TRAINOSE TRANSPORTATIONS – PASSENGER AND CARGO TRANSPORTATION SERVICES RAILWAY SOCIETE ANONYME

FINANCIAL STATEMENTS

AS OF 31 DECEMBER 2020

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 30.12.2020**
Chairman	Dario LO BOSCO
Chief Executive Officer	Filippos TSALIDIS
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.

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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): number of train events per km 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 EVENTS

COVID-19 CRISIS

The COVID-19 pandemic in Greece is part of the worldwide pandemic of coronavirus disease 2019 (COVID-19). Greece reacted immediately and managed to reduce the number of cases and align the curve. The first case in Greece was confirmed on 26 February 2020. On 22 March, the Greek authorities announced restrictions on all non-essential movement throughout the country, starting from 6 a.m. On 4 April these restrictions were extended until 27 April and then until 4 May. Starting from 4 May, after a 42-day lockdown, Greece began to gradually lift restrictions on movement and restart business activity. Movement outside the house was permitted only for significant reasons.

With the resurgence of the contagion and the cases' increase in the month of October, the Greek authorities reintroduced lockdown measures first in the Thessaloniki area (3 November) and subsequently in the whole of the Greek territory (7 November). The measures were not lifted all through 31 December 2020, and continue to be in force to the date of approval of the present Financial Statements.

Within the measures taken by the Government, the following need to be highlighted:

- Provision of a restricted maximum number of participants in public or social events and special restrictive rules for the operation of health care stores in specific Regions.
- Rules for keeping distance and other protection measures in private companies, public services and other public gathering places throughout the Territory in order to limit the spread of coronavirus.
- Extension of measures for the temporary suspension of individual private enterprises and other public gathering places operation.
- Extension of measure for 65% maximum capacity in public transport, including trains

Values in Euros

	COVID effects
OPERATING REVENUES	
Income from sales and services	**-21.308.339**
Revenue from contracts with customers	-25.308.339
Other revenues from sales and services	4.000.000
Other income	
OPERATING COSTS	**-6.659.798**
Personnel costs	
Other net costs	-6.659.798
GROSS OPERATING MARGIN (EBITDA)	**-14.648.541**
Depreciation, provisions and write-downs	
OPERATING INCOME (EBIT)	**-14.648.541**
Balance of financial management	
INCOME BEFORE TAXES	**-14.648.541**
Income taxes	
RESULTS FOR THE PERIOD OF ONGOING OPERATIONS	**-14.648.541**
Results for the period of assets held for sale, net of tax effects	
NET RESULTS FOR THE PERIOD	**-14.648.541**

The pandemic has generated a drastic impact on the operations of the Company, in particular regarding the passenger services. The loss in ticket revenues has been driven by falling passenger demand (due to the restrictive measures to the circulation of citizens, as analyzed above, as well as the combination of remote working and reduced propensity to travel for leisure) as well as by the reduction in the commercial timetable that the Company has applied in different degrees over the months of March-June and October-December.

The Company has managed to reduce the impact on the period results:

- by obtaining a special compensation from the Greek Government for the effects of the 35% reduction to the maximum allowed capacity of trains, set at 4 million euros with the law no. 4714/20 then implemented with the Joint Ministerial Decision no No. Φ32/143943/29.12.2020;
- by accessing to the reduction of 40% of the real estate leases foreseen by law no. N. 4683/20 for the months of April, May, November and December which led to a benefit of 456 mil euros;
- by reducing the operating expenses in line with the reduced commercial timetable over all the variable cost chapters (traction costs, network fares, ticket agencies commissions…) for a total saving 11.712.611 euros with respect to 2019.

Of utmost importance is also the enforcement in Greece of the emergency measures approved by the Council of Europe on 2/10/2020 allowing the provision of relief of infrastructure charges to rail companies, which allow the containment of network fares to sustainable levels for year 2020.

On the other hand, the specific need to execute all necessary measures to guarantee the safety of the passengers and the personnel of the Company drove an increase in the cost of cleaning and of professional services (Covid-19 testing, sanitizations in facilities and rolling stock, purchases of PPE, etc) by ca. 900 thousand euros.The outlook of the Company for 2021 discounts the ongoing effects on the passenger transportation activity, which is expected to remain at historically low levels over the whole of the first quarter of 2021, then gradually be restored over the second and third quarter of the year. The roll-out of the vaccination program in Greece, as well as the potential development of therapies, generate a partial confidence on the avoidance of new restrictive measures to the circulation for the second half of the year.

The Company expects to face the challenges set by the ongoing crisis through several measures:

- strengthening and expanding operations in the freight transportation activity, which was resilient to the effects of the pandemic, and for which the outlook remains extremely positive, even keeping into account the limited capacity offered by the Greek rail infrastructure;
- continuing the dynamic management of the commercial timetable in order to cushion the impact on the Company financial position and margins of the persisting reduction in revenues;
- exploiting the changing context of the passenger transportation business to not only restore activity to pre-pandemic levels over the second half of the year, but to aim to increased production and profitability through the roll-out of new services over the main rail artery of the country, which will be competitive with other means of transportation (car, plane, bus) therefore compensating any passenger loss with the acquisition of new passengers from competitive forms of transportation.

The provisions of law no. 4714/2020 are still in force and it is possible that the Greek Government might recognize further compensations to the Company in line with the extent of the measures that restrict the maximum allowed capacity on trains, most likely for the first months of 2021, especially if the lockdown measures and the consequent stress on revenues and financial position of the Company might be intensified.
More broadly, the financial position of the Company is still liquid and the financing plan for year 2021 does not foresee measures specifically aimed at supporting the net working capital.

Taking into account all of the above, the Management does not express qualifications on the going concern of the Company.

MAIN RESULTS ACHIEVED IN 2020

		2020	2019
ROE	NP/EQ*	-53,15%	5,34%
ROI	EBIT/IC*	-0,01%	0,02%
ROS (EBIT MARGIN)	EBIT/OR	-8,94%	1,82%
EBITDA/OPERATING REVENUES (EBITDA MARGIN)	EBITDA/OR	15,09%	13,19%
NET ASSET TURNOVER (NAT)	OR/IC*	125,69%	1191,44%
FINANCIAL INDEBTEDNESS	NFP/EQ	385%	193%
IC*:		84.564.380	10.539.069
NIC:		87.494.185	81.634.576
EBITDA:		16.043.601	16.556.492
EQ*:		22.937.939	27.040.900
EQ:		18.044.197	27.831.681
OR:		106.291.345	125.566.999
NR:		(9.591.216)	1.487.412
EBIT:		(9.500.547)	2.284.485
NFP:		69.449.988	53.802.895
NWC:		(3.131.192)	10.699.676

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

OTHER MAIN EVENTS OF THE FINANCIAL YEAR

The year 2020 was importantly affected by the pandemic of the virus Covid-19, which was covered extensively in the section "The Covid-19 crisis" of this Report.

As per the rest of the activities of the Company, the merger with EESSTY was successfully completed on 31/12/2019 and, therefore, the Company addressed the operational merger of the transportation activities that traditionally constituted the core business of the Company with the newly acquired technical activities of the maintenance of rolling stock. During the course of the year the Management of the Company invested on the progressive integration of procedures and systems of the two businesses (January: unification of accounting books, May: unification of organizational chart, December: inclusion of EESSTY personnel in the Company's Collective Labor Agreement) which led to the gradual release of the expected organizational and economic benefits of the acquisition and merger of EESSTY into TRAINOSE. The Company did proceed as well with minimal delays with the implementation of its turnaround and investment plan for the year:

- the renovation and movement of its headquarters from the building of OSE in Metaxourgeio, Athens, to the new premises at a central location of Athens (Syggrou Avenue & Petmeza), on the 14th of December 2020;
- the beginning in September 2020 of the renovation works of the Thessaloniki Depot, necessary for the maintenance activities of the new fleet of rolling stock purchased in 2019 and to be delivered in Greece during the first 9 months of 2021, which turned the premises into one of the most modern rolling stock maintenance sites of the whole South-Eastern Europe, and suitable for all kinds of maintenance services to electrical traction rolling stock; the renovation works are expected to be completed within the end of March 2021;
- the ongoing revamping of the said fleet of 5 ETR470 purchased from Trenitalia in 2019 which was carried over in the technical plants of ALSTOM in Italy; the first unit entered the Greek network in January 2021 where it shall terminate the revamping, testing and homologation activities.

On the 31st of December of 2020, the previous PSO contract with the Greek State for the provision of passenger transportation services expired. Taking into account the ongoing negotiations for the assignment of a new contract based on the Memorandum of Cooperation signed between TRAINOSE and the Ministry of Infrastructure and Transport of Greece on the 29th of November 2019, in order to have sufficient time for the perfectioning of the contract, it was mutually agreed to extend the validity of the previous contract for 1 year, i.e. until the 31st of December 2021, whereas the finalization of the new contract in line with the contents of the MoC (duration 10 years, for a maximum yearly compensation set at 50 million euros, extendable by further 5 years in line with the investment activities carried on by the Company) is mutually agreed to be completed within the deadline of the 31st of March 2021.

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 31.12.2019	**1209**
Hired	13
Exited	159
EMPLOYEES AS OF 31.12.2020	**1063**

AVERAGE WORKFORCE 2019	**640**
AVERAGE WORKFORCE 2020	**1118**

*the average figures for 2019 do not include the workforce of EESSTY

With regards to the above-mentioned figures and in reference to the procedures that were carried out by Human Resources during 2020, we would like to mention the following:

- 13 hirings (5 employees, 2 experts, 1 middle-manager, 5 Lawyers) took place in order to fulfill arisen needs in staff, while 159 dismissals (retirements, deaths, resignations, e.t.c.) took place during the reference period. The Company did not proceed to any termination of contracts during the year, notwithstanding the pandemic.
- additionally, TRAINOSE proceeded with the acquisition of EESSTY last April while the merger of the companies was completed at 31.12.2019 – on account of this, EESSTY's staff was not taken into consideration before estimating the 2019 yearly average headcount.
- the incoming (13) drivers hired at 2019 have been qualified as train drivers since July 2020. The Company relies on the mutually beneficial relationships with its Staff and promotes the smooth cooperation by investing in Staff's training.
- The amount of the costs of the training courses and the number of employees involved are detailed below:

Objective of training	Cost of training courses	Number of employees
Employee training	443.302 €	196

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 Α 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, occupational health, labor safety and generally all its activities. The Company holds the ISO certification for Quality Certification of Passenger Transports according to EN 13816.

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

ACTIONS	STATUS		
	Completed at 2020	In progress	To be launched in 2021
Development of the Environmental / Energy Management System according to ISO 14001 & 50001	X		
Development of an environmental KPIs control system			X
Incorporation of environmental contractual terms in the contract for the vehicles cleaning	X		
Incorporation of environmental contractual terms in all TRAINOSE contracts (where applicable)	X		
Energy control according to law 4342/2014		X	
Improvement of maintenance sites according to the environmental and safety audit		X	
Participation to the Climate Change Committee of the Attica Administrative Region		X	
Staffing of the Organizational Unit for Sustainability, Environment & Quality		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	

Participation in the European program Shift2 Rail "Optimal maintenance of railway infrastructure using artificial intelligence"			
Participation in the European program HORIZON 2020 5G Victory "Increasing the use of regenerative brakes in railway systems by coordinating the use of rolling stock and high voltage substations"		X	
Establishment of 120 Energy, Environmental and Social Responsibility indices to contribute to FS Group Sustainability Report		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 occurred in two periods (March-May and then November-December), the first of which was historically an excellent period from the point of view of turnover.

The second half of 2019 had closed on the rise on the back of the change introduced in the middle of the year that reduced the travel period on the Athens-Thessaloniki line; the months of January, February and early March 2020 confirmed the trend of passenger growth, a trend that was abruptly interrupted by the onset of the pandemic and the restrictive measures taken by the Greek government.

In line with the spirit of supporting the social needs of the country, the company has gradually adapted its offer by ensuring the minimum number of circulations necessary to support the movement of people as allowed by the restrictive measures to circulation in force and managed to restore production levels to 2019 levels over the summer period (June-September), before gradually reducing them in line with the resurgence of the contagion wave which was recorded in autumn.

The company, aware that this period of more or less total closures could last well beyond 2020, has equipped itself with statistical tools, already during the current year, to analyze the new demand curves not only in the rail transport sector but in the entire passenger sector.

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.

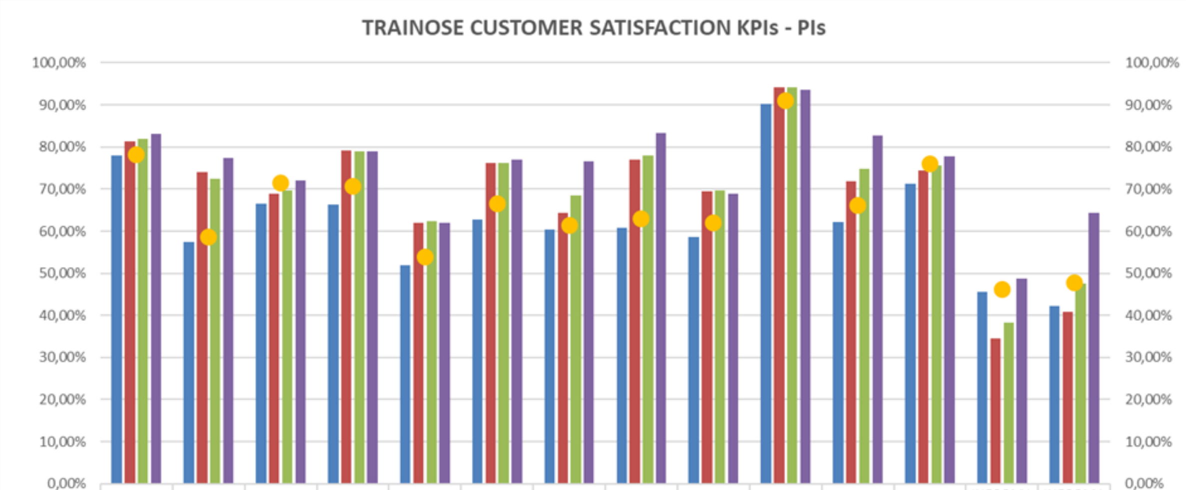
In this context, TRAINOSE SA has organized and monitored a series of Quality Indicators so to continuously improve the provided services, on the basis of quarterly passenger satisfaction surveys and quarterly evaluations carried out using secret passengers, conducted by an independent specialized research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

More specifically, in the last quarter of 2020, the passengers of TRAINOSE SA, in rating their trip:

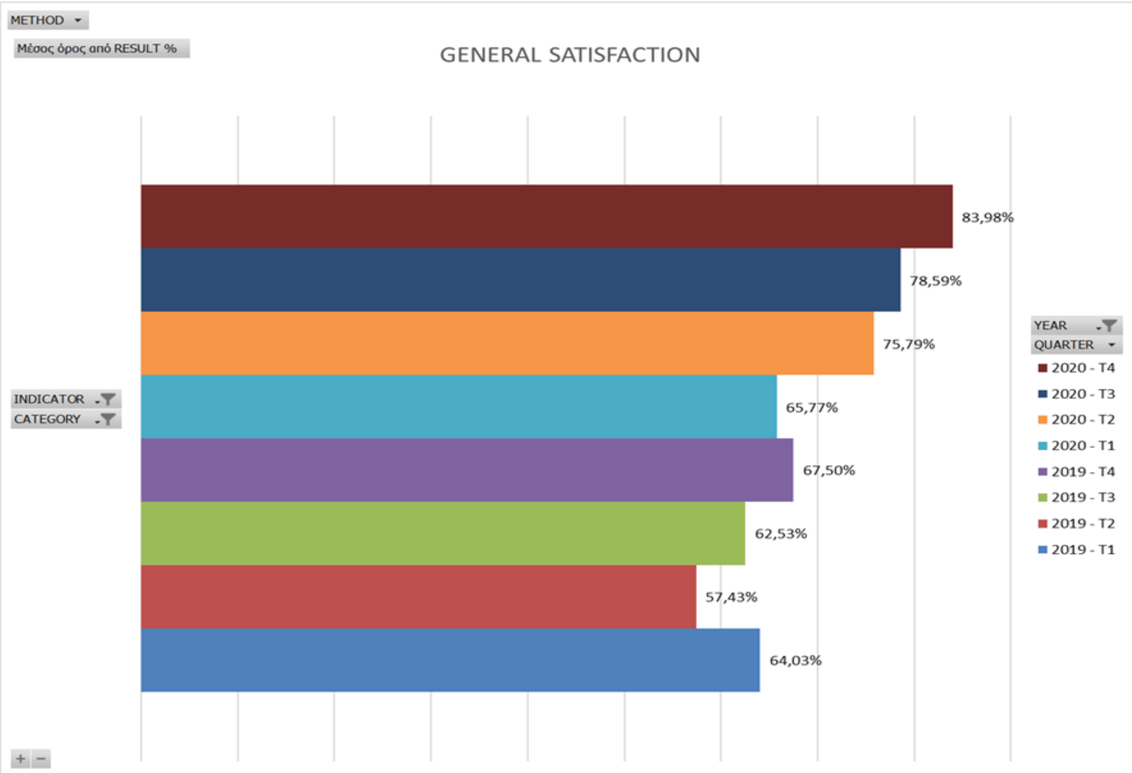
- State at a rate of 83.98% that they are totally or very satisfied (67.50%) in the corresponding quarter of 2019,
- evaluate from very good to excellent the safety they feel during their trip at a rate of 83.27% (62.90% in 2019),
- Evaluate from very good to excellent the punctuality of the routes at a rate of 77.03% (66.43% in 2019), although some parts of the railway network have still not been electrified,
- Evaluate from very good to excellent the cleanliness of the trains at a rate of 77.33% (58.55% in 2019).

Especially in the field of cleanliness and safety on board of the trains, TRAINOSE seems to have benefited, in terms of quality, from the Covid-19. This is attributable to the fact that the company organized the crisis management system in time and took all the necessary organizational and preventive measures in all areas (electronic issuance and validation of tickets, disinfection and cleaning of trains, antiseptics in wagons, ventilation, instructions to passengers, specific protocols on how to deal with a suspect covid-19 case on board of the train, thermal cameras in the main stations etc.) in order to ensure at the maximum level the protection both of the public and of the employees.

However, apart from the pandemic, TRAINOSE works steadily to achieve the quality targets and the satisfaction of its passengers by implementing specific actions and improvement measures, and therefore receives an improvement in the obtained results as shown in the following graph.



	AIR CONDITIONING (CSS)	CLEARNESS (CSS)	CUSTOMER INTERFACE	DEPENDABILITY (CSS)	FREQUENCY (CSS)	PUNCTUALITY (CSS)	QUALITY VS PRICE	SAFETY (CSS)	SCHEDULED HOURS (CSS)	TICKET AVAILABILITY (CSS)	TICKET OPTIONS (CSS)	TRAVEL INFO (normal conditions) (CSS)	INFORMATION (ubnormal conditions, halt) (CSS)	INFORMATION (ubnormal conditions, delay) (CSS)
T1 2020	77,94%	57,39%	66,59%	66,32%	51,89%	62,75%	60,41%	60,76%	58,63%	90,17%	62,20%	71,32%	45,64%	42,24%
T2 2020	81,26%	74,06%	68,93%	79,18%	62,06%	76,29%	64,29%	76,90%	69,50%	94,19%	71,83%	74,43%	34,43%	40,78%
T3 2020	81,87%	72,39%	69,65%	78,87%	62,43%	76,17%	68,46%	77,96%	69,72%	94,08%	74,81%	75,63%	38,22%	47,60%
T4 2020	83,16%	77,33%	72,08%	78,90%	61,92%	77,03%	76,67%	83,27%	68,80%	93,66%	82,76%	77,78%	48,81%	64,39%
T4 2019	78,08%	58,66%	71,50%	70,57%	53,81%	66,43%	61,42%	62,90%	61,98%	91,03%	66,12%	76,09%	46,12%	47,73%



Following the decision of the Board of Directors to approve a modified procedure of awarding of TRAINOSE's contractors on ticket points of sale, new contracts are awarded under stricter evaluation policy and a bonus incentive scheme is available when agreed targets are achieved.

The new procedure has contributed to the improvement of the service quality, quicker resolution of claims, and eventually in the increase of passenger trust and sales volumes.

The quality and the performance of services at the points of sales are also confirmed by the respective KPIs resulting from quarterly "Mystery Shopping" surveys, as well as the quarterly surveys on passengers' satisfaction.

The general view confirms improvements over all KPIs. After a period of stabilization the results in all KPIs have improved. The main improvements (>5%) have been identified in the areas of Hygiene, Air conditioning, Dependability, Safety / Security, Travel information under scheduled conditions and Travel information under out-of-schedule conditions. The general Indicators "Overall Satisfaction" and "Value for Money" have been also improved.

This improvement has been achieved due to a series of corrective actions, i.e. focus on the cleaning activities by subcontractors by applying stricter contractual terms, cooperation with the police force on public security issues, encouragement of the personnel to improve the travel information under normal conditions. Concerning the punctuality and dependability KPIs the improvement has been performed due to the electrification of the network.

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.

In the end of the year the Company also set up new regular services at the port of Thessaloniki, which are expected to lead to further increases of revenues of the freight activities. The Company has also been active to investigate development opportunities through the cooperation with other companies of the FS Group operating in the logistic chain / freight transportation businesses at the European level, with the aim to service structured international transport routes.

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 2020 amounted to € 49.216.530 compared to € 72.459.150 in the corresponding period of 2019, i.e. an decrease of approximately 33,25%.

This significant decrease is mainly due to the drop in passenger sales in the months of March to December due to the shock associated with the Covid-19 pandemic and the ban measures decided by the government of the Hellenic Republic. It is noted that the Greek Parliament has passed on 29/7/2020 the law 4714/2020, which provides compensation for the lost income of the lock-down period due to reduced permissible occupancy of the trains imposed by the measures of the Greek government in response of the COVID-19 pandemic. On 30-12-2020, was issued F.E.K no. B '5826 according to which Trainose is entitled for the period July-August a subsidy of an amount that cannot exceed 4.000.000 euros and which was recognized in the Income Statement as "Income from contributions".

The total income of the Company (including financial income) decreased from Euro 125.567.000 in 2019 to Euro 106.291.345 in 2020.

The total expenses of the Company decreased from Euro 108.235.334 in the year 2019 to Euro 90.247.745 in the year 2020. A significant part of the decrease was due to the consequences of the merger with EESSTY SA, which led to the replacement of the cost of maintenance services. by third parties with the new cost structure of the maintenance unit. Further savings were achieved in fuel consumption (36.83%) due to the reduced use of diesel engines compared to electric ones in the reduction of rolling stock exchange costs (30.14%) and network usage charges (11.86%). The largest increases in operating costs, except for staff costs (which now includes the staff of the maintenance business unit), occurred in electricity consumption (6.74%) due to the inclusion of electricity consumption of the maintenance sites and in cleaning services (50.52%), as the cost of cleaning the engine rooms of the former EESSTY SA was added as well as the intensification of the cleaning services in the passenger trains with preventive disinfection for the protection from Covid-19.

Reclassified income statement

Values in euro	**1/1-31/12/2020**	**1/1-31/12/2019**	**%Δ**
Revenues from passenger transportation	32.749.683	58.058.325	-43,59%
Revenues from freight transportation	13.916.554	13.891.355	0,18%
Revenues from PSO	50.000.000	50.000.000	0,00%
Revenues from maintenance to thirds	2.087.245	509.470	590,90%
Income of exchange of rolling stock	463.048	1.273.857	-63,65%
Income from contributions	4.000.000	-	-
Other operating income	1.264.281	910.256	38,89%
Other income	1.810.534	923.735	96,00%
Total revenues	**106.291.345**	**125.566.999**	**-15,35%**
Personnel cost	40.967.002	33.000.590	24,14%
Raw materials, consumables and supplies (Spare parts)	1.028.735	1.725.676	-40,39%
Raw materials, consumables and supplies (Electricity)	6.219.362	5.826.826	6,74%
Raw materials, consumables and supplies (Fuel)	8.287.372	13.118.521	-36,83%
Network utilization duties	14.184.411	16.093.255	-11,86%
Rent of exchange of rolling stock	1.737.766	2.487.380	-30,14%
Cleaning services	2.135.634	1.418.830	50,52%
Maintenance services	404.424	17.940.413	-97,75%
Real Estate Services and utilities (3rd party Security of Real Estate)	1.807.056	-	-
Lease of real estate	386.662	252.172	53,33%
Rent of means of transport	327.388	680.954	-51,92%
Other expenses	12.761.934	15.690.718	-18,67%
Total expenses	**90.247.745**	**108.235.335**	**-16,62%**
Gross operating margin (EBITDA)	**16.043.601**	**17.331.664**	**-7,43%**
Depreciations	18.630.470	14.272.007	30,54%
Provisions	6.913.677	775.172	791,89%
Operating result (EBIT)	**(9.500.547)**	**2.284.485**	**-515,87%**
Net financial result	(3.190.878)	1.054.854	-402,49%
Result before taxes	**(12.691.425)**	**3.339.339**	**-480,06%**
Income taxes	3.100.209	(1.851.927)	-267,40%
Result after taxes	**(9.591.216)**	**1.487.412**	**-744,83%**

The Company's EBITDA is positive for 16.043.601 euros, in decrease from the positive EBITDA of 17.331.664 euros for the period 1/1/2019-31/12/2019.

The result of the Company before taxes during the period 1/1/2020 - 31/12/2020 amounted to a loss of Euro 12.691.425 against a profit of Euro 3.339.339 in the period 1/1/2019 - 31/12/2019. Regarding the same period of previous years, both depreciation (30.54%) and net financial expenses (402.49%) increased due to the inclusion of privately owned and leased fixed assets of EESSTY SA. Provisions also increased significantly due to the recognition of legal interest on disputed cases and the strengthening of bad debts coverage due to the increase in doubtful/disputed claims and the extension of the expected time of collection of recognized credits. It must be noted, nonetheless, that through the proactive management of the challenges set by the Covid-19 crisis, the Company managed to reduce the impact on the EBIT of the missing revenues from the passenger transportation services by circa 40%.

Taking into account the recognition of deferred tax assets, which led the net income tax movement of the year to be positive for Euro 3.100.209, the net result of the Company for the period 1/1/2020 -31/12/2020 was equal to a loss of Euro 9.591.216, in comparison with a net profit of Euro 1.487.412 for the previous year.

Reclassified balance sheet

Values in euro

	31/12/2020	31/12/2019	Change
Net current operating assets	**(53.863.526)**	**(44.183.987)**	**(9.679.539)**
Remnants and Other	2.056.010	2.693.950	(637.940)
Current trade receivables	2.004.654	4.643.776	(2.639.122)
Current trade payables	(57.924.190)	(51.521.714)	(6.402.476)
Other net current assets	**49.089.451**	**25.292.860**	**23.796.591**
Tax office	-	9.981.771	(9.981.771)
Deferred tax assets	6.347.246	2.199.472	4.147.775
Other current credit	57.722.735	35.727.856	21.994.879
Other credit non-current	915.324	891.978	23.346
Operating Accrued income and expenses current		(68.333)	68.333
Other current debts	(14.805.312)	(22.357.883)	7.552.571
Other debts no current	(1.090.542)	(1.082.000)	(8.542)
Current assets	**(4.774.075)**	**(18.891.127)**	**14.117.052**
Net fixed assets	**113.450.383**	**117.807.715**	**(4.357.332)**
Post-employment benefits	8.979.344	6.601.179	2.378.165
Other provisions	12.202.779	10.680.833	1.521.946
Post-employment benefits and Other provisions	**(21.182.123)**	**(17.282.012)**	**(3.900.111)**
NET INVESTED CAPITAL	**87.494.185**	**81.634.576**	**5.859.609**
Net short term financial position	(7.814.911)	(31.531.919)	23.717.009
Net medium/long term financial position	77.264.899	85.334.814	(8.069.915)
Net financial position	**69.449.988**	**53.802.895**	**15.647.094**
Equity	**18.044.197**	**27.831.681**	**(9.787.484)**

The reduction of ticket revenues led the Company to a reduction of cash collections, which is directly reflected in the change of the Net Financial Position (which increased during the period by ca. 29%). Notwithstanding the trend, the Company did not need to access forms of support of working capital, through careful management of its liquidity reserves. At the same time, the Company opened a new long-term loan facility with Ferrovie dello Stato Italiane Holding S.p.A. for the financing of the Thessaloniki Depot upgrade works.

Net current assets increased (+14,1 million euros, reaching a net negative balance equal to 4,7 million euros at 31 December 2020) due to delayed collection of receivables, mainly from Greek public authorities.

Net fixed assets slightly decreased (-4,3 million euros), per the combined effect of the investment activities carried on over the period (ca. 14,3 million euros) and the depreciation of fixed assets (-18,6 million euros).

The Net Invested Capital of the company, taking into account the increase of the funds for post-employment benefits and for coverage of legal risks, increased during 2020 by circa 7,1%, reaching 87,5 million euros at 31 December 2020 versus 81,6 million euros at 31 December 2019.

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 first unit has entered the Greek network in January 2021) and are expected to begin commercial services gradually from the beginning of the summer of 2021.

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, the value of the works performed were 4,9 million euros out of a contractual amount of circa 15,6 million euros.

The Company also completed the renovation of its new headquarters located in Syggrou 41 & Petmeza 13 in Athens, for a total expenditure of circa 1,8 million euros. The Company relocated to the new headquarters on the 14 December 2020.

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	31/12/2020					2020	
	Receivables	Payables	Loans	Acquisition of rolling stock	Finance costs – Loans	Costs	Revenues
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	-	-	-	-	-	-	-

MANAGEMENT OUTLOOK

The year 2021 creates several opportunities for the Company to create value for the Shareholder and all of its Stakeholders on a long-term basis.
Firstly, the contract for the provision of PSO services for a period of 10+5 years is expected to be signed, which will give a stable business platform in order to further promote investments in the Greek railway system at large, improve service levels and increase the capillarity and accessibility of the services of the Company to all of its customers.

This, along with the beginning of the commercial services with the new high-speed rolling stock of the Company scheduled for the beginning of the summer period, will contribute to the strengthening and diversification of the Company's commercial offer to the Greek citizens and to all the users of the train as a mean of transportation:

- Diversified commercial schedule, offering different type of services capable of servicing different customers depending on their needs (eg. Express routes simultaneously with conventional)
- Technological investments aimed to improve the overall customer experience of the train (multi-channel ticket purchase, modern passenger information system, loyalty schemes) and the management of the circulation.

Further actions shall be implemented to modernize the technical base of the Company, on the blueprint of the renovation of the Thessaloniki Depot which is expected to be completed in March 2021 and will increase substantially the productivity and reliability of its maintenance operations, first of all in the Athens Rentis Depot.

The freight transport business is also expected to expand significantly, due to a renewed commitment to the logistic chain to which Greece belongs, mainly through its port system (Piraeus/Ikonio and Thessaloniki Port), but also through the planning of a strengthening of TRAINOSE's position as the key operator of multimodal transportation in Greece.

Taking into account the challenging environment set by the ongoing pandemic of Covid-19, the Company will roll-out initiatives in line with the evolution of the crisis, which is expected to impact the Company revenues and financial position for the whole of the first half of 2021. The characteristics of the Company, nonetheless, are such that a significant resilience to these shocks can be expected:

- the fact that the operations of the passenger lines is included in the PSO agreement for year 2021;
- the demonstrated capacity of its freight operations to not be withheld by the effects of the pandemic;
- the unlocked potential in all of the Company's business activities (passenger, freight and maintenance) even when assessed at pre-pandemic levels is much larger than the reduction of activities generated by the crisis.

The Management expects that the Company shall be in a suitable position to take advantage of most of the opportunities present in the market, in particular during the second half of 2021, in order to consolidate its generation of value and profitability, and to champion the train as the most sustainable mean of mass transportation of people and goods in the Greek republic.

Athens, 15/3/2021

Dario LO BOSCO

Chairman of Board of Directors

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 2020, 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 2020 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.

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
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 2020.

(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, 16 March 2021
KPMG Certified Auditors S.A.
AM SOEL 114

Philippos Kassos, Certified Auditor Accountant
AM SOEL 26311

Financial Statements as of 31 December 2020

Financial Statements

Statement of Financial Position

values in Euros

	Notes	31.12.2020	31.12.2019
Non-Current Assets			
Property, plant and equipment	**7**	24.809.104	19.364.944
Royalties to Property, plant and equipment (Finance Lease-IFRS 16)	**8**	66.810.449	80.236.803
Spare Parts of rolling stock	**7**	20.114.719	16.669.131
Intangible assets	**9**	1.716.110	1.536.837
Deferred tax assets	**10**	6.347.246	2.199.472
Other non-current assets	**11.1**	915.324	891.978
Total non-current assets		**120.712.952**	**120.899.164**
Current Assets			
Inventories	**13**	2.056.010	2.693.950
Current trade receivables	**12**	2.004.654	1.117.423
Cash and cash equivalents	**11.2**	23.896.903	49.114.284
Restricted cash		1.500.000	1.500.000
Tax receivables		-	9.981.771
Other Current Assets	**14**	57.722.735	35.727.856
Total Current Assets		**87.180.302**	**100.135.284**
Total Assets		**207.893.255**	**221.034.449**
Equity			
Share capital	**15**	34.406.509	34.406.509
Reserves	**15**	(2.396.172)	(2.199.904)
Profits (Losses) carried forward	**15**	(4.374.924)	(5.862.336)
Profit (Loss) for the financial year	**15**	(9.951.216)	1.487.412
Total Shareholders' Equity		**18.044.197**	**27.831.681**
Non-Current Liabilities			
Medium/long-term loans	**16**	23.100.000	21.000.000
Post-employment benefits and other employee benefits	**17**	8.979.344	6.601.179
Provisions for risks and charges	**18**	12.202.779	10.680.833
Non-current financial liabilities (including derivatives)	**19**	54.164.899	67.266.602
Other non-current liabilities	**20**	1.090.542	1.150.333
Total non-current liabilities		**99.537.563**	**106.698.947**
Current Liabilities			
Short-term loans and current portion medium/long-term loans	**16**	2.900.000	2.000.000
Current trade payables	**21**	57.924.190	58.977.430
Current financial liabilities (IFRS 16)	**19**	14.681.992	14.150.577
Other current liabilities	**20**	14.805.312	11.375.813
Total current liabilities		**90.311.494**	**86.503.820**
Total liabilities		**189.849.058**	**193.202.768**
Total Equity and liabilities		**207.893.255**	**221.034.449**

The accompanying notes in pages 39 to 108 are integral part of the Financial statements.

Income statement

Values in euro	Note	2020	2019
Income from sales and services	**22**	49.216.530	73.733.007
Revenue from PSO (Public Service Obligation)	**22**	50.000.000	50.000.000
Income from contributions	**22**	4.000.000	-
Other income	**23**	3.074.815	1.833.991
Total revenue and income		**106.291.345**	**125.566.999**
Personnel costs	**24**	(40.967.002)	(33.000.590)
Raw materials, consumables, supplies and merchandise	**25**	(15.535.468)	(20.671.024)
Costs for services	**26**	(29.715.311)	(48.156.105)
Costs for leased assets	**27**	(714.050)	(933.126)
Other operating costs	**28**	(3.315.914)	(5.474.490)
Provisions	**29**	(6.913.677)	(369.109)
Total operating costs		**(97.161.422)**	**(108.604.444)**
Depreciation & Amortisation	**32**	(18.630.470)	(14.272.007)
Write-downs and impairment losses (write backs)	**31**	-	(406.063)
Operating income		**(9.500.547)**	**2.284.485**
Financial income	**31**	345.762	3.911.396
Financial expenses	**32**	(3.536.640)	(2.856.543)
Total financial income and expenses		**(3.190.878)**	**1.054.854**
Income before taxes		**(12.691.425)**	**3.339.339**
Income taxes	**33**	3.100.209	(1.851.927)
Net operating result		**(9.591.216)**	**1.487.412**

The accompanying notes in pages 39 to 108 are integral part of the Financial statements.

Statement of comprehensive income

values in Euros

	Notes	2020	2019
Net operating result		**(9.591.216)**	**1.487.412**
Actuarial Gains/ (Losses) of Defined Personnel Benefits		196.268	(881.259)
Total comprehensive income for the fiscal year		**(9.394.948)**	**606.153**

The accompanying notes in pages 39 to 108 are integral part of the Financial statements.

Statement of changes in Equity

	Share capital	Reserve for actuarial gains/(losses) for employee benefits	Extraordinary reserve L.3891/2010	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 2019	**34.406.509**	**(2.307.148)**	**-**	**-**	**13.094**	**(2.294.054)**	**(5.862.336)**	**-**	**26.250.119**
Capital increase (capital reduction)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Other changes due to merge with EESSTY S.A.	**-**	**-**	**-**	**975.409**	**-**	**975.409**	**-**	**-**	**975.409**
Reclass of reserve for actuarial gains/(losses) for employee benefits		**(1.810.500)**	**-**	**1.810.500**	**-**	**-**	**-**	**-**	**-**
Total Profit/(Losses) recognised of which:	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Profit/(Loss) for the financial year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1.487.412**	**1.487.412**
Profits/(Losses) recognised directly in Equity	**-**	**(881.259)**	**-**	**-**	**-**	**(881.259)**	**-**	**-**	**(881.259)**
Balance as of 31 December 2019	**34.406.509**	**(4.998.907)**	**-**	**2.785.908**	**13.094**	**(2.199.904)**	**(5.862.336)**	**1.487.412**	**27.831.681**
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**
Capital increase (capital reduction)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Other changes	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Profit/(Losses) recognised of which:	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Profit/(Loss) for the financial year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(9.591.216)**	**(9.591.216)**
Profits/(Losses) recognised directly in Equity	**-**	**(196.268)**	**-**	**-**	**-**	**(196.268)**	**-**	**-**	**(196.268)**
Balance as of 31 December 2020	**34.406.509**	**(5.195.175)**	**-**	**2.785.908**	**13.094**	**(2.396.172)**	**(4.374.924)**	**(9.591.216)**	**18.044.197**

The accompanying notes in pages 39 to 108 are integral part of the Financial statements.

Statement of cash flows

Values in euro	**1/1-31/12/2020**	**1/1- 31/12/2019**
CASH FLOW FROM OPERATING ACTIVITIES		
Profit(loss) for the period	**(9.591.216)**	**1.487.412**
Plus / (Minus) Adjustments on:		
Income Taxes	(3.100.209)	1.851.927
Amortization and depreciation	18.630.470	14.272.007
Risk provisions	5.885.382	854.828
Accruals for employee benefits payment	350.885	288.478
Financial interest and related expenses	3.536.640	(1.054.854)
Financial and related income	(345.762)	
Total	**15.366.190**	**17.699.798**
Changes in Working Capital		
(Increase) / Decrease in inventory	(3.764.115)	(535.015)
(Increase) / Decrease in short-term receivables	(18.538.272)	24.957.615
(Increase) / Decrease in long-term receivables	(23.346)	(551)
Increase / (Decrease) in liabilities	1.057.822	(19.511.327)
Payment of employee benefits	(360.000)	(506.932)
Less:		
Paid interest and relevant expenses	(201.227)	
Paid income tax	(496.518)	-
Paid compensation for other risks	(314.303)	
Total inflows / (outflows) from Operating Activities	**(22.639.958)**	**4.403.789**
CASH FLOW FROM INVESTING		
Purchases of property, plant and equipment	(20.494.032)	(719.261)
Matured interests	345.762	590.353
Purchase of EESSTY S.A.	-	(22.000.000)
NET CASH FLOW GENERATED FROM INVESTING AC TIVITIES	**(20.148.270)**	**(22.128.908)**
CASH FLOW FROM FINANCING ACTIVITIES		
Loans received	5.000.000	25.000.000
Loans paid	(2.000.000)	(2.000.000)
Cash inflow due to merger	-	691.266
Interest paid	(795.343)	(858.217)
NET CASH FLOW GENERATED FROM FINANCING ACTIVITIES	**2.204.657**	**22.833.049**
Total cash flow generated in the year	**(25.217.382)**	**22.807.729**
Cash and cash equivalents at the beginning of the period	49.114.284	26.306.556
Cash and cash equivalents at the end of the period	**23.896.903**	**49.114.284**

The accompanying notes in pages 39 to 108 are integral part of the Financial statements.

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 **Board of Directors formation as elected on 30.12.2020**	Lo Bosco Dario (Chairman of BoD) Tsalidis Filippos (Managing Director of BoD) Caposciutti Marco (Member) Carosio Daniela (Member) 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 15/03/2021 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 2020 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.

Criterion applicable prior to 1 January 2019

Since the Company has applied IFRS 16 using the modified retroactive application method, the comparative information has not been restated and continues to be presented in accordance with IAS 17 and IFRIC 4. Therefore, with regard to the comparative data as of 31 December 2018, the tangible Assets held through financial leasing contracts, according to which the risks and benefits associated with ownership are substantially transferred to the Company, are recognised as assets at their current value as of the contract signing date, or, if lower, the actual value of the minimum payments due for the lease, including any amount to be paid for exercising the option to purchase. The corresponding liability to the lessor is indicated on the balance sheet under financial payables. The assets are depreciated by applying the criterion and the rates indicated above, unless the duration of the lease is less than the useful life represented by these rates, and there is no reasonable assurance of the transfer of the leased assets' ownership upon the agreement's natural expiration date; in this case, the amortisation period is represented by the duration of the lease agreement itself. Leases in which the lessor substantially retains all the risks and benefits of ownership are classified as operating leases. The costs associated with operating leases are recorded in a linear fashion on the Income Statement over the term of the lease agreement.

Real estate investments

Real estate investments are real estate properties owned for the purpose of obtaining lease payments and/or for the appreciation of the invested capital and are not intended for sale during the normal course of business activities. Furthermore, real estate investments are not utilised for the production or supply of goods or services, or for the company's administration. The accounting standards used to account for the item in question are consistent with the criteria previously described for the "Property, plant and equipment" item.

In the event that a development project is launched with the prospect of a future sale, the properties are reclassified under the Inventories item following the change in intended use. The book value on the date of the change in the property's intended use is taken as the cost for the subsequent accounting among the inventories, and its depreciation is suspended.

The reclassifications from/to the "Real estate investments" category are only carried out when there is evidence of a change in the property's use, considering that a change in the management's intentions regarding the use of the property in question does not, in and of itself, constitute evidence of a change in use.

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:

- <u>Distinction between financial receivables and trade receivables</u>: 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;
- <u>Calculation of Expected Credit Loss – Financial Receivables</u>: once the stage of membership has been determined, the expected loss is calculated for each cluster;
- <u>Calculation of the Expected Credit Loss – Trade Receivables</u>: 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 employee's entitlement to benefits over the expected working life. 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 adopted are consistent with those of the previous financial year closed on 31 December 2019 except for the following amended IFRSs which have been adopted by the Company as of 1 January 2020. An analysis of accounting policies is provided in the notes to the Interim Financial Statements for the year ended 31 December 2019.

Amendments to the Conceptual Framework for Financial Reporting, including amendments to references to the Conceptual Framework in IFRS Standards (effective 1 January 2020)

In June 2018, the IASB issued its revised "Conceptual Framework for Financial Reporting" (Conceptual Framework). The revised Conceptual Framework is not a standard nor overrides any requirements of individual standards. This replaces the previous version of the Conceptual Framework issued in 2010. Revisions performed by IASB introduced guidance on measurement, presentation and disclosure on derecognition concepts. In addition, the revision includes updated definitions of an asset/liability and of recognition criteria, as well as clarifications on important areas.

Alongside the revised Conceptual Framework, the IASB has published an accompanying document "Amendments to References to the Conceptual Framework in IFRS Standards" which contains consequential amendments to affected standards so that they refer to the revised Framework.

The adoption of the amended Framework had no impact on the Company's Financial Statements.

Amendments to IFRS 3 Business Combinations (effective 1 January 2020, not yet endorsed by EU)

The IASB issued amendments to the definition of a business in IFRS 3 "Business Combinations" to help entities determine whether an acquired set of activities and assets is a business or not. They clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing any missing elements and add guidance to help entities assess whether an acquired process is substantive. In addition, with the introduction of the amendments the definitions of a business and of outputs are narrowed, while an optional fair value concentration test is introduced.

The adoption of the amended Framework had no impact on the Company's Financial Statements.

Amendments to IAS 1 and IAS 8: Definition of Material (effective 1 January 2020)

The amendments to IAS 1 "Presentation of Financial Statements" and IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" aim to align the definition of 'material' across the standards and to clarify certain aspects of the definition. According to the new definition, information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments clarify that materiality will depend on the nature or magnitude of information, or both.

The adoption of the amended Framework had no impact on the Company's Financial Statements.

Interest Rate Benchmark Reform: Amendments to IFRS 9, IAS 39 and IFRS 7

In September 2019, the IASB issued amendments to IFRS 9 'Financial Instruments', IAS 39 'Financial Instruments: Recognition and Measurement' and IFRS 7 'Financial Instruments: Disclosures' to address the implications for certain hedge accounting requirements related to the uncertainties arising from the market-wide reform of several interest rate benchmarks (referred to as 'IBOR reform'). As a result of the IBOR reform, there may be uncertainties about: a) the interest rate benchmark designated as a hedged risk and/or b) the timing or amount of the benchmark-based cash flows of the hedged item or the hedging instrument, during the period before the replacement of an existing interest rate benchmark with an alternative nearly risk-free interest rate (an 'RFR'). The amendments modify certain hedge accounting requirements under IAS 39 or IFRS 9 to provide temporary reliefs from the potential effect of uncertainty, during the transition period. These reliefs are related mainly to the highly probable requirement for the cash flows hedges, the compliance with the identifiable nature of the risk component and the application of prospective and retrospective effectiveness tests.

The IASB addresses the IBOR reform and its potential effects on financial reporting in two phases. These amendments conclude phase one that focuses on hedge accounting issues affecting financial reporting in the period before the interest rate benchmark reform, while the second phase focuses on potential issues that might affect financial reporting once the existing rate is replaced with an RFR.

The adoption of the amended Framework had no impact on the Company's Financial Statements.

B) Standards issued but not yet effective and not early adopted

The Company has not adopted any of the following standards except the first one regarding IFRS. 16, interpretations or amendments that have been issued but are not applicable in the current accounting period. In addition, the Company is in the process of evaluating all the standards and interpretations or amendments that have been issued but were not applicable in the current period and concluded that there will be no significant impact on the financial statements from their application.

- **IFRS 16 (Amendment) "COVID-19 related rental concessions" (effective for annual periods beginning on or after 1 June 2020):**

The amendment applies retroactively to annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted, including financial statements not yet approved for issue on 28 May 2020. IASB amended the standard exempting the lessees from the application of IFRS 16 requirements regarding lease change accounting for rent rebates, arising as a direct consequence of the Covid-19 pandemic. The amendment provides a practical facility for the lessee to account for any change or deduction in leases as a consequence of Covid-19, in the same manner as required by IFRS. 16, if the change or discount was not considered a modification of the lease, provided that all of the following conditions are met:

— The change in rent payments leads to a revised consideration that is substantially the same as or less than the rental consideration immediately before the change;

— Any reduction in rent payments affects payments due on or before 30 June 2021;

— There is no substantial change in other lease terms and conditions;

In February 2021, the IASB issued a proposal to extend, for an additional year (until 30 June 2022), the period during which rental practice is applied to a change in lease payments, which was initially valid until 30 June 2021.

The Company applied this amendment and recognized the rent deduction received as a consequence of the Covid-19 received as income for the year without recalculating the lease.

- **IAS 1 (Amendment) "Classification of liabilities as current or long-term" (effective for annual periods beginning on or after 1 January 2023):**

The amendments apply for annual periods beginning on or after 1 January 2022, with earlier application permitted. IASB issued a draft template for postponing the effective date of the amendments to 1 January, 2023. The amendments aim to achieve consistency in the application of the standard's requirements, assisting companies to determine whether loans and other liabilities with an uncertain settlement date are classified as current or non-current liabilities in Statement of Financial Position.

- **IFRS 9, IAS 39, IFRS. 7, IFRS 4 and IFRS 16 (Amendments) "Reform of reference rates - Phase 2" (applicable to annual accounting periods beginning on or after 1 January 2021).**

In August 2020, the International Accounting Standards Board (IASB) issued amendments to IFRS standards. 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, which concludes its work on the effects of the reform of interbank lending rates on financial information. The amendments provide for temporary facilities that deal with the effects on financial reporting when an interbank lending rate is replaced by an almost zero-risk alternative interest rate. In addition, the amendments introduce facilities for non-termination of the hedging relationship, including a temporary relief from the requirement of distinct recognition of an almost zero-risk alternative interest rate, defined as the hedging of a risk element. Also, the amendments to IFRS 4 allow insurance companies that continue to apply IAS 39 to receive the same facilities as those provided for in the amendments to IFRS 9.

- **IFRS 17: Insurance Contracts**

The IFRS 17 was issued in May 2017 and, along with the amendments to IFRS 17 issued in June 2020, replaces IFRS. 4. The IFRS 17 establishes the principles for the identification, measurement and presentation of insurance policies that are within the scope of the standard as well as the relevant notifications. The purpose of the standard is to ensure that an entity provides relevant information that provides a reasonable picture of these contracts. The new model solves the comparability problems created by IFRS. 4 as it requires all insurance policies to be accounted for consistently. Insurance liabilities will be measured at current values and not at historical cost. The standard has not yet been adopted by the EU.

- **IFRS 3 Business Combinations, IAS 16 Property, Plant and Equipment, IAS 37 Provisions, Contingent Liabilities and Contingent Assets and Annual Upgrades 2018-2020:**

The amendments apply for annual periods beginning on or after 1 January 2022, with earlier application permitted. The IASB issued, to a limited extent, amendments to standards, as follows:

- IFRS 3 Business Combinations: the amendments update a reference of IFRS 3 in the Conceptual Framework for Financial Reports without change in the accounting requirements of the standard for business combinations.

- IAS 16 Property, Plant and Equipment: the amendments prohibit the reduction of the cost of property, plant and equipment by amounts received from the sale of items produced while the company prepares the asset for its intended use. Sales revenue and related costs are recognized in profit or loss.

- IAS 37 Provisions, Contingent Liabilities and Contingent Assets: Amendments determine the cost of performing a contract, in assessing whether the contract is onerous.

Minor modifications were made to the Annual Upgrades 2018-2020 to the IFRS standards. 1-First Application of International Financial Reporting Standards, in IFRS. 9-Financial Instruments, in IAS 41-Agriculture and the indicative examples that accompany IFRS. 16-Leases

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

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

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. Effects of the adoption of IFRS 16

The effects of the application of the international financial reporting standard IFRS 16 Leases are shown below, both for when the Company acts as a lessee and as a lessor:

Lessee

The Company has applied the standard IFRS 16 Leases since 1 January 2019, using the modified retroactive application method, whereby the cumulative effect of the initial application is recognised in the opening balance of the retained earnings.
According to this method, comparative information is not restated.
On the date of initial application, the Company decided to adopt the practical expedient envisaged by the standard that allows the Company not to re-examine which operations constitute a lease; the new standard was therefore only applied to contracts that had previously been identified as leases, pursuant to IAS 17 Leasing and IFRIC 4 "Determining whether an arrangement contains a lease".
Aside from the exemptions represented by contracts of brief duration and modest value, the Company has recorded right of use Assets and lease Liabilities for leases classified as operating leases pursuant to IAS 17.

- the lease liabilities were calculated at the actual value of the residual payments due for the leases, discounted using the marginal loan rate as of 1 January 2019;
- the right of use Assets were valued at an amount equal to the liability of the lease, adjusted by the amount of any deferred income or accrued income due for the lease recognized immediately prior to the initial application date.

The Company has used the following technical simplifications to apply IFRS 16 to leases previously classified as operating leases in accordance with IAS 17.

- it applied a single discount rate to a leasing portfolio with similar characteristics;
- it verified the recoverability of the right of use assets as of 1 January 2019 based on the assessment made regarding the cost of the lease contracts in accordance with the provisions of IAS 37.

In the case of leases classified as financial leases according to IAS 17, the book value of the right of use asset and the lease liability as of 1 January 2019 corresponds to the book value of the leased asset and the lease liability according to IAS 17 immediately prior to that date.

The Company recognised right of use assets during the initial application of IFRS 16, which amounted to € 53.339.283,00 as well as equal lease liabilities. During the assessment of the lease liabilities, the company discounted the lease payments due using the marginal financing rate as of 1 January 2019. The weighted average of the applied rate was equal to 3,85%.

The following table shows the impacts of the standard’s adoption on the Company's financial position as of the transition date:

Values in unit of Euros

	Impacts as of 01.01.2019
ACTIVITIES	
Civil buildings	5.277.129,00
Rolling stock	47.978.740,00
Busses	83.414,00
TOTAL	**53.339.283,00**
Total financial liabilities of the lease	**53.339.283,00**

The following table, on the other hand, shows the impacts of the standard's adoption on the 2019 income statement:

Values in unit of Euros

	Impacts on the income statement
Cancellation of lease payments	14.897.812,33
Recognition of depreciation of rights of use	(13.753.429,94)
Impact on EBIT	**1.144.382,39**
Recognition of higher interest expenses	(1.946.240,35)
Impact on Net Profit	**(801.857,96)**

The following table provides the reconciliation between the commitments as of 31.12.2018 recognised according to IAS 17/IFRIC 4 and the Lease liabilities recorded as of 1 January 2019, accounted for according to IFRS16:

Values in unit of Euros

	Impacts as of 01.01.2019
Lease commitments as of 31 December 2018 (not recognised on the financial statements)	59.225.780,63
Discount on 2018 commitments	5.537.493,00
Discounted lease commitments as of 31 December 2018	**53.688.287,63**
Financial liabilities not recognised due to IFRS16 exemptions	349.004,63
Total financial liabilities for leases as of 1 January 2019	**53.339.283,00**

With regard to disclosures, the standard dictated new disclosure requirements of both a qualitative and quantitative nature, with the aim of providing the financial statements’ users with enough information to understand and evaluate the leases’ effects on the company’s financial situation, economic result and cash flows.

5. 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	**31/12/2020**	**31/12/2019**
Other non-current receivables	915.324	891.978
Cash and Cash equivalent	23.896.903	49.114.284
Restricted Cash	1.500.000	1.500.000
Trade Receivables	2.004.654	1.117.423
Tax Receivables	-	9.981.772
Other Receivables	57.722.735	35.727.856
Total	**86.039.616**	**98.333.313**

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

Values in Euros	**31/12/2020**	**31/12/2019**
Other Debtors	13.459.159	6.379.200
Cash	25.396.903	50.614.284
Public Sector	47.183.554	44.866.182
Total	**86.039.616**	**101.859.666**

The following table provides a breakdown of the financial assets and trade receivables as of 31 December 2020, grouped by maturity:

	31/12/2020					
	Not Past Due	**0-180**	**180-360**	**360-720**	**over 720**	**Total**
Other Debtors	15.648.082	167.917	517.130	503.269	20.112.661	36.949.060
Provision for Wrtie-downs	(610.401)	16.166	(460.565)	(30.303)	(19.402.797)	(20.487.900)
Other Debtors (Net)	**15.037.681**	**184.083**	**56.565**	**472.966**	**709.864**	**16.461.160**
Cash	25.396.903	-	-	-	-	25.396.903
Provision for Write-downs	-	-	-	-	-	-
Cash (Net)	**25.396.903**	**-**	**-**	**-**	**-**	**25.396.903**
Public Sector	39.303.307	611.271	1.677.625	3.586.117	10.554.018	55.732.338
Provision for Write-downs	(285.125)	(173.210)	(655.191)	(274.166)	(10.163.093)	(11.550.785)
Public Sector (Net)	**39.018.182**	**438.062**	**1.022.434**	**3.311.951**	**390.925**	**44.181.553**
Total Financial Assets	**79.452.766**	**622.145**	**1.078.999**	**3.784.917**	**1.100.789**	**86.039.616**

The following tables show the receivables determined by risk class as of 31 December 2020:

Amounts in Euros	
Classification	**31/12/2020**
B	27.600.045
BB	57.760.584
CCC	678.987
Total	**86.039.616**

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	**31/12/2020**	**31/12/2019**
Current Assets		
- Current Liabilities	-3.131.192	10.699.676

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 and c) the tight monitoring of its obligations' maturity.

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

31/12/2020	**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**

Amounts in Euros

31/12/2019	**Carrying Amount**	**Up to 12 months**	**1-5 years**	**Beyond 5 years**
Loans	23.000.000	2.000.000	8.000.000	13.000.000
Leasing liabilities	81.417.719	14.150.577	67.266.602	-
Trade Payables	58.977.430	58.977.430	-	-
Other liabilities	12.457.813	11.375.813	1.150.333	-
Total Financial Liabilities	**175.852.962**	**86.503.820**	**76.416.935**	**13.000.000**

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 amount	1 and 2 years	2 and 5 years	beyond 5 years
Floating rate	26.000.000	2.900.000	3.800.000	8.300.000	11.000.000
Balance as of 31 December 2020	**26.000.000**	**2.900.000**	**3.800.000**	**8.300.000**	**11.000.000**

As of 31/12/2020, 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 115.000 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.

6. Acquisitions of subsidiaries

Business combinations

The Board of Directors of HRADF accepted the offer of TRAINOSE S.A for the acquisition of 100% of the share capital of EESSTY S.A (Hellenic Railways Maintenance Company) and declared it as the preferred investor, taking into account the positive recommendation of its consultants for the validity of the submitted bid. The valuations made by two independent valuers and the positive opinion of the Board of Experts. The tender dossier has been submitted to the Court of Audit for pre-contractual inspection.

On 29/10/2018 signed the contract for the acquisition of 100% of the share capital of EESSTY S.A by TRAINOSE S.A amounting 22 mil. €.

On 27/2/2019 the transaction was approved by the HELLENIC COMPETITION COMMISSION. Within the next months the acquisition of 100% of the share capital of EESSTY S.A by TRAINOSE S.A will be completed.

On 01/04/2019 the acquisition of 100% of the share capital of EESSTY S.A by TRAINOSE has been finalized with the deposit of 22 mil. €.

The net assets of the company EESSTY S.A. acquired at the acquisition date are analysed as follows:

Assets	Amounts in thousands of Euros
Property, plant and equipment	6.716
Royalties to Property, plant and equipment (Finance Lease)	40.527
Cash and cash equivalents	690
Intangible assets	1.171
Trade receivables, other receivables & cash	21.189
Inventory	18.472
Deferred income tax assets	1.701
Total assets	**90.466**
Liabilities	
Provisions for employees	3.932
Provisions for risks and charges	1.569
Deferred tax liability & Other non-current liabilities	471
Leasing liabilities	40.699
Trade payables and other payables	18.474
Total liabilities	**65.145**
Net assets	**25.321**

*The above amounts are the Fair Value adjusted amounts as per PPA exercise.

The goodwill resulting from the acquisition was recognised as shown in the following table:

	Amounts in unit of Euros
Net assets of the company EESSTY S.A. on the acquisition date	**25.321.043,78**
Total purchase price of ESSTY S.A.	(22.000.000,00)
Goodwill	**3.321.043,78**

On 5/12/2019, the Extraordinary General Meeting of the Company approved the Draft Merger Agreement with its subsidiary EESSTY S.A. The merger took place on 1/10/2019.

On 1/10/2019, the Company acquired as a result of the merge with EESTY SA the following net assets:

ASSETS	**Values in euros**
Property, Plant and Equipment	6.633.256,04
Right of Use Assets (Finance Lease)	40.650.949,94
Cash and Cash Equivalents	691.265,54
Intangible Assets	1.130.069,75
Trade receivables	23.199.709,52
Stock	18.754.849,12
Other current receivables	917.716,91
Other non-current assets	8.625,57
Deferred tax assets	1.017.822,51
Total Assets	**93.004.264,89**
LIABILITIES	
Provisions for employee benefits	(3.000.790,07)
Other non-current liabilities	(4.914.638,72)
Other provisions	(1.576.860,76)
Finance lease liabilities	(40.101.813,93)
Other current liabilities	(10.498.126,22)
Trade payables	(5.795.472,63)
Total Liabilities	**(65.887.702,33)**
Merger Reserve	(2.785.908,46)
Actuarial Losses	1.810.499,64
Impact on Equity	**(975.408,82)**

7. 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**	**Advance payments for fixed assets**	**Furniture & other equipment**	**Rolling stock technical escort**	**TOTAL**
Cost at 1/1/2019	**177.379**	**143.682**	**67.750**	**-**	**-**	**4.034.016**	**-**	**4.422.828**
Acquisition from EESSTY S.A. due to merge	114.786	4.624.859		1.762.183	-	131.428	16.669.131	23.302.387
Additions for the period	53.900	16.797	-		11.875.000	509.958	-	12.455.656
Disposal for the year	-		-	-	-	(21.571)	-	(21.571)
Cost at 31/12/2019	**346.065**	**4.785.339**	**67.750**	**1.762.183**	**11.875.000**	**4.653.832**	**16.669.131**	**40.159.299**
Accumulated depreciation 1/1/2019	**(152.690)**	**(136.392)**	**(67.750)**	**-**	**-**	**(3.412.153)**	**-**	**(3.768.985)**
Depreciation for the period	(8.002)	(67.983)	-	(16.777)	-	(279.302)	-	(372.064)
Depreciation of disposed assets	-	**-**	-	-	-	15.824	-	15.824
Accumulated depreciation 31/12/2019	**(160.692)**	**(204.375)**	**(67.750)**	**(16.777)**	**-**	**(3.675.631)**	**-**	**(4.125.225)**
Net book value at 31/12/2019	**185.373**	**4.580.964**	**0**	**1.745.406**	**11.875.000**	**978.201**	**16.669.131**	**36.034.075**
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**
Additions for the period	1.936.850	80.596	0	0	4.861.322	1.290.440	4.796.448	12.965.696
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**	**53.124.995**
Accumulated depreciation at 1/1/2020	**(160.692**	**(204.375)**	**(67.750)**	**(16.777)**	**-**	**(3.675.631)**	**-**	**(4.108.448)**
Reclassification			-	-	-		(760.318)	(760.318)
Depreciation for the period	(16.393)	(1.727.153)	-	(565.000)	-	(415.903)	(590.543)	(3.315.592)
Accumulated depreciation at 31/12/2020	**(177.085)**	**(1.931.528)**	**(67.750)**	**(582.377)**	**-**	**(4.091.534)**	**(1.350.860)**	**(8.201.135)**
Net book value at 31/12/2020	**2.105.830**	**2.934.407**	**0**	**1.179.807**	**16.736.322**	**1.852.738**	**20.114.719**	**44.923.823**

Impairment losses

The Company, assessing the expected future economic benefits from Rolling Stock Spare Parts, recognized in 2020 an impairment for this Asset class at an amount of 760.318 euros.

8. 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 1/1/2019	**-**		**-**	**-**	**-**
Right of use assets	**5.277.129**		**83.414**	**47.978.740**	**53.339.283**
Acquisition from EESSTY S.A. due to merge		**40.650.950**	**-**	**-**	**40.650.950**
Additions for the period	-		-	-	-
Cost at 31/12/2019	**5.277.129**	**40.650.950**	**83.414**	**47.978.740**	**93.990.233**
Accumulated depreciation 1/1/2019	**-**	**-**	**-**	**-**	**-**
Depreciation for the period	(479.383)	(428.454)	(51.262)	(12.794.331)	(13.753.430)
Accumulated depreciation 31/12/2019	**(479.383)**	**(428.454)**	**(51.262)**	**(12.794.331)**	**(13.753.430)**
Net book value at 31/12/2019	**4.797.746**	**40.222.496**	**32.152**	**35.184.409**	**80.236.803**
Cost at 1/1/2020	**5.277.129**	**40.650.950**	**83.414**	**47.978.740**	**93.990.233**
Adjustments and 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 at 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 at 31/12/2020	**(973.341)**	**(2.155.458)**	**(80.298)**	**(25.588.662)**	**(29.449.423)**
Net book value at 31/12/2020	**4.303.788**	**40.037.583**	**79.000**	**22.390.078**	**66.810.449**

Royalties to Property, plant and equipment (Finance Lease) recognized for first time on 1/1/2019 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.

9. 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 2020 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 1/1/2019	**861.505**
Acquisition from EESSTY S.A. due to merge	1.050.904
Acquisition from EESSTY S.A. due to merge (Other)	79.166
Additions for the period	139.509
Cost at 31/12/2019	**2.131.084**
Accumulated depreciation 1/1/2019	**(447.735)**
Amortisation for the period	(146.513)
Accumulated amortisation 31/12/2019	**(594.247)**
Net book value at 31/12/2019	**1.536.837**
Cost at 1/1/2020	**2.131.084**
Additions for the period	433.046
Cost at 31/12/2020	**2.564.130**
Accumulated depreciation at 1/1/2020	**(594.247)**
Depreciation for the period	(253.773)
Accumulated depreciation at 31/12/2020	**(848.020)**
Net book value at 31/12/2020	**1.716.110**

10. 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.

2019	**Opening Balance**			**Closing Balance**
	01/01/2019	**Income Statement**	**Other Comprehensive Income**	**31/12/2019**
Deferred Tax Asset due to merger with EESSTY SA	-	1.051.098	-	1.051.098
Provision for Staff Leave Indemnity (IAS 19)	789.499	(272.989)	-	516.511
Provisions for Legal Cases	-	(155.316)	-	(155.316)
IFRS 16 Application (Financial Lease)	-	291.115	-	291.115
Provisions for doubtful debts	619.345	(142.422)	-	476.923
Other	-	19.141	-	19.140,60
Total	**1.408.844**	**790.627**	-	**2.199.472**

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	1.051.098	(682.732)	-	368.366
Provision for Staff Leave Indemnity (IAS 19)	516.511	1.362.949	-	1.879.460
Provisions for Legal Cases	(155.316)	3.083.993	-	2.928.667
IFRS 16 Application (Financial Lease)	291.115	197.535	-	488.650
Provisions for doubtful debts	476.923	-	-	476.923
Other	19.141	186.041	-	205.182
Total	**2.199.472**	**4.147.775**	-	**6.347.248**

The change in deferred tax assets for the year 2020 is essentially due to provisions for legal cases and the provision for Staff Leave Indemnity. The Company expects to recover the deferred tax asset through the expected profitability.

11. Financial Assets

Company's financial assets are analyzed as following:

Amounts in Euros	31/12/2020	31/12/2019
Other non – current assets	915.324	891.978
Cash & cash equivalents	23.896.903	49.114.284
Restricted cash	1.500.000	1.500.000
Trade receivables	2.004.654	1.117.423
Tax Receivables	-	9.981.771
Other current assets	57.722.735	35.727.856
Total	**86.039.616**	**98.333.312**

11.1 Other non-current assets

Other non-current assets are analyzed as following:

Amounts in Euros	31/12/2020	31/12/2019
Guarantees	905.324	881.978
Other non – current assets	10.000	10.000
Total	**915.324**	**891.978**

11.2 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	31/12/2020	31/12/2019
Cash in hand	13.230	73.468
Cash at banks	23.883.673	49.040.816
Total cash & cash equivalents	**23.896.903**	**49.114.284**
Restricted cash	**1.500.000**	**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.

12 Current Trade Receivables

Current Trade Receivables from customers is analyzed as follows:

Amounts in Euros	31/12/2020	31/12/2019
Private-sector debtors	6.345.469	899.023
Greek state	394.690	218.399
Doubtful receivables	4.328.381	16.504.154
Total	**11.068.540**	**17.621.576**
Less : Allowance for doubtful receivables	(9.063.885)	(16.504.154)
Total receivables	**2.004.654**	**1.117.423**

Company has assessed the recoverability of its trade receivables and has recorded a provision for doubtful debts of 9.063.885 euros on new Management's estimation.

The variation in total receivables and provision for doubtful receivables is due to the write-off of receivables provisioned in 31/12/2019.

13 Inventories

Inventories are depicted in the following table:

Amounts in Euros	31/12/2020	31/12/2019
Raw materials and consumables	822.056	423.647
Provision for obsolence (consumables)	-	-
Net value	**822.056**	**423.647**
Fuel	1.119.045	1.472.733
Provision for obsolence (fuel)	(102.443)	(79.753)
Net value	**1.016.602**	**1.392.980**
Spare parts	311.057	877.323
Provision for obsolence (spare parts)	(93.706)	-
Net value	**217.351**	**877.323**
Total realizable value	**2.056.010**	**2.693.950**

Provision for obsolescence regards part of fuel and spare parts.

There are no restricted inventories.

Spare parts are materials used in rolling stock maintenance procedure, they are held to be used in service rendering to third parties.

14 Other current assets

Amounts in Euros	31/12/2020	31/12/2019
Receivable from Public Sector	-	1.189.193
Ministry of infrastructure and Transport	17.302.822	1.802.822
Other State Administrations	8.538.970	10.078.412
Accrued revenue	2.607.839	1.428.505
Accrued Revenue – Ministry of Transport	16.500.000	12.500.000
Recharge of supplementary maintenance – OSE S.A. & GAIAOSE S.A.	15.905.764	15.905.764
Miscellaneous Debtors	19.842.139	21.824.024
Total	**80.697.534**	**64.728.720**
Provision for write-downs	(22.974.799)	(19.019.092)
Total net other assets	**57.722.735**	**45.709.627**

Company's other current assets are analyzed as follows:

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 revenues 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.

Other State administrations line includes receivables for withheld taxes or Income Tax advances. Its decrease is due to the collection or the offset of the advance payments with current tax obligations.

Company has estimated a provision for doubtful other receivables amounts of € 22.974.799. Its increase is due to the receivable recognition from a main debtor and the respective provision charge.

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 all the necessary and legally provided actions on rolling stock maintenance which are of their responsibility. On both occasions, the responsibility and the cost of maintenance is not to be undertaken by TRAINOSE SA. Until February 2019, the cost of the additional maintenance has already been recharged and the remaining part (from March 2019 until today) has been calculated and accrued and is about to be reinvoiced to both GAIAOSE SA and OSE SA. 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 based on terms of the agreements.

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 contract for extended maintenance services dated 26 September 2019. This process is expected to be completed within 2021 and 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.

Although OSE has expressed doubts on the titularity of the charges, the Company estimates that all the amount will be recovered, through the exhaustion of legal means.

Other current and non-current assets

This item consists of the following:

Values in Euros

	31/12/2020			31/12/2019			Μεταβολή		
	Non-Current	**Current**	**Total**	**Non-Current**	**Current**	**Total**	**Non-Current**	**Current**	**Total**
VAT	-	-	-	-	1.189.193	1.189.193	-	(1.189.193)	(1.189.193)
Ministry of Transport and Infrastructure	-	17.302.822	17.302.822	-	1.802.822	1.802.822	-	15.500.000	15.500.000
Other Receivables – Public Sector	-	8.538.970	8.538.970	-	10.078.412	10.078.412	-	(1.539.442)	(1.539.442)
Accrued Revenue	-	2.607.839	2.607.839	-	1.428.505	1.428.505	-	1.179.334	1.179.334
Accrued Revenue – Ministry of Transport	-	16.500.000	16.500.000	-	12.500.000	12.500.000	-	4.000.000	4.000.000
Recharge from supplementary maintenance – OSE & GAIAOSE	-	15.905.764	15.905.764	-	15.905.764	15.905.764	-	-	-
Other Debtors	915.324	19.842.139	20.757.463	891.978	21.824.024	22.716.002	23.346	(1.981.885)	(1.958.539)
Total Other Assets	**915.324**	**80.697.534**	**81.612.858**	**891.978**	**64.728.720**	**65.620.698**	**23.346**	**15.968.814**	**15.992.160**
Provision for Write-Downs	-	(22.974.799)	(22.974.799)	-	(19.019.092)	(19.019.092)	-	(3.955.707)	(3.955.707)
Total Net Other Receivables	**915.324**	**57.722.735**	**58.638.059**	**891.978**	**45.709.627**	**46.601.606**	**23.346**	**12.013.107**	**12.036.453**

Receivables from the MIT are detailed below:

Ποσά σε Ευρώ

	Opening Balance 31/12/2019	Increase	Reduction	Closing Balance 31/12/2020
Grant				
- PSO Invoiced amount	-	62.000.000	62.000.000	-
- Prior Periods' VAT	1.802.822	-	-	1.802.822
- Accrued Revenue	12.500.000	15.500.000	12.500.000	15.500.000
Total	**14.302.822**	**77.500.000**	**74.500.000**	**17.302.822**

There is a total provision for write-downs of 22.974.799 euros for Other Current Assets.

15 Shareholders' equity

The changes that took place during the 2020 and 2019 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 31.12.2018 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 31/12/2019 are € € 4.374.924

Operating result

Company's Operating result for the period 1/1/2020 – 31/12/2020 is loss of € (9.591.216) compared to a profit of € 1.487.412 for the period 1/1/2019 – 31/12/2019.

16 Long-term and short-term loans

The items are € 26.000.000,00 and are broken down as per following table:

Values in Euros

Medium/long-term loans net of the current amount	31/12/2020	31/12/2019	Change
Loans from shareholders	23.100.000	21.000.000	2.100.000
Total	**23.100.000**	**21.000.000**	**2.100.000**
Short-term loans and current portion medium/long-term loans	**31/12/2020**	**31/12/2019**	**Change**
Loans from shareholders (short term)	2.900.000	2.000.000	900.000
Total	**2.900.000**	**2.000.000**	**900.000**
Total Loans	**26.000.000**	**23.000.000**	**3.000.000**

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	31/12/2019	Cash flow statement effect	Non-monetary effects New leases	31/12/2020
Disbursement and repayment of short and medium/long-term loans	23.000.000	3.000.000	-	26.000.000
Change in other financial liabilities	81.417.179	-	(12.570.288)	68.846.891
Total	**104.417.179**	**3.000.000**	**(12.570.288)**	**944.846.891**

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

Values in unit of Euros

				31.12.2020		31.12.2019	
Creditor	**Currency**	**Nominal Interest Rate**	**Year of Maturity**	**Nom. Value**	**Book Value**	**Nom. Value**	**Book Value**
FERROVIE DELLO STATO ITALIANE S.P.A.	€'	3,7% plus Euribor	2027	30.000.000	21.000.000	25.000.000	25.000.000
FERROVIE DELLO STATO ITALIANE S.P.A.	€'	1,4% plus Euribor	2031	18.000.000	5.000.000	-	-
Total Loans				**48.000.000**	**26.000.000**	**25.000.000**	**25.000.000**

17 Post-employment benefits and other employee benefits

Values in Euros

	31/12/2020	31/12/2019
Current value of post-employment benefits (TFR) obligations	8.979.343	6.601.179
Total current value of obligations	**8.979.343**	**6.601.179**

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

Values in Euros

	2020	2019
Defined benefit obligations as of 1 January	6.601.179	2.722.411
Balance of defined benefit obligations due from OSE S.A. Prior service Cost	2.502.386	
Balance of EESSTY S.A. due to merge		3.000.090
Service Costs	259.849	236.392
Interest cost	91.036	52.086
Actuarial (gains)/losses recognised in equity	196.268	881.259
Benefits paid	(671.375)	(291.059)
Total defined benefit obligations	**8.979.343**	**6.601.179**

The Company recognizes as personnel benefit liabilities 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, 2019 amounts to € 9.103.566. 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, 2019 is net amount of € 6.601.179.

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 2020, 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 2020, 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 14).

Actuarial assumptions

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

	2020	2019
Discount rate	1,00%	1,00%
Future salary increases	1,00%	1,00%
Long-term increase in inflation	1,40%	1,40%
Mortality table	MT_EAE2012_P	
Retirement age	67	67

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 below.

The table shows the average duration of the defined benefit obligations and the disbursements envisaged by the plan.

Values in Euros

	Post-employment benefits
Benefit Increase Rate + 0,25%	9.262.908
Benefit Increase Rate - 0,25%	8.706.092
Discount rate +0,50%	8.445.245
Discount rate -0,50%	9.560.255

18 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 2020 financial year, highlighting the current portion:

	Provisions for legal cases	Provisions D.E.H.[1]	Allowance for doubtful accounts receivable[2]	Provisions For Accidents	Total
Book value at 1/1/2019	**8.387.011**	**106.766**	**13.699**	**2.299.872**	**10.807.347**
Balances of EESSTY (merger)	**1.041.148**	**-**	**-**	**-**	**1.041.148**
Additional provision	1.425.676	-	-	-	1.425.676
Provision reversal	(2.472.778)	(106.766)	-	(96)	(2.579.640)
Provision reclassification	-	-	(13.699)	-	(13.699)
Book value at 31/12/2019	**8.381.057**	**-**	**-**	**2.299.776**	**10.680.833**
Additional provision	2.217.594	-	-	-	2.217.594
Provision reversal	(1.137.048)	-	-	-	(1.137.048)
Legal Cases Interest	(621.400)		-	-	(621.400)
Book value at 31/12/2020	**9.903.003**	**-**	**-**	**2.299.776**	**12.202.779**

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.

[1] *The provision has been reversed as the related case is cleared.*

[2] *The provision has been reclassified to "Other current assets" within first semester of 2019.*

19 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:

Values in Euros

	31/12/2020	31/12/2019
Non - current financial liabilities (IFRS16)	54.164.899	67.266.602
Current financial liabilities (IFRS16)	14.681.992	14.150.577
Total	**68.846.891**	**81.417.179**

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.

20 Other current and non-current liabilities

Values in Euros

	31/12/2020			31/12/2019			Change		
	Non-Current	**Current**	**Total**	**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	-	-	-	-	1.350.187	1.350.187
Accrued Expenses	-	7.619.550	7.619.550	-	4.384.045	4.384.045	0	3.235.505	3.235.505
Salaries payable	-	1.426.237	1.426.237	-	1.409.423	1.409.423	0	16.814	16.814
Other Taxes	-	1.151.811	1.151.811	-	1.448.398	1.448.398	0	(296.587)	(296.587)
Payables to Social Security Institutions	-	-	-	-	2.106.384	2.106.384	0	(2.106.384)	(2.106.384)
Deferred Income	-	229.857	229.857	-	682.080	682.080	0	(452.223)	(452.223)
Other Payables	1.020.542	3.027.670	4.048.212	1.080.333	1.345.484	2.425.817	(59.791)	1.682.186	1.622.395
Total	**1.090.542**	**14.805.312**	**15.895.854**	**1.150.333**	**11.375.814**	**23.508.216**	**(59.791)**	**3.429.498**	**3.369.707**

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 significant change in the "Other payables and accrued expenses" line, is mainly due to liability towards GAIAOSE S.A. concerning accrued rental for maintenance plants, as transferred to the company books through the merger with EESSTY S.A.. An additional amount concerns accrued expenses for employment termination benefits of personnel not in service of the Company, as well as network utilization duties and rolling stock rentals that were not invoiced until the 31st of December 2019.

21 Trade Payables

Values in Euros	31/12/2020	31/12/2019
Liabilities to Public Sector Entities	53.459.052	42.190.169
Domestic Creditors	3.908.359	4.402.704
Creditors Abroad	298.303	79.546
Payables to Related parties	258.476	12.005.010
Total	**57.924.190**	**58.977.430**

Trade payables as of December 31st, 2020 amount to € 57.924.190 (€ 58.977.430 on December 31st 2019) 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, 2020 amount to € 258.476 (€12.005.010 in December 31st, 2019) includes mainly liabilities towards TRENITALIA S.P.A. concerning prepayment for the acquisition of trains. The decrease in the line regards the repayment of 11.875.000 euros for rolling stock purchase.

22 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 - 31/12/2020	1/1 - 31/12/2019
Revenues from passengers transportation	32.749.683	58.058.325
Revenues from merchandise transportation	13.916.554	13.891.355
Income of exchange of rolling stock	463.048	1.273.857
	4.000.000	
Revenues from rolling stock maintenance	2.087.245	509.470
Revenue from PSO (Public service Obligation)	50.000.000	50.000.000
Total	**103.216.530**	**123.733.007**

The decrease is mainly due to the reduction of passenger traffic due to civil protection measures to restrict traffic in the months of March to June and the restriction of available seats in the following months, in order to deal with the spread of the Covid-19 pandemic.

It is noted that the Greek Parliament has passed on 29/7/2020 the law 4714/2020, which provides compensation for the lost income of the lock-down period due to reduced permissible occupancy of the trains imposed by the measures of the Greek government in response of the COVID-19 pandemic. On 30-12-2020, the Government Gazette no. B '5826 according to which Trainose is entitled for the period July-August a subsidy of an amount that can not exceed 4,000,000 euros and which was recognized in the Income Statement as "Income from contributions".

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 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 2020.

Since the aforementioned PSO contract expired on 31.12.2020 without the completion of the negotiation process for the new Contract, the Ministry of Infrastructure and Transportation has already expressed in written its intention to extend the duration of the previous Contract for further 12 months (until 31.12.2021), an extension which is expected to be formalized through publishing in the official Greek Government Gazette within the end of March. At the same time, the Company is finalizing the negotiations with the Greek State for the definition of a new PSO contract starting 1.1.2022, based on the aforementioned Memorandum of Cooperation.

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

	2020	2019
Pricing and service obligations		
for passenger transport	50.000.000	50.000.000
Total	**50.000.000**	**50.000.000**

23 Other income

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

Values in Euros	2020	2019
Income from other services	1.264.281	910.256
Other extraordinary and non-operating income	1.810.534	923.735
Total	**3.074.815**	**1.833.991**

The income from other services includes the compensation received by the Company from Ethniki Insurance, through a compromise signed on 24/2/2020, amounting to Euro 475,000, as compensation for damages and losses caused in 2007 Other extraordinary and non-operating income include mainly unused uncertainty provision.

24 Personnel costs

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

Values in euros	**2020**	**2019**
Wages and salaries	31.052.863	25.850.831
Social security	7.686.647	6.259.349
Other permanent personnel costs	1.040.283	386.058
Post-employment benefits	1.022.260	504.351
Total	**40.967.002**	**33.000.590**

The increase concerning personnel costs is mainly due to the merge with EESSTY S.A..

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

	2020	**2019**
Personnel		
Senior Managers	6	24
Other personnel	1.118	1.260
Total	**1.124**	**1.284**

25 Raw materials, consumables, supplies and merchandise

This item is broken-down as per following table:

Values in Euros	**2020**	**2019**
Raw materials and Consumables	1.028.735	1.725.676
Traction Electric Energy	6.219.362	5.826.826
Fuel Consumption	8.287.372	13.118.521
Total Cost	**15.535.468**	**20.671.024**

26 Costs for services

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

Values in Euros	**2020**	**2019**
Rolling Stock Maintenance	404.424	17.940.413
Network Access Fares	14.184.411	16.093.255
Rolling Stock Cleaning	2.135.634	1.418.830
Insurance Fees	246.519	364.144
Taxes	1.147.710	1.140.642
Agent Commissions	2.259.942	3.168.764
Other Contractors' Fees	5.434.705	3.593.062
Other Costs	3.901.965	4.436.994
Total	**29.715.311**	**48.156.105**

The decrease of maintenance of rolling stock is mainly attributable to the merge with EESSTY S.A. The related costs have been replaced, for the last quarter of the year, by the operating costs of EESSTY.

27 Costs for leased assets

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

	2020	**2019**
Lease fees	714.050	933.126
Total	**714.050**	**933.126**

During the course of the financial year ended on 31 December 2020 this item amounted to € 714.050 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.

28 Other operating costs

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

Values in Euros	**2020**	**2019**
Prior year payroll Costs	51.427	577.639
Prior year costs	1.651.777	319.454
Other extraordinary costs	207.061	1.826.282
Overdue Interest and extraordinary expenses	174.572	216.656
Tax penalties and surcharges	6.366	47.081
Other Costs	1.224.711	2.487.379,73
Σύνολο	**3.315.914**	**5.474.490**

29 Provisions and write-downs

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

Values in Euros	**2020**	**2019**
Provisions for legal cases	1.843.062	1.425.676
Reversal of provisions for legal cases		(2.456.874)
Total Legal Cases	1.843.062	(1.031.198)
Provisions for Doubtful Debts	3.763.264	1.400.307
Provisions for Staff Leave Indemnities	350.885	-
Write-downs	0	406.063
Provisions for Stock Impairment	956.467	-
Total	**6.913.677**	**775.172**

30 Depreciation and Amortization

This item is broken down as follows:

Values in Euros	**2020**	**2019**
Intangible Assets' amortization	253.773	146.513
Tangible Assets' depreciation	3.332.369	372.064
Right of Use Assets' amortization	15.044.329	13.753.430
Total	**18.630.471**	**14.272.007**

31 Financial income

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

Values in Euros	2020	2019
Other financial income	345.762	590.353
Total	**345.762**	**590.353**

32 Financial expenses

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

Values in Euros	2020	2019
Interest on Loans	795.150,25	654.919
Finance Lease Interest Costs	2.540.070	1.946.240
Interests and expenses on other current liabilities	-	255.384
Other Finance Costs	201.420	-
Total	**3.536.640**	**2.856.543**

33 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 1/1/2020 – 31/12/2020 resulting to:

- Increase of Deferred Tax Asset of € 4.147.774,86 concerning tax losses carried forward has been recognized for the provision formed for the Staff Leaving Indemnity and for provisions.

- Due to the amount of losses, no Current Income Tax concerning the period 1/1/2020 – 31/12/2020 has been calculated.

- Adjustment of Income Tax concerning business year 2019 amounting € 235.954,86.

Given that the Company for prior years has been tax exempted, no deferred tax has been recognized. Taking into account the transition to a taxable regime under the general tax provisions within fiscal year 2017, the Company has 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 1/1/2019 – 31/12/2019 amounts to € 1.851.926,87.

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, 2015, 2016 and 2017 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 and for year 2016 and 2017 with emphasis of matters.

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. The Company does not expect any additional taxes and surcharges to be incurred under the control of the Greek tax authorities for the business years 2013 to 2018.

For the fiscal year 2019, 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. There is no provision for the above to have a significant effect on the Company's Equity.

The Income tax rate due to business activity in Greece, for the year 2020 is 24%.

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

Values in Euros	**2020**	**2019**
Current Income Tax	-	1.260.866,38
Deferred Income Tax	(4.147.775)	307.539,42
Income Tax Adjustment for prior yeat	1.047.566	283.521,06
Income Tax in Income Statement	**(3.100.209)**	**1.851.926,87**

34 Contingent liabilities and assets

Legal Cases

The Company is involved in various pending court proceedings amounting Euro 70.895.466.

Concerning the above legal claims, a provision amounting to € 12.202.779 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 2020

The previous Management of OSE decided to change the existing network access charges, for traffic in the Greek rail network in 2020. This change would lead to charges excessively higher than those of 2019 (on average, circa 210% of 2019 levels) and in absence of changes in the quality of the network.

The fares requested in 2020 Network Statement are not sustainable, even not taking into account the effects of the Covid-19 pandemic, and the increases in the track access charges therein envisaged need to be completely redefined, through the necessary consultation with all the rail undertakings operating on the Greek rail network. It should be underlined that the invoices received until September 30th (i.e., 3rd quarter) of 2020 have been issued on the basis of 2019 track access charges formula.

Taking into account that the Management considers the probability of the materialization of the charges envisaged in the 2020 Network Statement to be remote, both due to the irregularities in the issuance process of the Statement itself and to the evident unsustainability of the track access charges themselves, and having clarified that TRAINOSE has the right to appeal against the said Network Statement, if necessary, to pursue the clarification of the matter through legal means, estimated the full year cost of track access charges for 2020 in analogy with the invoices produced by OSE up to 30 September 2020. The aforementioned methodology led the Management to estimate track access cost for year 2020 as circa 14 million euros, whereas the application of 2020 Network Statement tariffs would produce a cost of circa 28,65 million euros.

Non-finalized receivables and liabilities

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

On 31.7.2018 OSE S.A. issued Invoice No 964 towards TRAINOSE S.A. amounting € 1.545.625,50. This invoice concerns to damages due to derailment of a train. TRAINOSE S.A., based on the findings of a committee (Proc.: 1750344/8.10.2015) for the above mentioned event, did not accept the charge and returned the invoice to OSE S.A. (Proc .:6874/15/ T2 - 10.9.2018).

Invoices amounting 986.439,91 € (including VAT) issued by TRAINOSE S.A. to OSE S.A. concerning works on the railway executed during 2018 have not been accepted by OSE S.A..

Out of this amount, invoices totaling to 976.272,15 euros are related to services which have been invoiced according to the pricing policy of TRAINOSE. It is highlighted that the same services which have been rendered to OSE during the years of 2017 and 2019 have been invoiced according to the very same policy, and these invoices have been accepted by OSE.

As of the date of writing, upon the advancement of new supporting materials, the current Management of OSE has expressed its willingness to accept said invoices.

For this reason, no relevant provision has been made as the total of the receivable is expected to be collected through all the legal means available to the Company.

In Company's results for 2020 there is a charge of 14.184.411 euros for Network fares. In OSE's webpage there is a draft Network Statement including total network charges of29.5 million euros. The Company has not recorded provision for the additional charge, as the probability of applying those rates is remote. The above is confirmed also by the billings from OSE for the first 3 quarters of 2020.

Proceedings Before The National And European Authorities

RAILCARGO LOGISTICS GOLDAIR S.A. has submitted an application before the Hellenic Railway Regulatory Authority (HRRA) 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 rejects 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 HRRA. 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 HRRA for points (a), (b) as well the cost accounting model used. The above are detailed in the decision No.14006/12.10.2020 of HRRA (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 .

Unaudited tax years

The Company has not been audited for the years 2015 to 2020 from the tax authorities. Management does not estimate that additional charges could come up from a possible audit.

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».

35 Remuneration of Auditing Services

It should be noted that the total amount of the consideration concerning auditing services rendered within 2020 is equal to € 120.200 plus VAT 24%.

36 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	**2020**	**2019**
Salaries and Fees of BoD members	110.000	110.000
Salaries and Fees of Senior Managers	869.292	975.955
Total	**979.292**	**1.085.955**

There are no payables or receivables from BoD members.

37 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

			31/12/2020			**2020**	
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	-	-	-	-	-	-	-

Values in Euros

	31/12/2019				2019		
Name	Receivables	Payables	Loans	Fixed Assets Purchase	Interest on Loans	Expenses	Revenue
Parent Companies							
FERROVIE DELLO STATO ITALIANE S.p.A.	-	152.033,33	23.000.000,00	-	654.918,75	242.033,33	-
TRENITALIA/CORP S.p.A.	-	11.875.000,00	-	11.875.000,00	-	-	-
MERCITALIA	-	97.977,00	-	-	-	-	-

38 Guarantees and commitments

On December 31st, 2020 the granted guarantees for securing receivables, amount to €8.677.531 (€5.046.946 as at 31/12/2019) and the commitments amount to € 72.588.911.

The analysis of commitments is shown in the following table:

Description	2020	Period time
Renovation of Thessaloniki Depot	9.721.096	1 year
Acquisition of rolling stock	35.625.000	1 year
Committed amounts on purchases of materials	3.411.536	1 year
Maintenance Services for ETR470 rolling stock	24.081.630	5 years
Total	**72.839.262**	

39 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 1/1/2019 until 31/12/2019, 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.

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**

Segment analysis of Statement of Total Income (1/1-31/12/2019) according to PSO Agreement

INCOME

	TOTAL	PASSENGERS	MERCHANDISE	OTHER	MAINTENANCE
REVENUE	72.459.149,97	56.460.829,04	13.891.354,74	1.597.496,45	509.469,74
INCOME FROM P.S.O.	50.000.000,00	50.000.000,00	0,00	0,00	0,00
OTHER OPERATING INCOME	6.428.892,55	202.616,36	3.375.729,31	2.298.641,37	551.905,51
INTEREST INCOME	590.352,72	0,00	0,00	589.778,96	573,76
TOTAL INCOME	**129.478.395,24**	**106.663.445,40**	**17.267.084,05**	**4.485.916,78**	**1.061.949,01**
EXPENSES					
PERSONNEL COST	(33.000.589,54)	(25.285.813,88)	(2.322.166,58)	(1.060.742,76)	(4.331.866,32)
THIRD PARTIES PAYMENTS FOR BORROWED STAFF	(176.520,37)	(137.474,06)	(32.303,23)	(6.743,08)	0,00
FUEL	(13.118.521,33)	(11.560.041,00)	(1.338.089,18)	(220.391,16)	0,00
MATERIALS AND CONSUMABLES	(1.725.675,84)	0,00	0,00	0,00	(1.725.675,84)
MAINTANCE OF ROLLING STOCK	(17.940.413,21)	(23.816.249,82)	(1.386.424,37)	(5.041,54)	7.267.302,52
NETWORK USAGE FEES	(16.093.254,85)	(15.301.466,71)	(788.569,49)	(3.218,65)	0,00
RENT OF ROLLING STOCK	0,00	0,00	0,00	0,00	0,00
CLEANING OF ROLLING STOCK	(1.418.830,15)	(1.104.984,92)	(259.645,92)	(54.199,31)	0,00
ELECTRICAL POWER PULL	(5.826.826,35)	(4.665.494,16)	(980.753,16)	0,00	(180.579,03)
BULDINGS RENTALS	(252.171,93)	(132.472,98)	(31.128,09)	(6.497,78)	(82.073,09)
RENTALS FOR TRANSPORTATION MEANS	(680.953,58)	(528.379,65)	(124.157,01)	(25.916,93)	(2.500,00)
RENTALS FROM EXHANGE OF ROLLING STOCK	(2.274.644,22)	0,00	(2.274.644,22)	0,00	0,00
INSURANCE PREMIUM	(364.144,20)	(281.111,50)	(66.054,70)	(13.788,47)	(3.189,53)
OTHER EXPENSES –OSE	(58.219,44)	(45.341,30)	(10.654,16)	(2.223,98)	0,00
OTHER EXPENSES	(3.199.846,27)	(2.461.416,63)	(578.376,02)	(120.732,04)	(39.321,58)
THIRD PARTY FEES (CODE 61)	(3.044.445,78)	(1.682.639,56)	(395.381,41)	(82.533,17)	(883.891,65)
COMMISSIONS FOR SALES	(2.159.196,05)	(1.681.581,88)	(395.132,88)	(82.481,29)	0,00
SECURITY FEES	(548.616,60)	(427.262,61)	(100.396,84)	(20.957,15)	0,00
INTERESTS ON ROYALTIES TO PROPERTY, PLANT AND EQUIPMENT	(1.036.240,00)	(883.290,98)	(152.949,02)	0,00	0,00
DEPRECIATION ON ROYALTIES TO PROPERTY, PLANT AND EQUIPMENT	(9.595.748,00)	(8.179.415,60)	(1.416.332,40)	0,00	0,00
COMMISSIONS (CODE 61.02)	(1.009.568,39)	(786.251,86)	(184.751,02)	(38.565,51)	0,00
THIRD PARTY SERVICES (CODE 62)	(2.546.627,55)	(1.917.109,08)	(450.476,32)	(94.033,86)	(85.008,29)
TAX & DUTIES (CODE 63)	(1.140.641,97)	(746.910,62)	(175.506,73)	(36.635,83)	(181.588,79)
OTHER EXPENSES (CODE 64)	(1.655.626,89)	(1.092.629,88)	(256.742,77)	(53.593,30)	(252.660,94)
INTERESTS AND RELATED EXPENSES	(1.820.302,99)	0,00	0,00	(1.403.403,73)	(416.899,26)
DEPRECIATION	(4.676.258,79)	(3.227.431,73)	(758.371,86)	(158.304,95)	(532.150,25)
PROVISIONS	(775.172,00)	0,00	0,00	(604.072,41)	(171.099,59)
TOTAL EXPENSES	**(126.139.056,28)**	**(104.355.232,37)**	**(14.665.747,82)**	**(5.496.874,47)**	**(1.621.201,63)**
PROFIT/ (LOSS) BEFORE TAX	**3.339.338,96**	**2.308.213,04**	**2.601.336,23**	**(1.010.957,69)**	**(559.252,62)**
INCOME TAXES	(1.851.926,85)	(1.285.341,74)	(1.448.569,08)	562.957,62	319.026,35
PROFIT/ (LOSS) AFTER TAX	**1.487.412,11**	**1.022.871,29**	**1.152.767,15**	**(448.000,07)**	**(240.226,27)**

The Segment analysis of Statement of Total Income was calculated based on a cost analysis composed by TRAINOSE S.A..

40 Events occurring after the reporting period

Within the first quarter of 2021 the extension of the existing PSO Contract with Greek State will be signed for another year, based on official communications received from the Ministry of Infrastructure and Transportation. The Company expects as well that the new PSO Contract for 10+5 years will be signed within 2021.

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.

Athens, March 15th 2021

CHAIRMAN OF BOD	THE MANAGING DIRECTOR
LO BOSCO DARIO	TSALIDIS FILIPPOS
PASSPORT NO. YA7363106	ID NO. AZ 898125

CHIEF FINANCIAL OFFICER	THE CERTIFIED ACCOUNTANT
GENTILE LORENZO	DIONYSIOS SIARKOS
ID NO. CA39478AC	LICENSE NO. 0100247