conditions, the Company verifies whether it contains or represents a lease. In particular, a contract is deemed to contain or represent a lease if it transfers the right to control the use of an identified asset, for a set period of time, in exchange for a fee. For contracts containing multiple components of a leasing and non-leasing nature, and therefore falling under other accounting standards, the Company separates the various components.
The lease begins when the lessor renders the asset available to the lessee (commencement date) and is determined considering the period of the contract that cannot be cancelled, i.e. the period during which the parties have legally enforceable rights and obligations, even including rent-free periods. This duration is combined with:

- the period covered by a contract renewal option, when the Company is reasonably certain that it will be exercising this option;
- the periods following the termination date (termination option), when the Company is reasonably certain that it will not be exercising this option.

Termination options held only by the lessor are not considered.
The Company has chosen not to apply IFRS 16 to short term leases, or rather those which have a duration of less than 12 months; to low value lease contracts, or rather those in which the value of the asset, when new, or else the overall contract, is equal to or less than € 5,000. For these types of contracts, the Company recognises the payments due as a cost according to a straight-line criterion, or else with another systematic criterion, if more representative.

ii. Subsequent accounting

As of the effective date of the lease, the Company recognises the Right of Use (RoU) asset under the corresponding fixed assets item, based on the nature of the asset itself, and the lease liabilities are classified among the Current and non-current financial liabilities items. The asset consisting of the right of use is initially valued at cost, including the amount of the lease liability's initial valuation, adjusted for any lease payments made on or before the effective date, increased by the initial direct costs incurred, and an estimate of the costs that the lessee will have to bear for the dismantling and removal of the underlying asset, or for the restoration of the underlying asset or the site where it is located, net of the leasing incentives received.

The lease liability is valued as the actual value of the payments due for the lease not paid on the effective date. Whenever possible, and if able to be discerned from the contract, the Company uses the implicit interest rate of the lease or, alternatively, the IBR incremental borrowing rate for discounting purposes. The lease payments included in the assessment of the liability include the fixed payments, the variable payments that depend on an index or rate, the amounts expected to be paid as a guarantee on the residual value, the price of exercising the purchase option (which the Company is reasonably certain to exercise), the payments due during the optional renewal period (if the Company is reasonably certain to exercise the renewal option), and the early termination penalties (unless the Company is reasonably certain that it will not terminate the lease early).

The right of use of leased assets are recorded at purchase cost, net of accumulated depreciation and any impairment losses.

The right of use asset is subsequently depreciated on a straight-line basis for the entire duration of the contract, unless the contract itself provides for the transfer of ownership at the end of the lease-term, or the cost of the lease does not reflect the fact that the lessee will exercise the option to purchase. In the latter case, the depreciation will be take place over the useful life of the asset or the duration of the contract, whichever is shorter. The estimated useful lives of the assets for the right of use are calculated according to the same criterion applied to the fixed asset items of reference. The right of use asset is also decreased by any impairment losses in relation to the CGU to which the same right is allocated and is adjusted to reflect the recalculation of the lease liability.

Following its initial valuation as of the commencement date, the lease liability is valued at the depreciated cost using the effective interest criterion, and is recalculated if the future lease payments have been modified due to a change in the index or rate, if the amount that the Company expects to have to pay as a guarantee on the residual value has changed, or if the Company alters its assessment as to whether it intends to exercise a purchase, extension or termination option. When the lease liability is recalculated, the lessee makes a corresponding change to the right of use asset. If the book value of the right of use asset is reduced to zero, the change is recognised in the profit/(loss) for the year.

On the statement of financial position, the Company lists the right of use assets among the same items in which the underlying assets of the lease would be listed if they were owned and lists the lease liabilities among the other financial liabilities. On the income statement, the interest expenses on the lease liabilities constitute a financial expense component and are listed separately from the right of use assets' depreciation amounts.

**Intangible assets**

Intangible assets are identifiable non-monetary assets without physical substance that are able to be monitored and are intended to generate future economic benefits. These items are recognised at purchase and/or production cost, including expenses directly attributable to preparing the asset for use, net of accumulated depreciation (except for intangible assets with an indefinite useful life) and any impairment losses. Any interest expenses accrued during the useful lives and for the development of the intangible assets are considered part of the purchase cost. Depreciation begins when the asset is available for use, and is systematically distributed in relation to its residual possibility of use, or rather based on its estimated useful life. In particular, the following main intangible assets can be identified within the context of the Company:

*(a) Concessions, licenses and trademarks*

Concessions, licenses and trademarks are amortised on a straight-line basis over their relative durations.

The costs of software licenses, including the costs incurred to render the software ready for use, are amortised on a straight-line basis over their relative durations. The costs associated with the maintenance of the software programs are expensed at the time in which they are incurred.

*(b) Patent and intellectual property rights*

Patents and intellectual property rights are amortised on a straight-line basis over their useful lives.

*(c) Goodwill*

Goodwill is the difference between the cost incurred for the acquisition of a business and the current value of the relative identifiable assets and liabilities acquired at the time of acquisition. Goodwill is classified as an intangible asset with an indefinite useful life, and therefore is not subjected to systematic amortisation, but rather an assessment aimed at identifying any impairment (impairment test) on at least an annual basis. Restoration of goodwill is not permitted in the case of a previous write-down for impairment.

For the purposes of conducting the impairment test, the goodwill acquired in a business combination is allocated to the individual Cash Generating Units (CGUs) or to groups of CGUs that are expected to benefit from the synergies of the combination, an a manner consistent with the minimum level at which such goodwill is monitored within the Company.

*(d) Research and development costs*

The costs related to the research activities are recorded on the income statement for the year in which they are incurred, while the development costs are recorded among the intangible assets once all the following conditions are met:

- the project is clearly identified and the costs associated with it can be reliably identified and measured;
- the project's technical feasibility is demonstrated;
- the intention to complete the project and to sell the intangible assets generated by the project is demonstrated;
- there is a potential market for, or in case of internal use, the usefulness of the intangible asset for the production of the intangible assets generated by the project is demonstrated;
- the technical and financial resources necessary to complete the project are available.

The amortisation of any development costs recorded among the intangible assets starts from the date on which the result generated by the project is able to be used, and is carried out over a period of 5 years.

If the research phase of an identified internal project for the formation of an intangible asset cannot be distinguished from the development phase, the cost resulting from this project is recorded entirely on the income statement as if it had been exclusively incurred during the research phase.

The profits and losses resulting from the alienation of an intangible asset are determined as the difference between the divestment value, net of sales costs, and the carrying value of the asset, and are recognised on the income statement at the time of the alienation.

**Agreements for licensed services**

Agreements for licensed services, in which the licensor is a public sector entity and the licensee is a public-to-private sector entity, only fall within the scope of IFRIC 12 if the prerequisites for regulating services and the prerequisite for checking the residual interest are both met. In particular, this interpretation applies if the infrastructure is subject to the provision of services to the public, and the agreement requires the licensor to:

- monitor or regulate which services that the licensee must provide with the infrastructure, to whom it must provide them, and at what price; and
- control any significant residual interest in the infrastructure at the deadline of the license period, either through ownership or in another manner.

For licenses that fall within these cases, the Company does not record the infrastructure among the Property, plant and equipment items, but recognises the following at fair value, either alternatively or jointly: the intangible asset, if the licensee obtains the right to make the users pay the fee for the construction or improvement of the infrastructure; and the financial asset when said construction or improvement give rise to an unconditional contractual right to receive cash from the licensor or from the subject identified by the latter without the possibility of avoiding payment. The costs and revenues associated with the investment activities are recognised on a contractual basis with reference to the completion phase, as better detailed with reference to the construction contracts. The recognition of tariff revenues, however, continues to be carried out according to the provisions of the section below concerning Revenues, just as any intangible assets follow the amortisation associated with the license period of reference, with a criterion that reflects the estimate and the method of consumption of the economic benefits incorporated within the law; to this end, the amortisation rates are calculated taking into account the duration of the license. The provisions for the licensing commitments include the provisions relating to the specific obligations to restore, adapt and replace the infrastructure in order to return it to its normal state of use, and are only set aside if these obligations are envisaged in the licensing contract, and if the licensee does not receive additional economic benefits at the same time.

**Impairment of tangible and intangible assets**

*Assets (tangible and intangible) with a finite useful life*

On each of the financial statements' reference dates, checks are carried out to determine whether there are any indications that tangible and intangible fixed assets have suffered impairment losses. For this purpose, both internal and external sources of information are taken into account. With regards to the former (internal sources), the following are taken into consideration: the obsolescence or physical deterioration of the asset, any significant changes in the use of the asset, and the asset's economic performance in relation to the expectations. With regard to external sources, the following are taken into consideration: the trend of the assets' market prices, any technological, market or regulatory discontinuity, the trend of the market interest rates or the cost of capital used to evaluate the investments.

If such indicators are determined to be present, the recoverable value of the aforementioned assets is estimated (Impairment test), with any depreciation with respect to the relative book value being recorded on the income statement. An asset's recoverable value is to be understood as the greater of either the fair value, less the ancillary sales costs, and the relative value of use, with the latter being understood as the actual value of the future cash flows for that asset. In determining the value in use, the expected future cash flows are discounted using a discount rate that reflects the current market assessments of the cost of money in relation to the period of the investment and risks specific to the asset. For an asset that does not generate largely independent cash flows, the recoverable value is determined in relation to the cash generating unit (CGU) to which the asset belongs.

An impairment loss is recorded on the income statement whenever the carrying amount of the asset, or of the cash generating unit to which it is allocated, exceeds the relative recoverable value. The impairment losses of a cash generating unit are first recorded as a reduction of the carrying amount of any goodwill attributed to the same, and then as a reduction of the other assets, in proportion to their carrying values, and within the limits of their recoverable values. If the conditions for a write-down previously carried out no longer subsist, the carrying amount of the asset is restored through registration on the income statement, within the limits of the carrying value that the asset in question would have had if the write-down had never been done and the relative amortisations had been carried out.

*Goodwill and intangible assets not yet available for use*

The recoverable value of goodwill and intangible assets not yet available for use is subject to a verification of the value's recoverability (impairment test), either annually or more frequently, if there are any indicators suggesting the aforementioned assets may have suffered an impairment. The original value of the goodwill is not restored, however, if the reasons for the impairment no longer exist.

**Shareholdings in subsidiaries, associates, joint ventures and other shareholdings**

Shareholdings in subsidiaries, associates and joint ventures are valued at cost, including any directly attributable ancillary charges, adjusted for impairment losses.

The non-controlling or associated shareholdings held by the company that aren't listed on an active market, and for which the use of an appropriate valuation model is not reliable, are nevertheless initially valued at cost, which is considered to be the best estimate of the investment's fair value. These shareholdings are subsequently measured at fair value, with the effects being recognised on the income statement.

In the case of shareholdings valued at cost, wherever impairment losses are identified a write-down is made with an impact on the income statement. If the reasons for the write-down cease to exist, the value must be restored up to at most the original cost. This restoration is recorded on the income statement.

**Business Combinations**

In IFRS 3, business combinations are defined as the "union of separate enterprises or businesses within a single entity required to prepare financial statements".

A business combination can be carried out in different ways, for fiscal, legal or other reasons. It can also entail one entity's purchase of another entity's capital, the purchase of another entity's net assets, the assumption of another entity's liabilities, or the purchase of part of another entity's net assets which, combined, constitute one or more company assets. The combination can be achieved through the issuance of equity instruments, the transfer of money, cash or cash equivalents, or other assets, or through a combination thereof. The transaction can take place between the shareholders of the entities being combined, or else between one entity and the shareholders of another entity. It may entail the establishment of a new entity that controls the entities participating in the combination or the net assets transferred, or the restructuring of one or more entities participating in the combination.

Business combinations are accounted for according to the purchase method. This method assumes that the purchase price will be reflected based on the value of the acquired entity's assets, and this attribution must take place at the fair value (of the assets and liabilities), and not at their book values. Any residual positive difference constitutes Goodwill, wheareas any residual negative difference constitutes Negative Goodwill.

With regard to transactions between entities subject to common control ("Business combinations under common control"), a case which is not covered by IFRS 3 nor the other IFRS accounting standards, FS Group takes into account the provisions of IAS 8, or rather the concept of the transaction's faithful and reliable representation, and the provisions of OPI 1 (preliminary Assirevi guidelines on the IFRS).

**Financial Instruments**

i. Classification and assessment of Financial Assets

The classification and assessment of the financial assets held by the Company reflect both the Business model according to which these assets are managed and the characteristics of their financial flows. The Business Model indicates whether the company will obtain the cash flows associated with the asset from contract-based collections alone, from the sale of the financial asset itself, or from both. In order to evaluate the characteristics of the cash flows, the Company performs the so-called SPPI Test (Solely Payment of Principal and Interest Test) at the single instrument level, which determines whether it generates flows that represent the payment of principal and interest only (SPPI Test passed).

Upon initial recognition, a financial asset is classified into one of the following categories:

- amortised cost AC
- fair value through other comprehensive income (FVOCI)
- fair value through profit or loss (FVTPL)

*(a) Financial assets measured at amortised cost*

This category includes all financial assets for which the following two conditions are met:

- the asset is held exclusively to collect the contractual cash flows (HTC Held To Collect business model); and
- they are represented exclusively by capital and interests (SPPI Test passed).

In this category, financial instruments are initially recognised at fair value, including transaction costs, and are subsequently valued at amortised cost. The interest, calculated using the effective interest criterion, impairment losses (and reversals of losses), profits/(losses) on foreign exchange, and profits/(losses) resulting from derecognition are recognised in the profit/(loss) for the year.

*(b) Financial assets measured at fair value through other comprehensive income* (FVTOCI)

This category includes all financial assets for which the following two conditions are met:

- the asset is not held only to collect the contractual cash flows, but also the cash flows generated by its sale (HTC&S Held To Collect and Sale business model); and
- they are represented exclusively by capital and interests (SPPI Test passed).

In this category, financial instruments are initially recognised at fair value, including transaction costs. The interest, calculated using the effective interest criterion, impairment losses (and reversals of losses), profits/(losses) on foreign exchange, and profits/(losses) resulting from derecognition are recognised in the profit/(loss) for the year, and the other changes in the instrument's fair value are recognised through other comprehensive income (OCI). At the time of the instrument's derecognition, all the profits/(losses) accumulated through OCI are reclassified to the profit/(loss) for the year.
With regard to equity instruments, which fall within the scope of IFRS9, please refer to the chapter titled "Shareholdings in subsidiaries, associates, joint ventures and other shareholdings".

*(c) Financial assets measured at fair value through profit or loss* (FVTPL)

This category includes all financial assets not classified as measured at amortised cost or at FVOCI.
They are initially and subsequently measured at fair value. The transaction costs and changes in fair value are recognised in the profit/(loss) for the year.

ii. Classification and assessment of Financial liabilities

Loans, trade payables and other financial liabilities are initially recorded at fair value, net of any directly attributable ancillary costs, and are subsequently valued at amortised cost, by applying the effective interest rate criterion. If there is a change in the expected cash flow estimate, the value of the liabilities is recalculated to reflect this change based on the actual value of the new expected cash flows and the effective internal rate initially determined. Loans, trade payables and other financial liabilities are classified among current liabilities, with the exception of those with a contractual expiry beyond twelve months from the balance sheet date and those for which the company has an unconditional right to defer payment for at least twelve months after the reference date. Loans, trade payables and other financial liabilities are removed from the balance sheet once they have been settled and once the Company has transferred all the risks and charges associated with the instrument itself.

iii. Classification and measurement of derivative financial instruments

With regard to derivative instruments, pending the completion of the so-called macro-hedging project by the IASB, for the simplification of hedging transactions, the Company has opted to continue applying the hedge accounting envisaged by IAS 39. The Company uses derivative financial instruments within the context of hedging strategies aimed at neutralising the risk of changes in the fair value of financial assets or liabilities recognised on the financial statements or of contractually defined commitments (fair value hedges), or risks of changes in expected cash flows associated with contractually defined or high probability transactions (cash flow hedges). The effectiveness of the hedges is documented and tested at the inception of the transaction, as well as periodically (at each annual or interim reporting date). Hedge effectiveness is measured by comparing the variations in the fair value of the hedging instrument with those of the hedged item (dollar offset ratio), or, for more complex instruments, using statistical analysis based on risk variations.

*Fair value hedge*: changes in the fair value of derivatives designated as fair value hedges and which qualify as such are recognised in profit or loss, as are changes in the fair value of the underlying assets or liabilities attributable to the risk hedged by the hedging transaction.

*Cash flow hedge*: changes in the fair value of derivatives designated as cash flow hedges and which qualify as such are recognised, to the extent of the portion determined to be "effective", on the comprehensive income statement in a specific equity reserve ("hedging reserve"). This is subsequently reclassified on the income statement when the forecast transaction affects profit or loss. The change in the fair value of the ineffective portion is recognised immediately in profit or loss. If the forecast transaction is no longer highly probable, the relevant portion of the "cash flow hedge reserve" is released immediately to profit or loss. If, on the other hand, the derivative instrument is sold, expires, or no longer qualifies as an effective hedge of the risk against which the transaction was initiated, the portion of the "cash flow hedge reserve" associated with the same is maintained until the underlying contract occurs. At this point the cash flow hedge accounting ceases prospectively.

iv. Subsequent assessment: impairment losses

For the determination of impairment losses, the Company applies the expected credit loss (ECL) forecast model. This model requires a considerable level of assessment with regard to the impact of the changes in the economic factors upon the ECL, which are weighted based on probability.

Hedges on receivables are valued using the following methodological approaches: the "General deterioration method" and the "Simplified approach"; in particular:

- the "General deterioration method" requires the financial instruments to be classified in three stages, which reflect the deterioration level of the credit's quality from the time the financial instrument is acquired, and entail a different method for calculating the ECL;
- for trade receivables, contract assets and receivables deriving from lease contracts, the "Simplified approach" provides for certain simplifications in order to prevent entities from being forced to monitor changes in credit risk, as required by the general model. *Stage allocation* is not required, since the recognition of the loss according to the simplified approach must be lifetime. The same is calculated over a period corresponding to the residual life of the receivable, generally not exceeding 12 months.

As previously mentioned, in cases where the General Deterioration Method is applied the financial instruments are classified into three stages based on the deterioration of the credit quality between the date of the initial recognition and date of the assessment:

- Stage 1: includes all the financial assets in question at the time of their first recognition (Initial recognition date), regardless of qualitative parameters (e.g. rating) and with the exception of situations with objective evidence of impairment. After the subsequent evaluation phase, all financial instruments that have not had a significant increase in credit risk compared to the initial recognition date, or that have a low credit risk on the reference date, remain in stage 1. For these assets, the credit losses expected within the next 12 months (12-month ECL) are recognised, which represent the expected losses in consideration of the possibility of defaults occurring within the next 12 months. The interests for the financial instruments included in stage 1 are calculated based on the book value, including any write-downs on the asset;

- Stage 2: includes the financial instruments that have had a significant increase in credit risk with respect to the initial recognition date, but have no objective evidence of impairment. For these assets, only the expected credit losses resulting from all the possible default events throughout the financial instrument's expected lifetime (Lifetime ECL) are recognised. The interests for the financial instruments included in stage 2 are calculated based on the book value, including any write-downs on the asset;
- Stage 3: includes financial assets that have objective evidence of impairment on the assessment date. For these assets, only the expected credit losses resulting from all the possible default events throughout the financial instrument's expected lifetime are recognised.

In order to define the methodological approach to be applied to the assets within the perimeter of impairment and, in particular, to properly identify the likelihood of default, the Company has adopted a conventional segmentation into uniform clusters based on the type of counterparty:

- Public Administration: includes all financial and trade receivables whose counterparties consist of the State, Regional, Provincial, or Municipal governments, the EU or Bodies attributable to the same;
- Intercompany: includes all financial and trade receivables between subsidiary counterparties;
- Deposits: all deposits held by bank counterparties;
- Receivables due from third parties: includes financial and trade receivables, other than the above, whose counterparties consist of non-financial corporations, manufacturing groups, and consumer groups.

The Company has also decided to apply the "Low Credit Risk Exemption" envisaged by IFRS 9 for types of receivables other than trade receivables with an Investment Grade rating (from AAA to BBB-), whereby the stage allocation is not carried out, with the receivables being allocated directly to stage 1 with 1 year provisioning.

The application of the impairment model thus entails the following main operating steps:

- Distinction between financial receivables and trade receivables: this is aimed at isolating the perimeter of the receivables to be subjected to the stage allocation criteria, or rather all financial receivables. For trade receivables, however, the standard offer an exemption from the application of the stage allocation via the application of the simplified approach, according to which the expected loss is always calculated with a lifetime outlook;
- Calculation of Expected Credit Loss – Financial Receivables: once the stage of membership has been determined, the expected loss is calculated for each cluster;
- Calculation of the Expected Credit Loss – Trade Receivables: for each cluster, the receivable is segmented by category of expiration (in particular: positions due to expire, expired within 1 year, expired within 2 years, expired beyond 2 years), after which the expected loss is calculated.

**Determination of fair value**

The fair value of financial instruments quoted on active markets is calculated using the bid price at the reporting date. The fair value of unlisted derivatives is measured using financial valuation techniques. Specifically, the fair value of interest rate swaps is calculated discounting the future cash flows, while that of currency forwards is determined on the basis of market rates at the reporting date and the expected exchange rate spreads between the relevant currencies. Financial assets and liabilities measured at fair value are classified according to the three hierarchical levels described below, based on the relevance of the information (inputs) used to determine the fair value itself. Specifically:

- Level 1: financial assets and liabilities whose fair value is determined based on the listed prices (unadjusted) on active markets for identical assets or liabilities, which the Company is able to access on the assessment date;
- Level 2: financial assets and liabilities whose fair value is determined based on inputs other than listed prices referred to in Level 1, but directly or indirectly observable;
- Level 3: financial assets and liabilities whose fair value is determined based on unobservable input data.

**Inventories**

The inventories are entered at the purchase and/or production cost or the net realisable value, whichever is less. The cost is determined according to the weighted average cost method. For finished products and properties, the net realisable value corresponds to the estimated sale price during the normal course of business, net of the estimated sales costs. For raw, ancillary and consumable materials, the net realisable value is represented by the replacement cost.

The purchase cost includes ancillary charges; the production cost includes the directly attributable costs and a portion of the indirect costs reasonably attributable to the products.

Obsolete and/or slow-moving inventories are written down in relation to their presumed possibility of use or future realisable value, by recording a special reserve to adjust the value of the inventories. If the reasons for it no longer exist in subsequent years, the write-down is eliminated.

This item also includes trading properties, which are entered at either the purchase cost or the market value determined by an independent third party expert, whichever is lower. These are recorded net of the write down and the incremental costs are capitalised. If the reasons for it no longer exist in subsequent years, the write-down is eliminated.

**Cash and cash equivalents**

The cash and cash equivalents include available cash and bank deposits and other forms of short-term investment, with an original maturity of three months or less, net of the write-downs made according to IFRS 9. As of the balance sheet date, the current account overdrafts were recorded on the statement of financial position among the financial payables in the current liabilities. The elements included within the cash and cash equivalents are valued at fair value, which normally coincides with the nominal value, and the relative changes are recognised on the income statement.

**Employee benefits**

Short-term benefits

Short-term employee benefits are recognized as an expense when they accrue. Any unpaid amount is recognized as a liability and, if the amount already paid exceeds the amount of benefits, the company recognizes the excess amount as an asset (prepaid expense) only to the extent that the prepayment will lead to a reduction in future payment or refund.

Retirement benefits

Severance payment for staff is calculated at the present value of future benefits that are accrued at year end based on the recognition of employee benefits for the period of the last 16 years before the employees leave the service, according to the established conditions to receive a full pension. The above liabilities are calculated on the basis of the financial and actuarial assumptions detailed in note 11 and are determined using the Projected Unit Credit Method actuarial method. The obligations for the above benefits are not funded.

State Insurance programs

The Company's employees are mainly covered by the main State Social Insurance Agency ("EFKA") which provides pension and medical benefits. Every employee is obliged to contribute part of his monthly salary to the fund, while part of the total contribution is covered by the Company. At retirement, the pension fund is responsible for paying employees' retirement benefits.

Consequently, the Company has no legal or constructive obligation to pay future benefits under this plan. The program is considered a defined contribution plan and contributions to the insurance institution are recognized in the statement of comprehensive income when accrued.

**Provisions for risks and charges**

The provisions for risks and charges are recorded against losses and charges of a specific nature, that are known or likely to be existent, but for which either the amount or the date of occurrence is undetermined. Their entry is only recognised once a current (legal or implicit) obligation arises for a future disbursement of economic resources as a result of past events, and it is likely that this disbursement will be required to fulfil the obligation. This amount represents the best estimate of the amount required to settle the obligation. The rate used to determine the actual value of the liability reflects the current market values and takes into account the specific risk associated with each liability.

When the financial effect of the time is significant and the dates of the obligations' payment can be reliably estimated, the funds are valued at the actual value of the expected disbursement using a rate that reflects the market conditions, the change in the cost of money over time, and the specific risk associated with the obligation. The increase in the value of the provision caused by changes in the cost of money over time is accounted for as interest expense.

The risks for which the occurrence of a liability is merely possible are indicated in the specific disclosure section regarding potential liabilities, and no allocations are made for the same.

**Revenue from contracts with customers**

I. Initial recognition and subsequent assessment

The Company recognises revenues in such a way that the transfer of goods and/or services to the customer is expressed as an amount that reflects the consideration to which the Company believes it is entitled as compensation for the transfer of the goods and/or services themselves. Revenue recognition takes place according to the so-called five step model, which entails: i) the identification of the contract, ii) the identification of the performance obligations, iii) the identification of the consideration, iv) the allocation of the consideration to the performance obligations, and v) the recognition of the revenue.

Revenues are measured taking into account the contractual terms and commercial practices usually applied to relations with customers. The transaction price is the amount of the consideration (which may include fixed and/or variable amounts) to which the Company believes it is entitled in exchange for the transfer of control of the goods/services promised. The term control is generally understood as the ability to decide on the use of the asset (good/service) and to take advantage of all of its remaining benefits. The total consideration of the contracts for the provision of services is distributed among all the services based on the sales prices of the relative services, as if they had been sold individually. Within the context of each contract, the reference element for the recognition of the revenues is the single performance obligation. For each separately identified performance obligation, the Company recognises the revenues once it has fulfilled (or as it progressively fulfils) the obligation itself, by transferring the promised good/service (i.e. asset) to the customer. The asset is transferred once the customer has gained (or progressively gains) control of it. For performance obligations fulfilled over time, the revenues are recognised over time, with the progress made towards the obligation's fulfilment being assessed at the end of each year. For the assessment of the progress, the Company uses the input-based cost-to-cost method. The revenues are recognised based on the inputs used to fulfil the obligation up until the date in question, with respect to the total inputs hypothesised to fulfil the entire obligation. When the inputs are uniformly distributed over time, the Company recognises the corresponding revenues in a linear fashion. Under certain circumstances, when the results of the performance obligation cannot be reasonably evaluated, the revenues are only recognised up to the amount of the costs incurred.

II. Variable consideration

If the contractual consideration includes a variable amount (e.g. due to reductions, discounts, reimbursements, credits, price concessions, incentives, performance bonuses, penalties, or because the consideration itself depends on whether or not an uncertain future event occurs), the amount of the consideration believed to be owed must be estimated. The Company estimates variable consideration consistently for similar cases, using the expected value or the value of the most probable amount method; afterwards, it only includes the estimated amount of the variable consideration in the transaction price to the extent that this amount is highly probable.

III. Existence of a significant financial component

The revenues are adjusted if there are significant financial components, both if the Company is financed by its customer (advance collection), and if the Company finances it (deferred collections). The existence of a significant financial component is identified upon stipulating the contract, by comparing the expected revenues with the payments to be received. It is not recognised if less than 12 months elapse between the time of the transfer of the goods/service and the time of payment.

iv. Costs for obtaining and fulfilling the contract

The Company capitalises the costs incurred for obtaining the contract, which it would not have incurred if it had not obtained it (e.g. sales commissions), when it expects to recover them. In the case of contracts not obtained, the costs are only capitalised if they can be explicitly charged to the customer. The Company only capitalises the costs incurred for the fulfilment of the contract when they are directly related to the contract, when they provide for new and greater resources for future fulfilments, and when they are expected to be recovered.

**Public grants**

In the presence of a formal attribution resolution and, regardless, when the right to their disbursement is considered definitive, as there is reasonable certainty that the Company will comply with the conditions required for receipt and that the grants will be collected, public grants are recognised on an accrual basis, in direct correlation with the costs incurred.

*Grants for plant and equipment*

Public grants for plant and equipment refer to amounts disbursed to the Company by the State and other Public Bodies for the implementation of initiatives aimed at the construction, reactivation, and expansion of property, plant and equipment. Capital grants are accounted for as a direct reduction of the assets to which they refer, and contribute, decreasingly, to the calculation of the depreciation rates.

*Operating grants*

Operating grants refer to amounts disbursed to the Company by the State or other Public Bodies in order to reduce the costs and charges incurred. Operating grants are ascribed to the "Revenues from sales and services" and "Other income" items as a positive income statement component.

**Dividends**

These are recognised on the income statement when the right of the shareholders to receive the payment arises, which normally coincides with the resolution approving the distribution of the dividends.

Dividends paid to the Company's shareholders are considered as a change in equity and are recognised as a liability in the year in which the distribution was approved by the shareholders' meeting.

**Cost recognition**

Costs are recognised when they regard goods and services purchased or consumed during the financial year or for systematic distribution.

**Income taxes**

The current taxes are determined based on the estimate of the Company's taxable income and in compliance with the current tax legislation. Deferred tax assets relating to past tax losses are recognised to the extent that a taxable income for which these assets can be recovered will likely be available in the future. Deferred tax assets and liabilities are determined using the tax rates expected to be applicable during the financial years in which the differences will be realised or settled.

The current, prepaid and deferred taxes are recognised on the income statement, except for those associated with items recognised among the other components of comprehensive income or directly debited or credited to equity. In these latter cases, the deferred taxes are respectively recognised under the "Tax effect" item relating to the other components of comprehensive income and relating directly to the shareholders' equity. Deferred tax assets and liabilities are offset when they are applied by the tax authorities, in which case there is a legal right of compensation and a liquidation of the net balance is expected.

Other taxes not related to income, such as indirect taxes and fees, are included under the "Other operating costs" item on the income statement.

**Translation of foreign currency entries**

Transactions in currencies other than the functional currency are recognised at the exchange rate in effect on the date of the transaction. Monetary assets and liabilities in currencies other than the Euro are subsequently adjusted based on the exchange rate in effect on the closing date of the year. Non-monetary assets and liabilities in currencies other than the Euro are entered at historical cost, using the exchange rate in effect on the transaction's initial date of recognition. Any exchange rate differences that may emerge are reflected on the income statement.

**Assets and Liabilities held for sale and disposal groups**

Non-current assets and liabilities (or disposal groups) whose book value will mainly be recovered through sale rather than through continuous use are classified as held for sale and are stated separately from the other assets and liabilities on the statement of financial position. The corresponding assets and liabilities from the previous year are not reclassified. A Discontinued Operation represents a part of the entity that has been disposed of or classified as held for sale, and:

- represents a major branch of activity or geographical area of activity;
- is part of a coordinated plan of divestiture in a major branch of activity or geographical area of activity;
- is a subsidiary acquired exclusively for the purpose of being resold.

The results of discontinued operations (whether disposed of or classified as held for sale and in the process of being disposed of) are indicated separately on the income statement, net of tax effects. Where present, the corresponding values for the previous year are reclassified and indicated separately on the separate income statement for comparative purposes, net of tax effects. Non-current assets and liabilities (or disposal groups) classified as held for sale are first recognised in accordance with the specific IFRS applicable to each asset and liability, and are subsequently recognised at the book value or the relative fair value, net of sales costs, whichever is less. Any subsequent impairment losses are recognised directly as an adjustment to non-current assets (or disposal groups) classified as held for sale, with a balancing entry on the income statement.

A reversal is recorded, on the other hand, for each subsequent increase in an asset's fair value, net of sales costs, but only up to the amount of the previously recognised impairment loss.

## RECENTLY ISSUED ACCOUNTING STANDARDS

### A) Changes in accounting policy and disclosures

The accounting policies and methods of computation used in the preparation of the financial statements are consistent with those applied in the preparation of the financial statements for the year ended 31 December 2020 except for the following IFRS amendments which have been adopted by the Company as of 1 January 2021. Amendments and interpretations that apply for the first time in 2021 did not have a significant impact on the financial statements of the Company for the year ended 31 December 2021.

**IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (Amendments) 'Interest rate benchmark reform – Phase 2'.**

In August 2020, the IASB published Interest Rate Benchmark Reform – Phase 2, Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, completing its work in response to IBOR reform. The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). In particular, the amendments provide for a practical expedient when accounting for changes in the basis for determining the contractual cash flows of financial assets and liabilities, to require the effective interest rate to be adjusted, equivalent to a movement in a market rate of interest. Also, the amendments introduce reliefs from discontinuing hedge relationships including a temporary relief from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component. There are also amendments to IFRS 7 Financial Instruments: Disclosures to enable users of financial statements to understand the effect of interest rate benchmark reform on an entity's financial instruments and risk management strategy. While application is retrospective, an entity is not required to restate prior periods.

**IFRS 16 (Amendment) 'Covid-19-Related Rent Concessions':**

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

- The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change.
- Any reduction in lease payments affects only payments originally due on or before 30 June 2021.
- There is no substantive change to other terms and conditions of the lease

**Attributing Benefit to Periods of Service (IAS 19 Employee Benefits) – IFRS Interpretation Committee (IFRS IC or IFRIC) Agenda Decision issued May 2021:**

The International Financial Reporting Interpretations Committee issued the final agenda decision in May 2021, under the title "Attributing Benefits to Periods of Service" (IAS 19), which includes explanatory material regarding the attribution of benefits in periods of service regarding a specific defined benefit plan analogous to that defined in Article 8 of Greek Law 3198/1955 regarding provision of compensation due to retirement (the "Labor Law Defined Benefit Plan"). This explanatory information differentiates the way in which the basic principles and regulations of IAS 19 have been applied in Greece in the previous years, and therefore, according to what is defined in the "IASB Due Process Handbook (par 8.6)", entities that prepare their financial statements in accordance with IFRS are required to amend their Accounting Policy accordingly. Based on the above, the aforementioned final decision of the Committee's agenda is treated as a Change in Accounting Policy. The aforementioned decision is implemented in accordance with paragraphs 19-22 of IAS 8. The Company has retrospectively amended its financial statements to apply the IFRIC AD at 31 December 2021. The impact of the change in policy is disclosed in detail in the notes.

**Standards issued but not yet effective and not early adopted**

The Company has not early adopted any of the following standards, interpretations or amendments that have been issued but are not yet effective. In addition, the Company assessed all standards, interpretations and amendments issued but not yet effective, and expects that they will not have any significant impact on the consolidated financial statements.

**IFRS 10 (Amendment) 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.

**IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets as well as Annual Improvements 2018-2020 (Amendments):**

The amendments are effective for annual periods beginning on or after 1 January 2022 with earlier application permitted. The IASB has issued narrow-scope amendments to the IFRS Standards as follows:

- IFRS 3 Business Combinations (Amendments) update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.
- IAS 16 Property, Plant and Equipment (Amendments) prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.
- IAS 37 Provisions, Contingent Liabilities and Contingent Assets (Amendments) specify which costs a company includes in determining the cost of fulfilling a contract for the purpose of assessing whether a contract is onerous.
- Annual Improvements 2018-2020 make minor amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture and the Illustrative Examples accompanying IFRS 16 Leases.

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

The Amendments are effective for annual periods beginning on or after January 1, 2023 with earlier application permitted. The amendments provide guidance on the application of materiality judgements to accounting policy disclosures. In particular, the amendments to IAS 1 replace the requirement to disclose 'significant' accounting policies with a requirement to disclose 'material' accounting policies. Also, guidance and illustrative examples are added in the Practice Statement to assist in the application of the materiality concept when making judgements about accounting policy disclosures. The Amendments have not yet been endorsed by the EU.

**IAS 1 (Amendments) 'Classification of liabilities as current or non-current' (effective for annual periods beginning on or after 1 January 2023):**

The amendments were initially effective for annual reporting periods beginning on or after January 1, 2022 with earlier application permitted. However, in response to the Covid-19 pandemic, the Board has deferred the effective date by one year, i.e. 1 January 2023, to provide companies with more time to implement any classification changes resulting from the amendments. The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current or non-current. The amendments affect the presentation of liabilities in the statement of financial position and do not change existing requirements around measurement or timing of recognition of any asset, liability, income or expenses, nor the information that entities disclose about those items. Also, the amendments clarify the classification requirements for debt which may be settled by the company issuing own equity instruments.

In November 2021, the Board issued an exposure draft (ED), which clarifies how to treat liabilities that are subject to covenants to be complied with, at a date subsequent to the reporting period. In particular, the Board proposes narrow scope amendments to IAS 1 which effectively reverse the 2020 amendments requiring entities to classify as current, liabilities subject to covenants that must only be complied with within the next twelve months after the reporting period, if those covenants are not met at the end of the reporting period. Instead, the proposals would require entities to present separately all non-current liabilities subject to covenants to be complied with only within twelve months after the reporting period. Furthermore, if entities do not comply with such future covenants at the end of the reporting period, additional disclosures will be required. The proposals will become effective for annual reporting periods beginning on or after 1 January 2024 and will need be applied retrospectively in accordance with IAS 8, while early adoption is permitted. The Board has also proposed to delay the effective date of the 2020 amendments accordingly, such that entities will not be required to change current practice before the proposed amendments come into effect. These Amendments, including ED proposals, have not yet been endorsed by the EU.

- **IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (Amendments):**

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

• **IAS 12 Income taxes:**

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

• **IFRS 16 'Leases-Covid 19 Related Rent Concessions beyond 30 June 2021 (Amendment)':**

The Amendment applies to annual reporting periods beginning on or after 1 April 2021, with earlier application permitted, including in financial statements not yet authorized for issue at the date the amendment is issued. In March 2021, the Board amended the conditions of the practical expedient in IFRS 16 that provides relief to lessees from applying the IFRS 16 guidance on lease modifications to rent concessions arising as a direct consequence of the Covid-19 pandemic. Following the amendment, the practical expedient now applies to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022, provided the other conditions for applying the practical expedient are met.

**USE OF ESTIMATES AND ASSESSMENTS**

The preparation of the financial statements requires the directors to apply accounting standards and methodologies which, under certain circumstances, are based on difficult and subjective assessments and estimates, historical experience, and assumptions that are considered to be reasonable and realistic in light of the relative circumstances. The final results of the financial statement entries for which the aforementioned estimates and assumptions have been utilised may therefore differ in the future from those indicated in the financial statements, due to the uncertainty of the assumptions and conditions upon which the estimates are based. The estimates and assumptions are reviewed periodically, and the effects of each change are only reflected on the income statement if it affects the relative year. If the review affects both the current and future years, the change is recognised in the year for which the review is carried out and in the relative future years.

The future results may therefore differ from these estimates, even significantly, due to possible changes in the factors taken into consideration for the determination of the estimates themselves.

The areas based, more than others, on management's estimates regard a) impairment of assets, including doubtful debts, b) deferred tax assets' calculation, c) provisions for risks and d) employee benefit liabilities.

## 4. Financial risk management

The activities carried out by the Company expose it to various types of risks resulting from the use of financial instruments:

- credit risk;
- liquidity risk;
- market risk, specifically interest rate and exchange rate risk.

This section provides information concerning the Company's exposure to each of the risks listed above, the objectives, policies and processes for managing these risks, and the methods used to assess them, as well as the management of the capital. These financial statements also include additional quantitative information. The Company's risk management focuses on the volatility of the financial markets and tries to minimise any potential unwanted effects on the Company's financial and economic performance.

### CREDIT RISK

The credit risk is mainly derived from the financial receivables from the public administration, from trade receivables, and from the Company's financial investments.

For the credit risk deriving from the investment activities, a policy has been established for the use of the liquidity managed centrally by the Parent Company, which defines:

- the minimum requirements of the financial counterparty in terms of creditworthiness and the relative concentration limits;
- the types of financial products that can be used.

Regarding the derivative financial instruments used for hedging purposes, which can potentially generate credit exposure for counterparties, the Company has established a specific policy that defines concentration limits by counterparty and by rating class.

With regards to the assessment of the customers' credit risk, the Company is responsible for the risk management and analysis of all new major customers, constantly monitors its own commercial and financial exposure, and monitors the collection of receivables from the public administration within pre-established contractual times.

The following table depicts the assets exposed in credit risk:

| *Values in Euros* | 31/12/2021 | 31/12/2020 |
|---|---|---|
| Other non-current receivables | 917.436 | 915.324 |
| Cash and Cash equivalent | 17.847.293 | 23.896.903 |
| Restricted Cash | - | 1.500.000 |
| Trade Receivables | 7.003.876 | 17.504.654 |
| Other Receivables | 50.368.853 | 42.222.735 |
| **Total** | **76.137.458** | **86.039.616** |

The following table shows the Company's credit risk exposure by counterparty:

| *Values in Euros* | 31/12/2021 | 31/12/2020 |
|---|---|---|
| Other Debtors | 11.613.228 | 13.459.159 |
| Cash | 17.847.293 | 25.396.903 |
| Public Sector | 46.676.936 | 47.183.554 |
| **Total** | **76.137.458** | **86.039.616** |

The following table provides a breakdown of the financial assets and trade receivables as of 31 December 2021, grouped by maturity:

| | 0-180 | 180-360 | 360-720 | over 720 | Total |
|---|---|---|---|---|---|
| Other Debtors | 8.280.550 | 4.110.374 | 3.741.880 | 27.551.355 | 43.684.159 |
| Provision for Wrtie-downs | | (1.049.754) | (3.469.822) | (27.551.355) | -32.070.931 |
| **Other Debtors (Net)** | **8.280.550** | **3.060.620** | **272.058** | - | **11.613.228** |
| Cash | 17.847.293 | - | - | - | 17.847.293 |
| Provision for Write-downs | - | - | - | - | - |
| **Cash (Net)** | **17.847.293** | - | - | - | **17.847.293** |
| Public Sector | 18.619.509 | 1.294.234 | 5.212.000 | 24.167.830 | 49.293.574 |
| Provision for Write-downs | - | - | - | (2.616.638) | (2.616.638) |
| **Public Sector (Net)** | **18.619.509** | **1.294.234** | **5.212.000** | **21.551.192** | **46.676.936** |
| **Total Financial Assets** | **44.747.352** | **4.354.854** | **5.484.058** | **21.551.192** | **76.137.458** |

The following tables show the receivables determined by risk class as of 31 December 2021:

| *Amounts in Euros* | |
|---|---|
| **Classification** | **31/12/2021** |
| B | 49.158.914 |
| BB | 26.376.944 |
| CCC | 601.600 |
| **Total** | **76.137.458** |

**LIQUIDITY RISK**

Liquidity risk is the risk that an entity may have difficulty fulfilling the obligations associated with financial liabilities to be settled via the delivery of cash or another financial asset. The cash flows, financing needs, and liquidity of the Group's companies are generally monitored and managed centrally by the Finance department of the Parent Company's Central Finance, Control and Capital Division, with the aim of ensuring the effective and efficient management of financial resources. As concluded from Financial Statements, liquidity risk is totally under control (Working Capital):

| **Working Capital** | **31/12/2021** | **31/12/2020** |
|---|---|---|
| Current Assets | | |
| - Current Liabilities | (35.912.398) | (3.131.192) |

The Company is protected against Liquidity Risk due to the following facts: a) the Company's Financial Assets' value is not different than their nominal value, b) Cash is deposited in banks with sufficient Credit Rating from renowned Rating Organizations c) the tight monitoring of its obligations' maturity and d) needs to be noted that the decrease of working capital is due to an increase to intercompany payables related to the acquisition of ETR and the establishment of a new commercial platform – hence, the significant increase in payables, relates mainly to liabilities to relates parties.

The following tables show the repayments of the financial liabilities and trade payables with maturity within 12 months, from 1 to 5 years, and beyond 5 years:

*Amounts in Euros*

| **31/12/2021** | **Carrying Amount** | **Up to 12 months** | **1-5 years** | **Beyond 5 years** |
|---|---|---|---|---|
| Loans | 36.292.553 | 3.992.553 | 15.600.000 | 16.700.000 |
| Leasing liabilities | 56.482.745 | 11.711.664 | 7.149.488 | 37.621.593 |
| Trade Payables | 86.584.005 | 86.584.005 | - | - |
| Other liabilities | 13.817.499 | 13.817.499 | - | - |
| **Total Financial Liabilities** | **193.176.802** | **116.105.721** | **22.749.488** | **54.321.593** |

*Amounts in Euros*

| **31/12/2020** | **Carrying Amount** | **Up to 12 months** | **1-5 years** | **Beyond 5 years** |
|---|---|---|---|---|
| Loans | 26.000.000 | 2.900.000 | 12.100.000 | 11.000.000 |
| Leasing liabilities | 68.846.891 | 14.681.991 | 14.649.785 | 39.515.115 |
| Trade Payables | 57.924.190 | 57.924.190 | - | - |
| Other liabilities | 14.805.312 | 14.805.312 | - | - |
| **Total Financial Liabilities** | **167.576.393** | **90.311.493** | **26.749.785** | **50.515.115** |

**MARKET RISK**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, exchange rates, interest rates, or quoted equity instruments. The Company does not face any market risk, given it does not possess marketable financial assets.

In carrying out its operating activities, the Company is exposed to various market risks, mainly the risk of fluctuations in interest rates and, to a lesser extent, exchange rates. The goal of market risk management is to maintain the Company's exposure to this risk within acceptable levels, while at the same time optimising the return on investments. This risk is also divided into the following components: interest rate risk and exchange rate risk, as detailed below.

**Interest rate risk**

The Company is mainly exposed to interest rate risk in relation to medium and long-term passive loans indexed at the floating rate.

The common goal of the Group policies adopted by the Company is to limit the cash flow variations associated with the existing financing transactions and, where possible, to exploit the opportunities to optimise the cost of the debt resulting from the debt being indexed at the floating interest rate.

In implementing the Group's policies, the Company uses exclusively so-called "plain vanilla" hedging derivative financial instruments, such as such as interest rate swaps, interest rate collars, and interest rate caps.

The following table shows floating rate and fixed rate loans.

*Values in Euros*

| | Carrying amount | Current portion | 1-5 years | beyond 5 years |
|---|---|---|---|---|
| Floating rate | 36.292.553 | 3.992.553 | 15.600.000 | 16.700.000 |
| **Balance as of 31 December 2021** | **36.292.553** | **3.992.553** | **15.600.000** | **16.700.000** |

As of 31/12/2021, if interest rates were higher/lower by 50 base points, the Company's finance costs for these loans would have been higher/lower respectively by 180.000 euros.

**MANAGEMENT OF EQUITY CAPITAL**

The Company's main goal with regard to capital risk management is to safeguard its business continuity in order to guarantee returns for shareholders and benefits for other stakeholders. The Company also aims to maintain an optimal capital structure in order to reduce the cost of debt.

## 5. Property, plant and equipment

The table below shows the amounts of property, plant and equipment at the beginning and end of the year, with the relative changes. There were no changes in the estimated useful lives of the assets during the years presented.

**Property, plant and equipment (excluding IFRS 16)**

| *Amounts in Euros* | Buildings | Machinery | Vehicles | Rolling stock | Rolling Stock - LIC | Advance payments for fixed assets | Furniture & other equipment | Rolling stock technical escort | TOTAL |
|---|---|---|---|---|---|---|---|---|---|
| **Cost at 1/1/2020** | **346.065** | **4.785.339** | **67.750** | **1.762.183** | **-** | **11.875.000** | **4.653.832** | **16.669.131** | **40.159.299** |
| Acquisition from EESSTY S.A. due to merge | - | - | - | - | - | - | 15.736 | - | 15.736 |
| Additions for the period | 1.936.850 | 80.596 | - | - | - | 4.861.322 | 1.274.705 | 4.796.448 | 12.949.921 |
| Disposal for the year | - | - | - | - | | - | - | - | - |
| **Cost at 31/12/2020** | **2.282.915** | **4.865.935** | **67.750** | **1.762.183** | **-** | **16.736.322** | **5.944.272** | **21.465.579** | **53.124.956** |
| **Accumulated depreciation 1/1/2020** | **(160.692)** | **(204.375)** | **(67.750)** | **(16.777)** | **-** | **-** | **(3.675.631)** | **-** | **(4.125.225)** |
| Depreciation for the period | (16.393) | (1.727.153) | - | (565.600) | - | - | (415.903) | (590.543) | (3.315.592) |
| Depreciation of disposed assets | - | - | - | - | - | - | - | (760.318) | (760.318) |
| **Accumulated depreciation 31/12/2020** | **(177.085)** | **(1.931.528)** | **(67.750)** | **(582.377)** | **-** | **-** | **(4.091.534)** | **(1.350.860)** | **(8.201.134)** |
| **Net book value at 31/12/2020** | **2.105.830** | **2.934.407** | **-** | **1.179.806** | **-** | **16.736.322** | **1.852.739** | **20.114.719** | **44.923.823** |
| **Cost at 1/1/2021** | **2.282.915** | **4.865.935** | **67.750** | **1.762.183** | **-** | **16.736.322** | **5.944.272** | **21.465.579** | **53.124.956** |
| Reclassification | - | - | | | | | | | |
| Additions for the period | 274.784 | 90.539 | - | - | 27.675.004 | 12.437.699 | 595.852 | 4.186.099 | 45.259.977 |
| Disposal for the year | - | - | | | - | - | - | | |
| **Cost at 31/12/2021** | **2.557.699** | **4.956.474** | **67.750** | **1.762.183** | **27.675.004** | **29.174.021** | **6.540.124** | **25.651.677** | **98.384.933** |
| **Accumulated depreciation at 1/1/2021** | **(177.085)** | **(1.931.528)** | **(67.750)** | **(582.377)** | **-** | **-** | **(4.091.534)** | **(1.350.860)** | **(8.201.134)** |
| Reclassification | | | - | - | - | - | | - | - |
| Depreciation for the period | (222.839) | (847.224) | - | (203.335) | - | - | (445.882) | (2.239.335) | (3.958.614) |
| Impairment of Assets | - | - | - | | - | | | (916.881) | (916.881) |
| **Accumulated depreciation at 31/12/2021** | **(399.924)** | **(2.778.751)** | **(67.750)** | **(785.712)** | **-** | **-** | **(4.537.415)** | **(4.507.076)** | **(13.076.629)** |
| **Net book value at 31/12/2021** | **2.157.775** | **2.177.722** | **-** | **976.471** | **27.675.004** | **29.174.021** | **2.002.709** | **21.144.602** | **85.308.305** |

## 6. Royalties to Property, plant and equipment

An analysis of the Company's Royalties Property, Plant and Equipment (Finance Lease) is presented below:

| *Amounts in Euros* | **Residential buildings** | **Industrial buildings** | **Transportation Means** | **Rolling Stock** | **Total** |
|---|---|---|---|---|---|
| **Cost at 1/1/2020** | **5.277.129** | **40.650.950** | **83.414** | **47.978.740** | **93.990.233** |
| **Right of use assets** | | | | | |
| Adjustments & Additions for the period | - | 1.542.091 | 75.884 | - | 1.617.975 |
| **Cost at 31/12/2020** | **5.277.129** | **42.193.041** | **159.298** | **47.978.740** | **95.608.208** |
| **Accumulated depreciation 1/1/2020** | **(479.383)** | **(428.454)** | **(51.262)** | **(12.794.331)** | **(13.753.430)** |
| Depreciation for the period | (493.958) | (1.727.004) | (29.036) | (12.794.331) | (15.044.329) |
| **Accumulated depreciation 31/12/2020** | **(973.341)** | **(2.155.458)** | **(80.298)** | **(25.588.662)** | **(28.797.759)** |
| **Net book value at 31/12/2020** | **4.303.788** | **40.037.583** | **79.000** | **22.390.078** | **66.810.449** |
| **Cost at 1/1/2021** | **5.258.146** | **42.936.968** | **86.018** | **47.978.740** | **98.554.409** |
| Adjustments for the period | 34.918 | 2.259.619 | - | - | 2.294.537 |
| Disposal for the year | - | - | - | - | - |
| **Cost at 31/12/2021** | **5.293.064** | **45.196.587** | **86.018** | **47.978.740** | **98.554.409** |
| **Accumulated depreciation at 1/1/2021** | **(954.358)** | **(2.899.385)** | **(7.018)** | **(25.588.662)** | **(29.449.423)** |
| Adjustment for the period | - | - | (3.930) | - | (3.930) |
| Depreciation for the period | (481.276) | (1.789.455) | (27.349) | (12.794.331) | (15.092.411) |
| Depreciation of disposed assets | - | - | - | - | - |
| **Accumulated depreciation at 31/12/2021** | **(1.435.634)** | **(4.688.840)** | **(38.297)** | **(38.382.993)** | **(44.545.764)** |
| **Net book value at 31/12/2021** | **3.857.430** | **40.507.747** | **47.721** | **9.595.747** | **54.008.646** |

Royalties to Property, plant and equipment (Finance Lease) recognized for first time on 1/1/2020 by applying IFRS 16.

The depreciation of Royalties property, plant and equipment (Finance Lease) is recognized in the period's statement of comprehensive income results.

## 7. Intangible assets

The table below shows the intangible assets at the beginning and end of the year, with the relative changes.

As of 31 December 2021 the "Intangible assets" item does not appear to be burdened with mortgages or privileges.

| *Values in Euro* | **Concessions, licenses, trademarks and other similar rights** |
|---|---|
| **Cost at 1/1/2020** | **2.131.084** |
| Additions for the period | 433.046 |
| **Cost at 31/12/2020** | **2.564.130** |
| **Accumulated depreciation 1/1/2020** | **(594.247)** |
| Amortisation for the period | (253.773) |
| **Accumulated amortisation 31/12/2020** | **(848.020)** |
| **Net book value at 31/12/2020** | **1.716.110** |
| **Cost at 1/1/2021** | **2.564.130** |
| Additions for the period | 165.135 |
| **Cost at 31/12/2021** | **2.729.265** |
| **Accumulated depreciation at 1/1/2021** | **(848.020)** |
| Depreciation for the period | (260.050) |
| **Accumulated depreciation at 31/12/2021** | **(1.108.071)** |
| **Net book value at 31/12/2021** | **1.621.194** |

## 8. Deferred tax assets and deferred tax liabilities

The following tables illustrate the opening and closing balances of deferred tax assets and deferred tax liabilities, as well as the changes recorded in the years presented for the main temporary differences.

| 2020 | Opening Balance | | | Closing Balance |
|---|---|---|---|---|
| | 01/01/2020 | Income Statement | Other Comprehensive Income | 31/12/2020* |
| Deferred Tax Asset due to merger with EESSTY SA | (22.581) | 390.947 | - | 368.366 |
| Provision for Staff Leave Indemnity (IAS 19) | 1.308.700 | 403.178 | (320.642) | 1.391.237 |
| Provisions for Legal Cases | 94.560 | 2.834.107 | - | 2.928.667 |
| IFRS 16 Application (Financial Lease) | 291.115 | 197.535 | - | 488.650 |
| Provisions for doubtful debts | 476.923 | - | - | 476.923 |
| Other | 50.755 | 154.427 | - | 205.182 |
| **Total** | **2.199.472** | **3.980.193** | **(320.642)** | **5.859.024** |

| 2021 | Opening Balance | | | Closing Balance |
|---|---|---|---|---|
| | 01/01/2021 | Income Statement | Other Comprehensive Income | 31/12/2021 |
| Deferred Tax Asset due to merger with EESSTY SA | 368.366 | (368.366) | - | - |
| Provision for Staff Leave Indemnity (IAS 19) | 1.391.237 | (90.560) | (226.521) | 1.074.155 |
| Provisions for Legal Cases | 2.928.667 | (1.425.999) | - | 1.502.668 |
| IFRS 16 Application (Financial Lease) | 488.650 | 55.652 | - | 544.302 |
| Provisions for doubtful debts | 476.923 | (39.744) | - | 437.180 |
| Taxable losses | - | 690.650 | | 690.650 |
| Other | 205.182 | (249.820) | - | (44.638) |
| **Total** | **5.859.024** | **(1.428.276)** | **(226.521)** | **4.204.227** |

The change in deferred tax assets for the year 2021 is essentially due to a release regarding legal provisions, the provision for Staff Leave Indemnity along with the tax losses of 2020 brought forward. The Company expects to recover the deferred tax asset through the expected profitability.

## 9. Financial Assets

Company's financial assets are analyzed as following:

| *Amounts in Euros* | 31/12/2021 | 31/12/2020 |
|---|---|---|
| Other non – current assets | 917.436 | 915.324 |
| Cash & cash equivalents | 17.847.293 | 23.896.903 |
| Restricted cash | - | 1.500.000 |
| Trade receivables | 7.003.876 | 17.504.654 |
| Other current assets | 50.368.853 | 42.222.735 |
| **Total** | **76.137.458** | **86.039.616** |

### 9.1 Other non-current assets

Other non-current assets are analyzed as following:

| *Amounts in Euros* | 31/12/2021 | 31/12/2020 |
|---|---|---|
| Guarantees | 907.436 | 905.324 |
| Other non – current assets | 10.000 | 10.000 |
| **Total** | **917.436** | **915.324** |

### 9.2 Cash & cash equivalents

Company's cash and cash equivalents represent cash either in the Company's petty cash in various locations or bank deposits, available at first demand. There are no commitments regarding the Company's cash and cash equivalents.

Company's cash and cash equivalents are as following (Cash Flow purposes depiction):

| *Amounts in Euros* | 31/12/2021 | 31/12/2020 |
|---|---|---|
| Cash in hand | 11.549 | 13.230 |
| Cash at banks | 17.835.744 | 23.883.673 |
| **Total cash & cash equivalents** | **17.847.293** | **23.896.903** |
| **Restricted cash** | **-** | **1.500.000** |

A letter of guarantee from National Bank of Greece amounting to euros 1.500.000,00 has been submitted to the Ministry of Infrastructure and Transport, in accordance with the terms of the PSO contract agreement between TRAINOSE S.A. and the Ministry of Infrastructure and Transport. The letter of guarantee (and the relative cash collateral) has been released since July 2021.

While cash and cash equivalents are subject to the requirements of IFRS. 9, the estimated impairment loss was insignificant and was therefore not recognized.

## 10. Current Trade Receivables

Current Trade Receivables from customers is analyzed as follows:

| *Amounts in Euros* | 31/12/2021 | 31/12/2020 |
|---|---|---|
| Private-sector debtors | 5.852.342 | 6.345.469 |
| Greek state & other Public companies | 5.992.945 | 15.894.690 |
| Doubtful receivables | 4.328.381 | 4.328.381 |
| **Total** | **16.173.668** | **26.568.540** |
| Less : Allowance for doubtful receivables | (9.169.792) | (9.063.885) |
| **Total receivables** | **7.003.876** | **17.504.654** |

Company has assessed the recoverability of its trade receivables and has recorded a provision for doubtful debts of € 9.169.792 euros based on Management's estimation.

The significant decrease is due to the fact that on December 31, 2021 there is no uncollectible receivable from the Ministry of Infrastructure and Transport while in 2020 there was a receivable of € 15.500.000.

## 11. Inventories

Inventories are depicted in the following table:

| *Amounts in Euros* | 31/12/2021 | 31/12/2020 |
|---|---|---|
| Raw materials and consumables | 1.042.601 | 822.056 |
| Provision for obsolence (consumables) | - | - |
| **Net value** | **1.042.601** | **822.056** |
| Fuel | 1.094.467 | 1.119.045 |
| Provision for obsolence (fuel) | (186.121) | (102.443) |
| **Net value** | **908.346** | **1.016.602** |
| Spare parts | 3.239.599 | 390.810 |
| Provision for obsolence (spare parts) | (217.245) | (173.459) |
| **Net value** | **3.022.354** | **217.351** |
| **Total realizable value** | **4.973.301** | **2.056.010** |

Provision for obsolescence regards part of fuel and spare parts.
There are no restricted inventories.
Spare parts are materials used for rolling stock maintenance purposes.

## 12. Other current assets

| *Amounts in Euros* | 31/12/2021 | 31/12/2020 |
|---|---|---|
| Receivable from Public Sector (V.A.T.) | 1.176.248 | - |
| Ministry of Infrastructure and Transport | 1.802.822 | 1.802.822 |
| Other State Administrations | 10.816.689 | 8.538.970 |
| Unbilled revenue | 8.149.677 | 2.607.839 |
| Unbilled revenue Ministry of Transport and Infrastructure | 16.500.000 | 16.500.000 |
| Recharge of supplementary maintenance – OSE S.A. & GAIAOSE S.A. | 15.905.764 | 15.905.764 |
| Miscellaneous debtors and accruals/deferrals | 21.535.428 | 20.073.234 |
| **Total** | **75.886.629** | **65.428.629** |
| Provision for write-downs | (25.517.777) | (23.205.894) |
| **Total net other assets** | **50.368.853** | **42.222.735** |

Company's other current assets are analyzed as follows:

Receivable from public sector of value 1.176.248 relates to VAT receivable.

Accrued revenue receivable is mainly consisting of accrued grants related to the assignment of Public Service Obligations ("Ministry of Finance") amounting to Euro 12.500.000,00. It also includes a receivable from a reduced occupancy subsidy due to the measures imposed by the Greek Government in the context of protection against the COVID 19 pandemic, amounting to Euro 4,000,000 which concerns the period July - August 2020, as decided from the Hellenic Government on December of 2020.

Other State administrations line includes receivables for withheld taxes or Income Tax advances. The increase is due to withheld taxes by the Greek State.

Unbilled revenue includes, further from unbilled services related to the exchange of rolling stock with foreign networks and of services provided to the Infrastructure Manager, executed extended maintenance works for ca. 1,1 million euros as per the provisions of the 24/6/2016 Extended Maintenance program defined in the context of the rolling stock fleet lease from GAIAOSE, subsequently contractualized for 369 units of rolling stock, for about 2 million euros of the partial completion of works related to a fleet of other 74 units of rolling stock, and for about 1,8 million euros for maintenance works related to 131 other units of rolling stock leased by TRAINOSE and certified by an independent valuer.

Company has estimated a provision for doubtful other receivables of € 25.517.777. Its increase is mainly due to uncollected receivables from supplementary maintenance as described below.

Recharge of supplementary maintenance – OSE & GAIAOSE regards Rolling Stock supplementary maintenance for period 09/2017-09/2019 costs sustained by TRAINOSE for activities performed by EESSTY and recharged to the ultimate subjects responsible for the execution of the maintenance works.

According to the Report of the Technical Committee of art. 27 of the Maintenance Contract between the Company and former EESSTY SA, which was presided by the National Technical University of Athens and was summoned to define the final amount of supplementary maintenance cost, as described in the relevant invoices for the period between 14 September 2017 and 30 September 2019, the relevant supplementary maintenance services are connected to specific actions/omissions on behalf of OSE SA and GAIAOSE SA. In particular, part of the cost has been attributed to the bad conditions of the rail infrastructure due to omissions of the infrastructure administrator (OSE), part of the cost to omissions of GAIAOSE (administrator of the rolling stock) for not completing timely all actions relating to the full spectrum of rolling stock maintenance activities within the ambit of GAIAOSE' s responsibility as prescribed in the respective legislation.

In this context, relevant receivables have been recognized for the total amount of Euro 14,1 millions from GAIAOSE and Euro 1,8 millions from OSE SA. All amounts along with the analysis, have been communicated to GAIAOSE and OSE. It needs to be noted that amount of 1,8 million euros regarding OSE, has been considered doubtful in 2021, and thus, the increase in provisions for write downs. The Company is awaiting the deliberation of a technical committee established with OSE to assess jointly the matter of the extraordinary maintenance needs generated by the conditions of infrastructure,

GAIAOSE expressed the willingness to recognize the aforementioned costs (Euro 14,1 millions), subject however to the execution of the control and certification procedure as established in the Rolling Stock Lease Agreement of 2016. Works for a subtotal of circa 3.5 million euros, related to the 369 vehicles object of the 26.09.2019 Extended Maintenance Contract in force, are already undergoing the certification procedures, whereas the rest are going to be analyzed and certified upon approval of the Fleet Management Program that GAIAOSE submitted officially to the competent Ministry in 2021. Whereas Until February 2019, the cost of the additional maintenance has already been recharged, the remaining part (from March 2019) has been calculated and accrued and will be reinvoiced to both GAIAOSE SA upon conclusion of the aforementioned procedures. In any case, the Management estimates that the total amount of recharges will be received as all recharges are evidenced by appropriate supporting documentation based on costs incurred by the Company.

**Other current and non-current assets**

This item consists of the following:

| *Values in Euros* | 31/12/2021 | | | 31/12/2020 | | |
|---|---|---|---|---|---|---|
| | **Non-Current** | **Current** | **Total** | **Non-Current** | **Current** | **Total** |
| VAT | - | 1.176.248 | 1.176.248 | - | - | - |
| Ministry of Transport and Infrastructure | - | 1.802.822 | 1.802.822 | - | 1.802.822 | 1.802.822 |
| Other Receivables – Public Sector | - | 10.816.689 | 10.816.689 | - | 8.538.970 | 8.538.970 |
| Accrued Revenue | - | 8.149.677 | 8.149.677 | - | 2.607.839 | 2.607.839 |
| Accrued Revenue – Ministry of Transport | - | 16.500.000 | 16.500.000 | - | 16.500.000 | 16.500.000 |
| Recharge from supplementary maintenance – OSE & GAIAOSE | - | 15.905.764 | 15.905.764 | - | 15.905.764 | 15.905.764 |
| Other Debtors | 917.436 | 21.535.428 | 22.452.865 | 915.324 | 20.073.234 | 20.988.558 |
| **Total Other Assets** | **917.436** | **75.886.629** | **76.804.066** | **915.324** | **65.428.629** | **66.343.953** |
| Provision for Write-Downs | - | (25.517.777) | (25.517.777) | - | (23.205.894) | (23.205.894) |
| **Total Net Other Receivables** | **917.436** | **50.368.853** | **51.286.289** | **915.324** | **42.222.735** | **43.138.059** |

Receivables from the MIT are detailed below:

*Values in Euros*

| | Opening Balance 31/12/2020 | Increase | Reduction | Closing Balance 31/12/2021 |
|---|---|---|---|---|
| **Grant** | | | | |
| - PSO Invoiced amount | 15.500.000 | 62.000.000 | 77.500.000 | - |
| - Prior Periods' VAT | 1.802.822 | - | - | 1.802.822 |
| - Accrued Revenue | 12.500.000 | 12.500.000 | 12.500.000 | 12.500.000 |
| **Total** | **29.802.822** | **74.500.000** | **90.000.000** | **14.302.822** |

### 13 Shareholders' equity

The changes that took place during the 2021 and 2020 financial years for the main equity items are reported analytically in the table at the beginning of the explanatory notes to the financial statements.

**Share capital**

On 31.7.2018, an Extraordinary General Meeting of the Shareholders of the Company took place in order to decide upon taking appropriate and corrective measures, pursuant to the provisions of article 47 of law 2190/1920.

Specifically, the measures included the following:

- Offset of part of the cumulative accounting losses amounting to 871.546.116,78€ with the special reserve of Law 3891/2010 formed upon the debt release of OSE (debt to OSE writen-off) amounting to 692.161.809,26€.
- Decrease of the Company's share capital with offset of the remaining accounting losses, by the total amount of 178.636.890,90€
- Decrease of the nominal value of the shares by 83,85€ (178.636.890,90€ / 2.130.434 shares) each, so as the total number of shares to remain the same and the share capital of the Company to stand at 34.406.509,10 Euro divided into 2.130.434 registered shares with a nominal value of 16,15 Euro each.

Consequently, the Company's share capital consists of 2.130.434 common fully paid shares, of € 16,15 nominal value each. The total share capital amounts to 34.406.509,10. Company's shares are not listed in any Financial Market.

On 1.6.2019, Ferrovie Dello Stato Italiane S.p.A transferred all the shares of TRAINOSE S.A., to its subsidiary TRENITALIA S.p.A..

**Other reserves**

Company's Capital Reserves amount to € 13.094,15 and relate to the statutory reserve that was established in prior years. According to the Greek Companies law, all entities are obliged to form a 5% from their year-end profits as a statutory reserve until such reserve reaches the amount of one third (1/3) of the paid share capital. This reserve cannot be distributed during the company's operation.

On September 12th, 2017 the 45496/2336 Jointed Ministerial Decision was published in the Official Government Gazette between the Ministry of Finance and the Ministry of Transportations and Infrastructure. According to this decision, a debt write off of debt to OSE SA amounting to 692.161.809,27 € was approved. This amount is directly recognized in the Company's net asset position. The gain which arises for TRAINOSE SA following this debt settlement is not subject to income tax. Furthermore, this settlement does not have any effect on VAT applicable to the relevant invoices issued by OSE during the year in which they were issued.

On 31.7.2018, an Extraordinary General Meeting of the Shareholders of the Company TRAINOSE S.A. took place in order to decide upon taking appropriate and corrective measures, pursuant to the provisions of article 47 of law 2190/1920.

Specifically, the measures included the following:

- Off-set of part of the cumulative accounting losses amounting to 871.546.116,78€ with the special reserve of Law 3891/2010 formed upon the debt release of OSE (debt to OSE written-off) amounting to 692.161.809,26€,

- Decrease of the Company's share capital with offset of the remaining accounting losses, by the total amount of 178.636.890,90€,

- Decrease of the nominal value of the shares by 83,85€ (178.636.890,90€ / 2.130.434 shares)each, so as the total number of shares to remain the same and the share capital of the Company to stand at 34.406.509,10 Euro divided into 2.130.434 registered shares with a nominal value of 16,15 Euro each.

After the aforementioned write off both the Company's net assets and the Company's working capital are positive.

**Reserve for actuarial gains/(losses) for employee benefits**

The Reserve for actuarial gains/(losses) for employee benefits relates to actuarial losses that have been recognized directly in equity. As of 31.12.2019 this reserve was cumulatively shown with Profits/(Losses) carried forward.

**Extraordinary reserve due to merge with EESSTY S.A**

This Extraordinary reserve include the result of the period 01/04/2019 - 30/09/2019. The reserve includes as well the reclassification of the actuarial profit that was directly recorded in the equity of EESSTY S.A..

**Profits/(Losses) carried forward**

Company's (Losses) carried forward until 31/12/2020 are € (12.317.511).

**Operating result**

Company's Operating result for the period 1/1/2021 – 31/12/2021 is profit of € 56.985 compared to a loss of € 11.078.574 for the period 1/1/2020 – 31/12/2020.

## 14 Long-term and short-term loans

*Values in Euros*

| Medium/long-term loans net of the current amount | 31/12/2021 | 31/12/2020 |
|---|---|---|
| Loans from shareholders | 32.300.000 | 23.100.000 |
| **Total** | **32.300.000** | **23.100.000** |
| **Short-term loans and current portion medium/long-term loans** | **31/12/2021** | **31/12/2020** |
| Loans from shareholders (short term) | 3.992.553 | 2.900.000 |
| **Total** | **3.992.553** | **2.900.000** |
| **Total Loans** | **36.292.553** | **26.000.000** |

The reconciliation table for the overall changes in liabilities and financial assets, broken down into monetary and non-monetary changes, is shown below.

*Values in Euros*

| Cash flow items generated/(absorbed) from financial assets | 31/12/2020 | Cash flow statement effect | Non-monetary effects<br>New leases | 31/12/2021 |
|---|---|---|---|---|
| Disbursement and repayment of short and medium/long-term loans | 26.000.000 | 10.100.000 | 192.553 | 36.292.553 |
| Change in other financial liabilities | 68.846.891 | (12.364.146) | - | 56.482.745 |
| **Total** | **94.846.891** | **(2.264.146)** | **192.553** | **92.775.298** |

The terms and conditions of the existing loans are as follows:

*Values in unit of Euros*

| Creditor | Currency | Nominal Interest Rate | Year of Maturity | 31.12.2021<br>Nom. Value | 31.12.2021<br>Book Value | 31.12.2020<br>Nom. Value | 31.12.2020<br>Book Value |
|---|---|---|---|---|---|---|---|
| FERROVIE DELLO STATO ITALIANE S.P.A. | €' | 2,18% plus Euribor | 2028 | 25.000.000 | 19.000.000 | 25.000.000 | 21.000.000 |
| FERROVIE DELLO STATO ITALIANE S.P.A. | €' | 1,4% plus Euribor | 2031 | 18.000.000 | 17.100.000 | 18.000.000 | 5.000.000 |
| **Total Loans** | | | | **43.000.000** | **36.100.000** | **43.000.00** | **26.000.00** |

The interest rate on the loan of 25.000.000 euros has been renegotiated to 2,18% plus Euribor on 26/7/2021, with retroactive effect from 14/10/2020.

## 15 Post-employment benefits and other employee benefits

| | 31/12/2021 | 31/12/2020* |
|---|---|---|
| | | *Values in Euros* |
| Current value of post-employment benefits (TFR) obligations | 4.882.524 | 5.796.819 |
| **Total current value of obligations** | **4.882.524** | **5.796.819** |

The following table shows the changes in the current value of the liabilities for defined benefit obligations.

| | 2021 | 2020 αναταξινομημένο | 2020 |
|---|---|---|---|
| Defined benefit obligations as of 1 January | 5.796.819 | 5.967.579 | 9.103.566 |
| Current Service Cost | 306.199 | 330.430 | 192.711 |
| Other Service Costs | 1.302.293 | 1.693.066 | 67.138 |
| Interest cost | 27.895 | 46.469 | 91.036 |
| Actuarial (gains)/losses recognised in equity | (1.029.645) | (1.336.008) | 192.268 |
| Benefits paid | (1.521.038) | (904.718) | (671.375) |
| **Total defined benefit obligations** | **4.882.524** | **5.796.819** | **8.979.344** |

Pursuant to IASB Decision 12A / May 2021 "Attributing Benefit to Periods of Service (IAS 19)", the methodology for calculating the liability was modified regarding the time limits of the possibility of receiving compensation due to the retirement of each employee.

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

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

Until the issuance of the decision of the agenda, the Company applied IAS 19, distributing the conditions defined by article 8 of L.3198 / 1955, L.2112 / 1920, and its amendment by L.4093 / 2012 in period. from the recruitment [until the completion of 16 years of work following the scale of Law 4093/2012] or [until the date of retirement of the employees].

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

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

The effects of the IAS 19 as described above in the Company's accounting records have a retrospective impact as per below:

| | 31.12.2020 | Ifs 19 - adjustments | Other Reclasses | 01.01.2021 |
|---|---|---|---|---|
| **Non-Current Assets** | | | | |
| Property, plant and equipment | 24.809.104 | | | 24.809.104 |
| Royalties to Property, plant and equipment (Finance Lease-IFRS 16) | 66.810.449 | | | 66.810.449 |
| Spare Parts of rolling stock | 20.114.719 | | | 20.114.719 |
| Intangible assets | 1.716.110 | | | 1.716.110 |
| Deferred tax assets | 6.347.246 | (488.222) | | 5.859.024 |
| Other non-current assets | 915.324 | | | 915.324 |
| **Total non-current assets** | **120.712.952** | **(488.222)** | | **120.224.730** |
| **Current Assets** | | | | |
| Inventories | 2.056.010 | | | 2.056.010 |
| Current trade receivables | 2.004.654 | | 15.500.000 | 17.504.654 |
| Cash and cash equivalents | 23.896.903 | | | 23.896.903 |
| Restricted cash | 1.500.000 | | | 1.500.000 |
| Other Current Assets | 57.722.735 | | (15.500.000) | 42.222.735 |
| **Total Current Assets** | **87.180.302** | - | - | **87.180.302** |
| **Total Assets** | **207.893.255** | **(488.222)** | - | **207.405.032** |
| **Equity** | | | | |
| Share capital | 34.406.509 | | | 34.406.509 |
| Reserves | (2.396.172) | (1.045.674) | | (1.350.498) |
| Profits (Losses) carried forward | (4.374.924) | (3.135.987) | | (1.238.937) |
| Profit (Loss) for the financial year | (9.591.216) | 1.487.358 | | (11.078.574) |
| **Total Shareholders' Equity** | **18.044.197** | **(2.694.303)** | | **20.738.499** |
| **Non-Current Liabilities** | | | | |
| Medium/long-term loans | 23.100.000 | | | 23.100.000 |
| Post-employment benefits and other employee benefits | 8.979.344 | (3.182.525) | | 5.796.819 |
| Provisions for risks and charges | 12.202.779 | | | 12.202.779 |
| Non-current financial liabilities (including derivatives) | 54.164.899 | | | 54.164.899 |
| Other non-current liabilities | 1.090.542 | | | 1.090.542 |
| **Total non-current liabilities** | **99.537.563** | **(3.182.525)** | | **96.355.039** |
| **Current Liabilities** | | | | |
| Short-term loans and current portion medium/long-term loans | 2.900.000 | | | 2.900.000 |
| Current trade payables | 57.924.190 | | | 57.924.190 |
| Current financial liabilities (IFRS 16) | 14.681.992 | | | 14.681.992 |
| Other current liabilities | 14.805.312 | | | 14.805.312 |
| **Total current liabilities** | **90.311.494** | - | | **90.311.494** |
| **Total liabilities** | **189.849.057** | **(3.182.525)** | | **186.666.533** |
| **Total Equity and liabilities** | **207.893.254** | **(488.222)** | | **207.405.032** |

The Company recognizes as personnel benefit liability due to termination of employment, the current value of the legal commitment that the Company has undertaken, for payment of a lump sum indemnity to the personnel which terminates its employment due to retirement. This liability is calculated based on an actuarial study performed annually by an independent actuarial, in accordance with IAS 19. It is depicted at Income Statement and Statement of other comprehensive income. The actuarial method used is the «Projected Unit Credit Method».

It is highlighted that the total actuarial liability for the Company's personnel as of December 31st, 2020 amounts to € 5.796.819. Though needs to be noted that the specific liability has been restated in 2021 following a retrospective approach. Hence the figure of 2020 has been adjusted from 8.979.344 to 5.796.819 following the change in IAS 19 as described above. This amount includes the liability undertaken by OSE SA in recognition of the employees work experience until December 31st, 2006. As a result, the actuarial liability of TRAINOSE S.A. as of December 31st, 2021 is net amount of € 3.621.979 (OSE part equals 1.260.544 – formed until 31.12.2006).

The indemnity payment to personnel exiting service during the years presented was realized solely from the Company and the Company is recharging OSE with the amount corresponding to period of the work experience of the personnel until December 31st, 2006.

It must be noted that OSE has proceeded unilaterally to cancelling the related liability in its Financial Statements at 31.12.2017, following a communication in which it was argued that such liability was to be deemed canceled in the context of the cancellation of the debts of TRAINOSE S.A to OSE S.A., and on general terms, that such liabilities toward the employees are "automatically" transferred to the employer. The Company refutes this unilateral cancellation as illegitimate, in view both of OSE S.A. having agreed for 11 years to bear the economic burden of the indemnity computed as of December 31st, 2006, and in view of the fact that in the Decree for the cancellation of debts of TRAINOSE S.A. towards OSE (KYA 4549672336711-9-2017) no mention was made of the cancellation of what actually is a liability of OSE towards the workforce ceded to TRAINOSE S.A. in 2006. The Company will therefore seek legal restoration of the aforementioned practice regarding the liability to the exhaustion of legal means. It is noted that for the cases of employees who have left the Company and have received their full compensation, without having paid the proportion that should be paid by OSE S.A. in TRAINOSE S.A. a related claim of Euro 1.072.617,75 has been formed. The Company has already began the exercise of legal actions for the recovery of these amounts.

In 2021, for a complete presentation of accounts, the amount of unmatured liabilities still due to the workforce of TRAINOSE from OSE has been computed in the total defined benefit obligations as of 1 January 2021, and the relative portions of the Service and Interest costs, as well as the actuarial loss, has been recognized. An asset of equal value has been recognized within the Other assets (ref. Note 12).

**Actuarial assumptions**

The main assumptions for the actuarial estimate process are described below.

| | 2021 | 2020 |
|---|---|---|
| Discount rate | 1,00% | 0,50% |
| Future salary increases | 2,00% | 2,00% |
| Long-term increase in inflation | 1,90% | 1,70% |
| Mortality table | EAE2012P | EAE2012P |

| | *Values in Euros* |
|---|---|
| | **Post-employment benefits** |
| Benefit Increase Rate + 0,50% | 4.929.740 |
| Benefit Increase Rate - 0,50% | 4.836.270 |
| Discount rate +0,50% | 4.765.863 |
| Discount rate -0,50% | 5.003.597 |

The results of the sensitivity analyses carried out in order to evaluate the effects that would have been recorded in terms of changes in the current value of the liabilities for defined benefit obligations, following reasonable potential changes in actuarial assumptions, are shown above.

## 16 Provision for risks and charges

The following table shows the opening and closing balances of the provisions for risks and charges, and the changes that took place during the 2021 financial year, highlighting the current portion:

| | Provisions for legal cases | Provisions For Accidents | Total |
|---|---|---|---|
| **Book value at 1/1/2020** | **8.394.756** | **2.299.872** | **10.694.628** |
| Additional provision | 2.217.594 | - | 2.217.594 |
| Provision reversal | (1.330.747) | (96) | (1.330.843) |
| Legal Cases Interest | 621.400 | - | 621.400 |
| **Book value at 31/12/2020** | **9.903.003** | **2.299.776** | **12.202.779** |
| Additional provision | 892.420 | - | 892.420 |
| Provision reversal | (3.881.561) | (2.299.776) | (6.181.337) |
| Legal Cases Interest | (83.553) | - | (83.553) |
| **Book value at 31/12/2021** | **6.830.309** | **-** | **6.830.309** |

The movement of additional provisions includes provisions for capital and interest from claims for which the Company considers that there is a possibility of an unfavorable outcome or have already been the subject of adverse court decisions.

The Provisions for Accidents have been redistributed, for the applicable amounts, on notified legal cases, in line with the policy followed by the Company in other similar instances.

## 17 Current and non-current financial liabilities (including derivatives)

Lease liabilities that have not been matured are valued at amortized cost and analyzed as per following table:

| | 31/12/2021 | 31/12/2020 |
|---|---|---|
| Non - current financial liabilities (IFRS16) | 44.771.081 | 54.164.899 |
| Current financial liabilities (IFRS16) | 11.711.664 | 14.681.992 |
| **Total** | **56.482.745** | **68.846.891** |

Lease liabilities were first recognized on 1/1/2019 by applying IFRS 16.

Leased liabilities are booked to "Current trade payables" upon issue of the relevant invoices.

## 18 Other current and non-current liabilities

| Values in Euros | 31/12/2021 | | | 31/12/2020 | | |
|---|---|---|---|---|---|---|
| | Non-Current | Current | Total | Non-Current | Current | Total |
| Customer Guarantees | 70.000 | - | 70.000 | 70.000 | - | 70.000 |
| VAT | - | - | - | - | 1.350.187 | 1.350.187 |
| Accrued Expenses | - | 6.994.909 | 6.994.909 | - | 7.619.550 | 7.619.550 |
| Salaries payable | - | 1.579.773 | 1.579.773 | - | 1.426.237 | 1.426.237 |
| Other Taxes | - | 1.001.239 | 1.001.239 | - | 1.151.811 | 1.151.811 |
| Accrued work in progress regarding ETR | | 6.300.000 | 6.300.000 | | - | - |
| Payables to Social Security Institutions | - | 1.956.195 | 1.956.195 | - | 1.692.110 | 1.692.110 |
| Deferred Income | - | 502.136 | 502.136 | - | 229.857 | 229.857 |
| Other Payables | - | 1.783.247 | 1.783.247 | 1.020.542 | 1.335.560 | 2.356.102 |
| **Total** | **70.000** | **20.117.499** | **20.187.499** | **1.090.542** | **14.805.312** | **15.895.854** |

Other current liabilities do not bear interest and usually are settled within the next fiscal year. It is noted that the Company has no overdue liabilities.

The change in the "Other payables" line, is mainly due to a net of with an equivalent and homogenous receivable.

## 19 Trade Payables

| *Values in Euros* | 31/12/2021 | 31/12/2020 |
|---|---|---|
| Liabilities to Public Sector Entities | 50.798.015 | 53.459.052 |
| Domestic Creditors | 4.121.283 | 3.908.359 |
| Creditors Abroad | 123.119 | 298.303 |
| Payables to Related parties | 25.241.588 | 258.476 |
| **Total** | **80.284.005** | **57.924.190** |

Liabilities to Public Sector Entities as of December 31st, 2021 amount to € 50.798.015 (€ 53.459.052 on December 31st 2020) includes mainly liabilities towards OSE S.A. & GAIAOSE S.A. concerning network utilization duties and rent of rolling stock respectively.

Trade payables to Group companies as of December 31st, 2021 amount to € 25.241.588 (€258.476 in December 31st, 2020) includes mainly liabilities towards TRENITALIA S.P.A. concerning the invoicing issued for new trains delivered to Greece. The increase in the line regards the acquisition the new rolling stock.

## 20 Income from sales and services

The details of the items that make up the revenues from sales and services are illustrated in the tables and comments below.

| *Values in euros* | 1/1 - 31/12/2021 | 1/1 - 31/12/2020 |
|---|---|---|
| Revenues from passengers transportation | 36.525.721 | 32.749.683 |
| Revenues from merchandise transportation | 15.268.213 | 13.916.554 |
| Income of exchange of rolling stock | 332.313 | 463.048 |
| Income from contributions | - | 4.000.000 |
| Revenues from rolling stock maintenance | 5.612.884 | 2.087.245 |
| Revenue from PSO (Public service Obligation) | 50.000.000 | 50.000.000 |
| **Total** | **107.739.132** | **103.216.530** |

The increase in turnover deals with the exposure of TRAINOSE to Covid restrictions. In 2021 only in one and a half out of four quarters, the Greek Government had decided a total lockdown, whilst in 2020 two out of four quarters, suffered from a total lockdown.

On June 15th 2011 the contract agreement for Public Service Obligation was signed between the Greek State and TRAINOSE S.A., during which Services of Public Economic Interest took place, with the purpose of financing the Company's deficit services and more specifically with the purpose of financing deficit routes. In particular, with the aforementioned agreement TRAINOSE S.A. undertook the commitment of providing services passenger railway transport in exchange with compensation, which according to the paragraph 3 of the aforementioned agreement did not exceed the amount of € 50.000.000,00 annually for the years 2011, 2012 και 2013, according to the article 12 of law N. 3891/2010. The agreement was extended by the 4337/2015 law, until 31.12.2015. On 17.12.2015, new contract agreement was signed between the Greek State and TRAINOSE S.A.. Provided services, routes which are covered by the agreement, the method of compensating TRAINOSE SA, the agreement's execution tracking mode, control measures and every other relevant point, are defined by this contract agreement. The total compensation amount which TRAINOSE S.A. can receive from the Greek State for providing these services (Public Service Obligation) cannot exceed the amount of 50.000.000 euros annually for the period from 2015 to 2020.

On 05.08.2017 the modification of the Public Service Obligation was signed between the Greek State and Company, clarifying the terms of the initial agreement. Specifically, the expenses that are recognized for subsided routes are defined, as well as other technical issues regarding the agreements application.

On November 29th, 2019 an agreement memorandum was signed between TRAINOSE and Ministry of Infrastructure and Transport for immediate assignment of PSO contract for the period 2021-2035. The total value of the contract was defined at 750 million euros (maximum annual compensation of 50 million euros, in alignment with the existing PSO contract until 2021.

The aforementioned PSO contract was extended firstly to the new deadline of 31.12.2021 by means of law 4784/16-3-2021, in order to allow for the negotiations of the new contract to be concluded. Subsequently, the validity of the 2015 PSO was furtherly extended by a period of 2 months by means of law 4876/23-12-2021, in order to allow for the assignment procedures to be completed. In particular, said law provision foresees that the contractual period 1.1.2022-28.2.2022 will be integrated in the new PSO Contract that will be assigned by the Ministry of Infrastructure and Transport according to art. 5 of EU Regulation 1370/2007, acquiring by consequence all its contractual provisions both on the operating and on the compensation mechanisms.

The analysis of PSO Agreement is shown in the following table:

| *Values in Euros* | 2021 | 2020 |
|---|---|---|
| **Pricing and service obligations** | | |
| for passenger transport | 50.000.000 | 50.000.000 |
| **Total** | **50.000.000** | **50.000.000** |

## 21 Other income

The details of the other income are shown in the following table:

| *Values in Euros* | 31/12/2021 | 31/12/2020 |
|---|---|---|
| Income from other services | 1.365.742 | 1.264.281 |
| Other extraordinary and non-operating income | 3.277.380 | 1.810.534 |
| **Total** | **4.643.122** | **3.074.815** |

The income from other services includes amount of € 567.221 from Ferrovie dello Stato Italiane and € 150.332 from TRENITALIA. This figures mostly relate to the recharge of payroll costs allocated to both FS and Trenitalia along with a recharge of interest cost that arised due to a renegotiation of loan terms, in 2021 with a retrospective approach, that resulted to an excess payment of interest. Other extraordinary and non-operating income include mainly: decrease of Lease for buildings due to covid-19 and correction of 2020 network fees.

## 22 Personnel costs

The breakdown of the personnel costs is shown in the following table:

| *Values in euros* | 31/12/2021 | 31/12/2020 |
|---|---|---|
| Salary and wages | 31.207.467 | 30.819.520 |
| Social contributions | 7.934.040 | 7.686.647 |
| Other costs for staff in role | 1.301.957 | 1.040.283 |
| Revaluation of severance indemnity | 1.075.893 | 790.154 |
| **Total** | **41.519.356** | **40.336.603** |

The following table shows the Company's average workforce broken down by category:

| | 31/12/2021 | 31/12/2020 |
|---|---|---|
| **Personnel** | | |
| Senior Managers | 6 | 6 |
| Other personnel | 1.142 | 1.118 |
| **Total** | **1.148** | **1.124** |

## 23 Raw materials, consumables, supplies and merchandise

This item is broken-down as per following table:

| *Values in Euros* | 31/12/2021 | 31/12/2020 |
|---|---|---|
| Raw materials and Consumables | 866.104 | 1.028.735 |
| Traction Electric Energy | 7.151.385 | 6.219.362 |
| Fuel Consumption | 8.327.313 | 8.287.372 |
| **Total Cost** | **16.344.803** | **15.535.469** |

## 24 Costs for services

The balance indicated in the financial statements is broken down in the following table:

| *Values in Euros* | 31/12/2021 | 31/12/2020 |
|---|---|---|
| Rolling Stock Maintenance | 2.097.715 | 404.424 |
| Network Access Fares | 12.748.163 | 14.184.411 |
| Rolling Stock Cleaning | 2.174.667 | 2.135.634 |
| Insurance Fees | 508.759 | 246.519 |
| Taxes | 1.507.991 | 1.147.710 |
| Agent Commissions | 2.021.996 | 2.259.942 |
| Other Contractors' Fees | 6.409.763 | 5.434.705 |
| Other Costs | 2.175.609 | 3.901.965 |
| **Total** | **29.644.664** | **29.715.311** |

The increase of maintenance of rolling stock is mainly attributable to the initialization of the maintenance agreement for the new ETR470 trains fleet.

## 25 Costs for leased assets

The breakdown of costs for leased assets is shown in the following table:

| *Values in Euros* | 2021 | 2020 |
|---|---|---|
| Lease fees | 259.852 | 714.050 |
| **Total** | **259.852** | **714.050** |

During the course of the financial year ended on 31 December 2021 this item amounted to € 373.738 and included costs relating to short-term leases (less than 12 months), leases of modest value (less than or equal to € 5,000), and costs related to variable payments not included in the assessment of the lease liabilities.

## 26 Other operating costs

The details of the other operating costs are shown in the following table:

| *Values in Euros* | 2021 | 2020 |
|---|---|---|
| Prior year payroll Costs | 34.973 | 51.427 |
| Prior year costs | (2.556) | 1.651.777 |
| Other extraordinary costs | 107.474 | 207.061 |
| Overdue Interest and extraordinary expenses | 13.552 | 174.572 |
| Tax penalties and surcharges | 24.271 | 6.366 |
| Other Costs | 2.742.600 | 1.224.711 |
| **Σύνολο** | **2.920.314** | **3.315.914** |

Other costs include mainly direct taxes such as stamp duties, levies, etc and travel and accommodation expenses of personnel and passengers.

## 27 Provisions and write-downs

The details of provisions and write-downs are shown in the following table:

| *Values in Euros* | 2021 | 2020 |
|---|---|---|
| Provisions for legal cases | 892.420 | 2.217.594 |
| Reversal of provisions for legal cases | (6.093.292) | (1.330.843) |
| Legal interest | (83.553) | 621.400 |
| **Total Legal Cases** | **(5.284.425)** | **1.508.151** |
| | | |
| Provisions for Doubtful Debts | 2.706.747 | 4.449.059 |
| Write-downs | (1.012.000) | - |
| Provisions for Stock Impairment | 1.044.345 | 956.467 |
| **Total** | **2.739.092** | **5.405.526** |

## 28 Depreciation and Amortization

This item is broken down as follows:

| *Values in Euros* | 2021 | 2020 |
|---|---|---|
| Intangible Assets' amortization | 260.050 | 253.773 |
| Tangible Assets' depreciation | 3.958.489 | 3.332.369 |
| Right of Use Assets' amortization | 15.092.411 | 15.044.329 |
| **Total** | **19.310.950** | **18.630.471** |

## 29 Financial income

The breakdown of the financial income is shown in the following table:

| *Values in Euros* | 2021 | 2020 |
|---|---|---|
| Other financial income | 16.669 | 345.762 |
| **Total** | **16.669** | **345.762** |

## 30 Financial expenses

The breakdown of the financial charges is shown in the following table:

| *Values in Euros* | 2021 | 2020 |
|---|---|---|
| Interest on Loans | 636.695 | 795.150,25 |
| Interests on leased fixed assets | 2.327.387 | 2.540.070 |
| Other financial expenses | 280.389 | 201.420 |
| **Total** | **3.244.471** | **3.536.640** |

## 31 Current, deferred and prepaid income taxes for the financial year

According to article 46 of Law 4172/23.07.2013 and Circular POL.1044/10.02.2015, the legal entities which are entirely owned, directly or indirectly, by HRADF (Hellenic Republic Asset Development Fund) in line with paragraph 13 of article 2 of Law 3986/2011, are exempted from corporate income tax.

As such, regarding fiscal year 2017, the Company is tax exempted from corporate income tax for the period until 13.9.2017, i.e. until the privatization date, as confirmed with Public Revenues Authority's document with Protocol No 'ΔΕΑΦ Β 1024792 ΕΞ 2018 / 13.2.2018'. Based on said decision it is stipulated that as of 14.9.2017 and onwards, the Company is taxed under the general corporate income tax provisions based on the articles 45, 47 and subsequent thereof Law 4172/2013 (Income Tax Code).

The Company has estimated the taxable income for the period 1/1/2021 – 31/12/2021 resulting to:

- Decrease of Deferred Tax Asset of € 690.560 concerning tax losses carried forward has been recorded due to the fluctuation of taxable profit which resulted as at 31.12.2021 to 3,2mil (loss).

- Due to the amount of losses, no Current Income Tax concerning the period 1/1/2021 – 31/12/2021 has been calculated.

Given that the Company for prior years had been tax exempted, no deferred tax had been recognized. Taking into account the transition to a taxable regime under the general tax provisions within fiscal year 2017, the Company had recognized deferred tax asset amounting 751.000 €. Deferred taxes are calculated on all temporary tax differences between the accounting and tax base of assets and liabilities. Deferred taxes are calculated using the tax rates that are expected to be applied in the future. In light of the above, the estimated Income Tax loss for the period 1/1/2021 – 31/12/2021 amounts to € 3.138.909.

It is worth mentioning that within Q.3 2014, the tax audit was completed by K.E.M.EP. (Center for Large Corporations Audit) for the unaudited fiscal years 2007 – 2011. No additional taxes and surcharges relevant to the income tax were imposed.

The Company for the fiscal years 2012 and 2013 has been subject to tax audit from the regular Certified Auditor Accountants as dictated by article 82 par. 5 Law 2238/ 1994, and for the fiscal years 2014 and onwards as dictated by article 65 α N. 4174/ 2013. The Company has received Tax Compliance Certificates: for fiscal years 2012 – 2014 with qualification, for year 2015 without qualification, for years 2016 and 2017 with emphasis of matters and for years since 2018 to 2020 without any emphasis of matter.

The right of tax authorities to audit business year 2012 has been time-barred.

In addition, on the basis of risk analysis criteria, Greek tax authorities may choose the Company for tax audits as part of the audits carried out on companies that have received tax compliance certificates with the assent of the Statutory Auditor. In this case, the Greek tax authorities have the right to carry out a tax audit of the uses they choose, taking into account the work for the issuance of the tax compliance certificate. No provision has been recognised in the Company's accounting records regarding open tax years, due to the fact that according to the Company's expectations there will not arise any unrecorded tax liabilities.

For the fiscal year 2021, the tax compliance assurance work is in progress by the statutory auditor in accordance with Article 65A of the Code of Tax Procedure of Law 4174/2013. It is not expected to have a significant effect on the Company's Equity due to unrecorded expenses and tax liabilities.

The Income tax rate due to business activity in Greece, for the year 2021 is 22%.

The analysis of Income Tax is shown in the following table:

| *Values in Euros* | 2021 | 2020 |
|---|---|---|
| Current Income Tax | - | - |
| Deferred Income Tax | (1.428.276) | 3.980.192 |
| Business tax | (100.600) | |
| Income Tax Adjustment for prior yeat | - | (1.047.566) |
| **Income Tax in Income Statement** | **(1.528.875)** | **2.932.628** |

## 32 Contingent liabilities and assets

### Legal Cases

The Company is involved in various pending court proceedings amounting Euro 66.563.096.

Concerning the above legal claims, a provision amounting to € 6.830.309 has been created and is deemed sufficient.

With regards to other legal cases Management's best estimate is that their outcome will not have a significant effect on the Company's financial position.

### Contingent assets

There are no contingent receivables which meet the disclosure criteria set by IFRS.

### Contingent Liabilities

*Network fares*

OSE SA management uploaded 2020 Network Statement modifying network fares for traffic in Greek rail network in 2020. Subsequently, OSE proceeded to publish the 2021 Network Statement which continued to include these modified network fares. Applying the aforementioned modification would lead to charges significant higher than those for 2019 (210% on average compared to 2019), without changes in Network quality.

Fares included in 2020 and 2021 Network Statements are not sustainable, even if effects from Covid-19 pandemic were not taken into account. The suggested increases should be totally reassessed, through the necessary consultation with the rail companies operating in Greek Rail Network. It must be outlined that the invoices received up to December 31th, 2020 (i.e. 3rd quarter) have been issued based on the formula for 2019 charges.

The Company has received an invoice on the 23.07.2021 for the clearing of charges from OSE for the year 2020, based by applying the aforementioned 2020 Network Statement, amounting to 12.447.559,62 euros plus VAT. This invoice is deemed unacceptable and is returned to OSE with an extrajudicial declaration stating clearly the reasons for the objections.

Considering that management estimates that the application of charges included in Network Statement for 2020 and 2021 is remote, due to deficiencies in the procedure of issuing the Statement itself, as well as due to the obvious lack of sustainability in the fares, and clarifying that TRAINOSE reserves the right to appeal against the Statement, even in courts if necessary, and surely by the regulatory authority (RAS) as effectively done, the Company calculated the total Network fares for 2020 and 2021 based on the invoices issued until 31.12.2020, i.e. through the de facto extension of the 2019 contractual relationship binding the Company to OSE.

The same method was used to assess network access cost for 2021.

On 23.3.2021 an appeal (with Ref. No. 523) was submitted by TRAINOSE before RAS due to actions of OSE contrary to the relevant legal provisions with the following requests: (a) annulment of Network Statements of 2020 and 2021, (b) provision of one-month deadline to OSE for the invitation of the interested parties to enter into consultation regarding the respective Network Statements, (c) decrease of access fees for 2020 and 2021, (d) prohibition of collection of access fees based on the Network Statements of 2020 and 2021 that do not follow the stipulations of the legal framework, (e) interim extraordinary measures for the prohibition of the charge of any costs by OSE against TRAINOSE additional to the cost charged for 2020 provided in Network Statement 2020 and the temporary application of the cost extraction methodology contained in the Network Statement 2019.

Due to this issue, the signature and execution of the track access contract, which should have been signed between OSE and TRAINOSE for years 2020 and 2021, is still pending.

**Non-finalized receivables and liabilities**

Invoices charged by OSE S.A. to TPAINOSE S.A. concerning accidents

In terms of the transactions and the balances with OSE SA, the Company has arisen specific objections for the invoicing of services that concern the fiscal year 2018, which at the opinion of the company are based on erroneous calculation by OSE SA.

On 31.7.2018, OSE SA issued invoice number 964 to the Company for the total amount of €1.545.625,50. The invoice concerns damage reparation due to the derailment of a train. TRAINOSE SA, based on the committee opinion (Reg. No. 1750344/8.10.2015) on the incident, did not accept the charge and returned the invoice to OSE SA. (Reg. No. 6874/15/T2-10.9.2018).

Invoices for the total amount of €986.439,91 (incl. VAT) that TRAINOSE SA has issued to OSE SA and concern works performed on the rail network within 2018, which have not been accepted by OSE SA. Included in the amount, invoices of €976.272,15 concern services that have been issued according to the invoicing policy of TRAINOSE SA. It is noted that similar services have been delivered to OSE SA during the years 2017 and 2019, have been invoiced under the same policy and have been accepted by OSA SA. For this reason, the Company has not formed a provision for doubtful debt and expects the payment of the total of the receivable using all legal means available.

**Proceedings Before The National And European Authorities**

*Hellenic Railway Regulatory Authority – RAIL CARGO LOGISTICS GOLDAIR Proceeding*

RAILCARGO LOGISTICS GOLDAIR S.A. has submitted an application before the Hellenic Railway Regulatory Authority (RAS) against TRAINOSE. RAILCARGO argues that TRAINOSE breaches its obligations under competition law (through its refusal to provide to it certain services and the excessive pricing in the contract for the provision of maintenance services). TRAINOSE rejected the arguments and holds them ill-founded. TRAINOSE has submitted its defence on 10.2.2020.

The hearing took place on 12.10.2020 in front of the plenary session of RAS. During the hearing, the Company submitted its commitments in regards to (a) provision of defined railway transportation services, (b) provision of rolling stock maintenance services and (c) the cost accounting model for the services of the rolling stock maintenance services. Further, the Company committed to provide contract templates to RAS for points (a), (b) as well the cost accounting model used. The above are detailed in the decision No.14006/12.10.2020 of RAS (published in Government Gazette FEK B.5421/09-12-2020), which sets the deadline for the Company to deliver the requested documents. The Company has already submitted the above documents, on 29.12.2020 .

After the control by an external consultant to which RAS assigned the task of reviewing TRAINOSE's proposed pricing formula for maintenance services, and some clarifications and adjustments intervened, RAS by means of Decision no. 2299/29.11.2021 verified to have completed the control of pricing formula for the provision of maintenance services and approved TRAINOSE's template contract for maintenance services.

As per the rest of the commitments, TRAINOSE has submitted on 7.12.2021 clarifications requested by RAS. The procedure is still pending.

*Hellenic Competition Committee (HCC) – RAIL CARGO LOGISTICS GOLDAIR Complaint*

TRAINOSE received on 31.3.2021 the document with Ref. No. oik.2813/30.3.2021 of the HCC by virtue of which TRAINOSE is being requested to provide certain information and documentation contained therein relating mainly to its railway freight transport activity to HCC, information being requested within the context of the complaint that had been submitted to HCC with No. 2468/18.3.2021 and the respective investigation launched by HCC thereof.

Within the context of the complaint Rail Cargo Logistics Goldair S.A. argues that TRAINOSE has been adopting anti-competitive practices through the discretionary pricing of its clients leading to an abuse of its dominant position in the respective market. Additionally, Rail Cargo Logistics Goldair S.A. refers to the argument of cross-subsidisation on the allocation of maintenance cost for rolling stock used for freight transport and passenger transport (which is connected to PSO provisions). Lastly, Rail Cargo Logistics Goldair S.A. refers to allegedly anti-competitive practices of TRAINOSE in relation to hiring train drivers.

TRAINOSE submitted in a timely manner the requested information and documentation by virtue of its Letter with Ref. No. 40347/21/Δ2/10.5.2021, also rejecting the claimant's allegation. The procedure is pending.

*National Transparency Authority (NTA)*

By virtue of the document with Ref. no. EAD.F.249/21/OIK.8135/12.3.2021 NTA requested from TRAINOSE and GAIAOSE the provision of information regarding maintenance activities executed on rolling stock during the period starting from 1.1.2017 until 31.8.2017. TRAINOSE provided the respective requested documentation, available to the company, within the set deadline (i.e. on 26.3.2021).

NTA by virtue of its Document with Ref. No. EAD/F.249/21/16948/28.5.2021 requested additional information and clarifications on the documentation submitted by TRAINOSE. Moreover with the same document, NTA requested documentation relating to lease agreements for premises (real estate assets situated near freight terminals) executed between TRAINOSE and GAIAOSE on 20.7.2017. Trainose has submitted the relevant information available to the company on 15.6.2021. Following the above the National Transparency Authority by virtue of its document with Ref. No. ΕΑΔ/Φ.249/21/οικ.2557/31.1.2022 requested the views of TRAINOSE S.A. in relation to the above two categories of issues.

**Unaudited tax years**

The Company has not been audited for the years 2015 to 2021 from the tax authorities. Management does not estimate that additional charges could come up from a possible audit.

The Company though has received a tax certificate regarding tax years 2018, 2019 and 2020 without any qualification or an emphasis of matter. Regarding the remaining tax years that are still considered open for any potential audit from the tax authorities, hence, 2016 and 2017, the company received a Tax Certificate though with an emphasis of matter. However, the Management does not expect any potential issue to arise that may lead to the constructive obligation to set up a liability for open tax years.

Additionally, as stipulated by par. 5 of article 82 of the Code of Income Tax (v. 2238/1994), the Company effective from 2011 and afterwards is subject to a tax audit from its statutory auditors with audit offices which are registered in the Public Register of L. 3693/2008 for the issuance of the «Annual Certificate».

## 33 Remuneration of Auditing Services

It should be noted that the total amount of the consideration concerning auditing services rendered within 2021 is equal to € 85.000 plus VAT 24%.

## 34 Salaries and other fees of Board of Directors members and executives

Salaries and benefits of members and executives of the Board of Directors are as follows:

| *Values in Euros* | 2021 | 2020 |
|---|---|---|
| Salaries and Fees of BoD members | 263.107 | 110.000 |
| Salaries and Fees of Senior Managers | 930.183 | 869.292 |
| **Total** | **1.193.289** | **979.292** |

There are no payables or receivables from BoD members.

## 35 Related parties

Interrelations between TRAINOSE S.A., FS Italiane Group companies, and between these and other related parties are generally carried according to criteria of fairness, with the aim of ensuring mutual economic convenience, guided by the normal market conditions, which - where appropriate - are even identified with the help of external consultants; inter-company transactions share the common goal of creating efficiency and, therefore, value for FS Italiane Group as a whole.

These processes and transactions take place in compliance with the sector-specific, civil and tax legislation, in compliance with the Group and the Corporate Administrative Accounting Procedures and taking into account the characteristics and the specific aspects of the activities carried out by many of the Group's companies.

The most significant transactions are analysed in the table below:

Values in Euros

| Company's Name | 31/12/2021 | | | | 2021 | | |
|---|---|---|---|---|---|---|---|
| | Receivables | Payables | Loans | Acquisition of rolling stock & commercial platform | Finance costs – Loans | Costs | Revenues |
| **Parent companies** | | | | | | | |
| FERROVIE DELLO STATO ITALIANE S.p.A. | - | (91.351) | 36.292.553 | - | 636.695 | 156.095 | 567.221 |
| FS TECHNOLOGY | - | 1.702.002 | - | 1.650.002 | - | 52.000 | - |
| TRENITALIA/CORP S.p.A. | - | 29.910.520 | - | 29.326.045 | - | 642.033 | 150.333 |
| RFI | - | 15.511 | - | - | - | 15.511 | - |
| MERCITALIA SHUNTING & RAIL | - | 4.906 | - | - | - | 4.906 | - |
| **Total** | - | **31.541.588** | **36.292.553** | **30.976.047** | **636.695** | **870.545** | **717.554** |

| | | | 31/12/2020 | | | 2020 | Values in Euros |
|---|---|---|---|---|---|---|---|
| Name | Receivables | Payables | Loans | Fixed Assets Purchase | Interest on Loans | Expenses | Revenue |
| **Parent Companies** | | | | | | | |
| FERROVIE DELLO STATO ITALIANE S.p.A. | 339.562,12 | 293.202,33 | 26.000.000,00 | - | 795.150,25 | 221.280,00 | 339.562,12 |
| TRENITALIA/CORP S.p.A. | - | 87.918,59 | - | - | - | - | 87.918,59 |
| MERCITALIA | - | - | - | - | - | - | - |
| **Total** | **339.562** | **381.121** | **26.000.000** | | **795.150** | **221.280** | **427.481** |

## 36 Guarantees and commitments

On December 31st, 2021 the granted guarantees for securing receivables, amount to € 5.473.277,00 (€ 8.677.531 as at 31/12/2020) and the commitments amount to € 41.109.904.

The analysis of commitments is shown in the following table:

| Description | 2021 | 2020 | Period time |
|---|---|---|---|
| Renovation of Thessaloniki Depot | 72.986 | 9.721.096 | 1 year |
| Acquisition of rolling stock | 12.824.994 | 35.625.000 | 1 year |
| Contracts with suppliers of rolling stock material | 1.951.755 | 3.411.536 | 1 year |
| Maintenance Services for ETR470 rolling stock | 22.831.630 | 24.081.630 | 5 years |
| Passive fire protection of Thessaloniki Depot | 809.219 | - | 1 year |
| Spare parts ETR 470 | 2.619.319 | - | 5 years |
| **Total** | **41.109.904** | **72.839.262** | |

## 37 Financial statements segmented per activity

As dictated by paragraph 1 of the article 8 of the (Presidential Order) π.δ. 41/2005 as it was replaced by par. 1 article 41 of 3891/2010 law, the Company is obliged to keep and publish separate profit and loss accounts, as well as balance sheets or annual asset and liability statements for activities relevant to passenger and cargo transportation services.

Below are presented separated in terms of Income Statement of the Company for the period 1/1/2021 until 31/12/2021, as it is dictated by the 17.5.2015 P.S.O agreement between the Greek State and TRAINOSE S.A..

On 05.08.2017 the modification of the Public Service Obligation was signed between the Greek State and Company, clarifying the terms of the initial agreement. Specifically, the expenses that are recognized for subsided routes are defined, as well as other technical issues regarding the application of the agreement. On 04.02.2022 RAS issued decision n. 9/2022 having per object the "Conclusion of the control of application of the segregation of accounts in the profit and loss accounts and in the balance sheet of TRAINOSE for the year 2020, in application of Decision n.959/31.05.2021 of RAS". In this context, a number of prescriptions were communicated to the Company having per object the methodology to be followed in the drafting of the Financial Statements segmented per activity. Such prescriptions have been followed by the Company for the preparation of the profit and loss accounts, as well as balance sheets, segmented per activity, published below for the period 1/1/2021-31/12/2021.

## Segment analysis of Statement of Total Income (1/1-31/12/2021)

| | 1/1-31/12/2021 | PASSENGER ACTIVITY - PSO | FREIGHT | PASSENGER ACTIVITY - OTHER | MAINTENANCE | OTHER |
|---|---|---|---|---|---|---|
| Revenues from passenger transportation | 36.525.721 | 36.236.054 | - | 289.668 | - | - |
| Revenues from freight transportation | 15.268.213 | - | 15.268.213 | - | - | - |
| Revenues from PSO | 50.000.000 | 50.000.000 | - | - | - | - |
| Revenues from maintenance to thirds | 5.612.884 | - | - | - | 5.612.884 | - |
| Income of exchange of rolling stock | 332.313 | - | 332.313 | - | - | - |
| Other operating income | 1.365.742 | 473.704 | 111.309 | 23.235 | 474.463 | 283.031 |
| Other income | 3.163.495 | 1.044.075 | 245.334 | 51.212 | 1.528.976 | 293.899 |
| **Total revenues** | **112.268.369** | **87.753.833** | **15.957.170** | **364.114** | **7.616.323** | **576.929** |
| Personnel cost | (41.519.356) | (21.183.091) | (1.945.386) | (888.633) | (17.502.246) | - |
| Raw materials, consumables and supplies (Spare parts) | (866.104) | - | - | - | (866.104) | - |
| Raw materials, consumables and supplies (Electricity) | (7.151.385) | (5.209.010) | (1.095.008) | - | (847.368) | - |
| Raw materials, consumables and supplies (Fuel) | (8.327.313) | (7.248.604) | (839.035) | (138.194) | (101.481) | - |
| Network utilization duties | (12.748.163) | (12.120.953) | (624.660) | (2.550) | - | - |
| Rent of exchange of rolling stock | (1.472.586) | - | (1.472.586) | - | - | - |
| Cleaning services | (2.174.667) | (876.989) | (206.072) | (43.016) | (1.048.590) | - |
| Maintenance services | (2.100.335) | (98.695) | (23.191) | (4.841) | (1.973.608) | - |
| Lease of real estate | 57.388 | 29.858 | 7.016 | 1.465 | 19.050 | - |
| Rent of means of transport | (317.240) | (229.145) | (53.844) | (11.240) | (23.012) | - |
| Other expenses | (14.069.227) | (5.566.430) | (1.307.982) | (273.032) | (6.924.338) | 2.556 |
| **Total expenses** | **(90.688.990)** | **(52.503.060)** | **(7.560.748)** | **(1.360.041)** | **(29.267.698)** | **2.556** |
| **Gross operating margin (EBITDA)** | **21.579.379** | **35.250.773** | **8.396.421** | **(995.927)** | **(21.651.374)** | **579.485** |
| Tangible and Intangible Amortization | (4.218.539) | (313.533) | (73.673) | (15.379) | (3.815.954) | - |
| Amortisations IFRS16 | (2.298.080) | (284.241) | (66.790) | (13.942) | (1.933.107) | - |
| Amortisations IFRS16 Rolling Stock | (12.794.331) | (10.905.888) | (1.888.443) | - | - | - |
| Provisions | 2.545.233 | 2.269.277 | 533.228 | 111.308 | (368.579) | - |
| **Operating result (EBIT)** | **4.813.662** | **26.016.389** | **6.900.743** | **(913.940)** | **(27.769.015)** | **579.485** |
| Interest on bank deposits | 16.669 | - | - | 680 | 633 | 15.355 |
| Interest on loan from parent companies | (636.695) | - | - | - | 0 | (636.695) |
| Other financial expenses | (280.389) | - | - | (145.181) | (135.209) | - |
| Financial cost IFRS16 Third | (2.327.387) | (572.966) | (134.634) | (28.104) | (1.591.683) | - |
| Net financial result | (3.227.802) | (572.966) | (134.634) | (172.604) | (1.726.259) | (621.339) |
| **Result before taxes** | **1.585.860** | **25.443.423** | **6.766.109** | **(1.086.544)** | **(29.495.274)** | **(41.854)** |
| Income taxes | (1.528.875) | - | - | (791.631) | (737.244) | - |
| **Result after taxes** | **56.985** | **25.443.423** | **6.766.109** | **(1.878.175)** | **(30.232.518)** | **(41.854)** |
| **Transferred maintenance cost to TRANSPORT ACTIVITY** | | **(30.129.964)** | **(1.753.967)** | **(6.378)** | **31.890.309** | **-** |
| **Profit / (Loss) before tax, classified per Segment** | **1.585.860** | **(4.686.542)** | **5.012.142** | **(1.092.922)** | **2.395.036** | **(41.854)** |
| Income Tax | (1.528.875) | 81.073 | (1.102.671) | 18.907 | (526.908) | 724 |
| **Profit / (Loss) after tax, classified per Segment** | **56.985** | **(4.605.468)** | **3.909.471** | **(1.074.016)** | **1.868.128** | **(41.130)** |

## Segment analysis Statement of Financial Position (1/1-31/12/2021)

| Assets | 31/12/2021 | PASSENGER ACTIVITY - PSO | FREIGHT | PASSENGER ACTIVITY - OTHER | MAINTENANCE | OTHER |
|---|---|---|---|---|---|---|
| Property, plant and equipment | 64.163.703 | 41.159.769 | 90.750 | | 19.425.800 | 3.487.384 |
| Royalties to Property, plant and equipment | 54.008.646 | 49.571.969 | 527.766 | 1.919 | 3.857.430 | 49.562 |
| Spare parts of rolling stock | 21.144.602 | | | | 21.144.602 | |
| Intangible assets | 1.621.194 | | | | 876.893 | 744.302 |
| Deferred tax assets | 4.204.227 | 1.239.960 | 1.513.991 | 2.362 | 1.412.415 | 35.499 |
| Other non-current assets | 917.436 | | | | | 917.436 |
| **Total non-current assets** | **146.059.808** | **91.971.698** | **2.132.507** | **4.281** | **46.717.140** | **5.234.183** |
| Inventories | 4.973.301 | | | | 4.973.301 | |
| Current trade receivables | 7.003.876 | 10.181 | 1.196.821 | | 4.298.544 | 1.498.330 |
| Cash and cash equivalents | 17.847.293 | 3.025.080 | 14.818.644 | | 3569 | |
| Other current assets | 50.368.853 | | 1.802.822 | | | 48.566.031 |
| **Total current assets** | **80.193.323** | **3.035.261** | **17.818.287** | | **9.275.414** | **50.064.360** |
| **Total assets** | **226.253.131** | **95.006.959** | **19.950.795** | **4.281** | **55.992.554** | **55.298.543** |
| **Equity** | | | | | | |
| Share capital | 34.406.509 | | | | | 34.406.509 |
| Reserves | (852.487) | | | | | (852.487) |
| Profits (Losses) carried forward | (12.317.511) | (17.622.928) | 4.514.454 | (1.243.989) | 3.116.823 | (1.081.872) |
| Profit (loss) of the period | 56.985 | (4.605.468) | 3.909.471 | (1.074.016) | 1.868.128 | (41.130) |
| **Total shareholder equity** | ***21.293.496*** | ***(22.228.396)*** | ***8.423.925*** | ***(2.318.005)*** | ***4.984.951*** | ***32.431.021*** |
| **Liabilities** | | | | | | |
| Medium/long-term loans | 32.300.000 | | | | 15.300.000 | 17.000.000 |
| Post-employment benefits and other employee benefits | 4.882.524 | 1.181.267 | 108.484 | 49.554 | 3.169.075 | 374.144 |
| Provisions for risk and charges | 6.830.309 | 2.350.510 | 2.497.970 | | | 1.981.829 |
| Non-current financial liabilities (incl. derivatives) | 44.771.081 | 41.073.588 | | | 3.661.500 | 35.993 |
| Other non-current liabilities | 70.000 | | | | | 70.000 |
| **Total non-current liabilities** | **88.853.914** | **44.605.365** | **2.606.454** | **49.554** | **22.130.575** | **19.461.966** |
| Short-term loans and current portion M/L loans | 3.992.553 | | | | 1.800.000 | 2.192.553 |
| Current trade payables | 80.284.005 | 55.618.689 | 4.762.209 | 2.262.949 | 17.640.158 | |
| Current financial liabilities (incl. derivatives) | 11.711.664 | 10.704.384 | 552.285 | 2.008 | 440.544 | 12.442 |
| Other current liabilities | 20.117.499 | 6.300.000 | 3.605.644 | | 8.996.325 | 1.215.530 |
| **Total current liabilities** | **116.105.721** | **72.623.073** | **8.920.139** | **2.264.957** | **28.877.027** | **3.420.525** |
| **Total liabilities** | **204.959.635** | **117.228.438** | **11.526.592** | **2.314.512** | **51.007.602** | **22.882.491** |
| **Total Equity and Liabilities** | **226.253.131** | **95.000.042** | **19.950.517** | **(3.493)** | **55.992.554** | **55.313.512** |

## Segment analysis of Statement of Total Income (1/1-31/12/2020)

| | 1/1-31/12/2020 | PASSENGER ACTIVITY - PSO | FREIGHT | PASSENGER ACTIVITY - OTHER | MAINTENANCE |
|---|---|---|---|---|---|
| Revenues from passenger transportation | 32.749.683 | 32.563.409 | 890 | 185.384 | - |
| Revenues from freight transportation | 13.916.554 | - | 13.916.554 | - | - |
| Revenues from PSO | 50.000.000 | 50.000.000 | - | - | - |
| Revenues from maintenance to thirds | 2.087.245 | - | - | - | 2.087.245 |
| Income of exchange of rolling stock | 463.048 | - | 463.048 | - | - |
| Income from contributions | 4.000.000 | 3.812.974 | - | 187.026 | - |
| Other operating income | 1.264.281 | 576.205 | 135.395 | 28.263 | 524.419 |
| Other income | 1.810.534 | 729.404 | 171.393 | 35.777 | 873.959 |
| **Total revenues** | **106.291.345** | **87.681.992** | **14.687.281** | **436.449** | **3.485.623** |
| Personnel cost | (40.967.002) | (22.507.755) | (2.067.039) | (944.203) | (15.448.005) |
| Raw materials, consumables and supplies (Spare parts) | (1.028.735) | (4.327) | (252) | (1) | (1.024.155) |
| Raw materials, consumables and supplies (Electricity) | (6.219.362) | (4.584.313) | (963.688) | - | (671.361) |
| Raw materials, consumables and supplies (Fuel) | (8.287.372) | (7.255.442) | (839.826) | (138.324) | (53.779) |
| Network utilization duties | (14.184.411) | (13.286.295) | (684.717) | (2.795) | (210.605) |
| Rent of exchange of rolling stock | (1.737.766) | - | (1.737.766) | - | - |
| Cleaning services | (2.135.634) | (275.680) | (64.778) | (13.522) | (1.781.654) |
| Maintenance services | (404.424) | 390.321 | 91.717 | 19.145 | (905.607) |
| Lease of real estate | (386.662) | 1.703.977 | 400.395 | 83.580 | (2.574.613) |
| Rent of means of transport | (327.388) | (232.178) | (54.556) | (11.388) | (29.265) |
| Other costs | (3.315.914) | (1.186.812) | (278.873) | (58.213) | (1.792.016) |
| **Other expenses** | **(14.568.989)** | **(5.458.765)** | **(1.282.684)** | **(267.751)** | **(7.559.789)** |
| **Total expenses** | **(90.247.745)** | **(51.510.456)** | **(7.203.194)** | **(1.275.260)** | **(30.258.834)** |
| **Gross operating margin (EBITDA)** | **16.043.601** | **36.171.536** | **7.484.086** | **(838.811)** | **(26.773.211)** |
| Depreciations | (18.630.470) | (11.788.870) | (2.080.641) | (31.184) | (4.729.774) |
| Provisions | (6.913.677) | (2.993.612) | (703.430) | (146.836) | (3.069.800) |
| **Operating result (EBIT)** | **(9.500.547)** | **21.389.054** | **4.700.015** | **(1.016.831)** | **(34.572.785)** |
| Net financial result | (3.190.878) | (974.607) | (229.010) | (369.126) | (1.618.135) |
| **Result before taxes** | **(12.691.425)** | **20.414.447** | **4.471.005** | **(1.385.957)** | **(36.190.921)** |
| Income taxes | 3.100.209 | - | - | 1.527.386 | 1.572.823 |
| **Result after taxes** | **(9.591.216)** | **20.414.447** | **4.471.005** | **141.429** | **(34.618.098)** |
| **Transferred maintenance cost to TRANSPORT ACTIVITY** | | (35.651.953) | (2.075.421) | (7.547) | 37.734.921 |
| **Profit / (Loss) before tax, classified per Segment** | (12.691.425) | (15.237.506) | 2.395.585 | (1.393.504) | 1.544.000 |
| Income Tax | 3.100.209 | 1.531.578 | (207.336) | 203.144 | 1.572.823 |
| **Profit / (Loss) after tax, classified per Segment** | (9.591.216) | (13.602.602) | 2.138.551 | (1.243.989) | 3.116.823 |

## 38 Events occurring after the reporting period

By effect of legal provision article 79 of Law 4876/2021 (FEK A' 251/23.12.2021) the existing PSO Contract with Greek State has been extended until 28.2.2022. A further extension until 15.4.2022 has been included at art. 34, law 4903/2022 (FEK A' 46/5.3.2022). This extension is rendered necessary in order to conclude the assignment procedure to the Company for the new PSO Contract for 10+5 years that shall be in force from 2022 onwards.

Covid-19 crisis and the consequent limitations in passengers' transport are still ongoing until the date of the Financial Statements' submission. The Company, through proactive management, has taken sufficient and appropriate measures to reduce the impact form the reduction in passenger activity revenue.

In January 24, 2022, due to harsh weather conditions, a number of disruptions were recorded, with particular disturbances affecting the passengers of 5 trains which were immobilized for several hours. Independently of the ascertainment of responsibilities, the Company announced that all passengers of these 5 trains affected by the disruptions and unable to reach their final destination could submit a request to receive an extraordinary financial support of either 1.000 euros in cash, or of value 1.150 in coupon, or coupon of value 550 euros plus 500 in cash. At the time of approval of these Financial Statements, the process of recording and assessing the claims is ongoing, but it is estimated that the maximum exposure generated by such a disbursement is not such to have any tangible impact on the going concern of the Company.

Athens, March 9th 2022

CHAIRMAN OF BOD

LO BOSCO DARIO

PASSPORT NO. YA7363106

CHIEF EXECUTIVE OFFICER

CAPOTORTO MAURIZIO

ID NO. AU7121037

CHIEF FINANCIAL OFFICER

GENTILE LORENZO

ID NO. CA39478AC

THE CERTIFIED ACCOUNTANT

DIONYSIOS SIARKOS

LICENSE NO. 0100247