INTERNATIONAL AIRPORT OF HERAKLION CRETE CONCESSION S.A.

26 Ikarou Ave., 713 07 Heraklion, Crete

General Commercial Registry No. 149125127000

ANNUAL FINANCIAL REPORT

for the period

01 January to 31 December 2020

In accordance with the International Reporting Standards that have been adopted by the European Union

[page intentionally blank]

Contents

I. ANNUAL MANAGEMENT REPORT OF BOARD OF DIRECTORS FOR THE FINANCIAL YEAR 2020 ON THE FINANCIAL STATEMENTS

Dear Shareholders,

We have the honor to place to your attention the present Management Report of the Board of Directors, which has been prepared in accordance with Law 4548/2018 (article 150 par. 1, 2, 3 and article 149 par. 1). The current Report contains financial and non-financial information of the Company, for the fiscal year 2020 and describes important events that took place during this period and their impact, as well as the prospects of the Company. It also describes the main risks and uncertainties that the Company may face next year.

A. *Financial Developments and Performance for the fiscal year 2020*

The rapid spread of COVID-19 from mid-February 2020 resulted in a declaration of March 2020 by the World Health Organization (WHO) as a pandemic. In the context of public health protection, many countries have adopted extraordinary, temporary and costly restraining measures and at the same time many countries have required companies to limit or even suspend their normal business activities.

In particular, the Greek Government (as well as other countries internationally) in its effort to reduce cases and deaths to a low level up to the point where it would be possible to vaccinate a large percentage of the population, has taken stricter measures in relation to other European countries, taking repeated restrictive measures in the fields of tourism, trade, catering and entertainment as well as domestic and transnational air travel.

Taking these restrictive measures to tackle the pandemic has led to a significant drop in the country's economic activity. The Greek Government, in order to support employees and affected businesses, has taken fiscal measures through combined measures to safeguard employment and suspend payment obligations, namely measures that have reduced the negative impact on the real economy.

Taking restrictive measures to deal with these pandemics had as a result, according to the Bank of Greece, the recording of a recession in the Greek economy of 8.2% for 2020, while at the level of the Euro zone, the economy contracted by 6.6%.

The global impact of the pandemic has resulted in the European Union being forced to approve, within the context of dealing with the effects of the COVID-19 pandemic on the European economy, € 1.824 billion in funding for the enhancement of its members. Greece is expected to raise € 72 billion from all this funding: € 31 billion through the Recovery and Sustainability Fund (out of which € 18 billion in the form of grants and € 13 billion in the form of loans) and 40 billion euro through the ESPA Cohesion Fund for the period 2021 - 2027.

In Section D, "Risk Factors and Uncertainties" and in particular subsection (2) "Global public health crisis from the coronavirus pandemic (COVID-19)" of the Annual Report are presented any effects of the COVID-19 health crisis on the operation of the Company.

Turnover for 2020 amounted to 17,262. The cost of sales for the year 2020 stood at 16,759 resulting in profit of 503.

From the above result are deducted the following expenses:

(Amounts in thousands Euro, unless otherwise stated)

Administrative and distribution expenses	(707)
Research and development expenses	0
Other income/(expenses)	0
Net financial income/(expenses)	(9)

Based on the above, the losses before taxes amounted to 213 and after the calculation of income from the income tax of 51 we result to total losses of 162.

B. *Significant events for the year 2020*

During the fiscal year 2020 were noted the following significant events:

- Within January 2020, a part of the nominal value of the new shares was paid and certified, which corresponds to the total amount of € 65,200,000 in accordance with the relevant provisions of Law 4548/2018 and the provisions of article 7.2.4. of the Concession Agreement.
- On 06.02.2020 following the satisfaction of the Conditions of the Concession Agreement, the State provided to the Company INTERNATIONAL AIRPORT OF HERAKLION CRETE CONCESSION S.A. the "License for the Establishment and Construction of a New International Airport of Heraklion, Crete". The above date constitutes henceforth the date of the concession's commencement. The project concerning the design and construction of the New International Airport of Heraklion, Crete will be 100% constructed by the company TERNA SA.
- Within February 2020 and with the Signing of the Share Transfer Agreement, the original common Shareholders transferred part of their shares to the Greek State, according to the provisions of Article 9.4 of the Concession Agreement. Following the transfer, the new percentages of Shareholder Composition were formed as: Hellenic State 45.90%, TERNA SA 32.46% and GMR Airports Limited 21.64%.
- Within June 2020, the new Board of Directors of the Company was formed in body, replacing the previous one. The term of the new Board of Directors is defined as three years.
- Within August 2020, the 3rd Payment of Binding Investment was made by the Common Shareholders of the Company amounting to € 4,000,000.
- Within December 2020, the Company received from the Greek State the amount of € 100,000,000, part of the total Financial Contribution of the Greek State totaling € 180,000,000, in accordance with the provisions of article 7.3.1 of the Concession Agreement.

C. *Significant events after the period 01.01 – 31.12.2020 ending*

As of 01.01.2021 until the preparation date of the present, there were noted the following significant events:

- Within February 2021, the Company collected the remaining amount of the Greek State's Financial Contribution, amount of € 80,000,000 in accordance with what is defined in article 7.3.1 of the Concession Agreement.
- Following the issuance of the Joint Ministerial Decision that specialized the auditing and performance mechanism of the corresponding A.D.M.F. (Airport Development

Modernization Fee) from the operation of the airport "N. Kazantzakis" towards the Company, according to the provision of the Concession Agreement, within May 2021, the partial payment of the corresponding Airport Development Modernization Fee was initiated towards the Company for the respective time period from the Concession Initiation Date, according to the provisions of the Concession Agreement and the issued J.M.D.

D. *Risk Factors and Uncertainties*

The operation of the Company is subject to various risks and uncertainties such as the uncertainty of the macroeconomic recovery, market risk, credit risk and liquidity risk, the uncertainty of the results from the impact of the COVID-19 emergencies and which may have a prolonged and unpredictable duration. In order to deal with the results from the impact of the COVID-19 emergency, the Company through the GEK TERNA Group implements a package of measures focusing on the protection of its Personnel and the minimization of the financial consequences of the precautionary measures taken by the Greek State.

1) Financial Risks

I. Interest rate risk

During 2020, the Company did not have any bank debt obligations and therefore did not need to cover such a risk.

II. Credit risk

Credit risk for cash, as well as other receivables, is considered limited, given the reduction of the overall macroeconomic risk. The Management considers that all the receivables, for which the necessary impairments have been formed, reflect with conservatism the quality of the portfolio of receivables.

III. Risk due to Price Changes

The Management of the Company closely monitors the developments in the international market and ensures the safeguarding of its interests in any way and whenever it is deemed necessary.

IV. Liquidity Risk (financing risk)

The Company manages its liquidity needs by carefully monitoring the evolution of long-term financial liabilities as well as the payments which are carried out whenever required. Liquidity needs are monitored in different time zones, on a daily and weekly basis as well as in a rolling period of 30 days. Liquidity needs for the next 6 months and next year are determined monthly.

V. Foreign Exchange Risk

The Company operates only in Greece; therefore, it is not exposed to any foreign exchange risk.

VI. Other Risks

The Company is not exposed to any risks other than the above.

VII. Risks from the current economic conditions prevailing in Greece

As already mentioned, the Greek economy has been affected by the conditions that have developed in the country due to the COVID-19 pandemic, resulting in a recession for the current year of 8.2%. The estimates of the Greek Government for 2021 report that the economic conditions will improve and as a result of this improvement, GDP is expected to increase by 4.2%, recovering half of the losses of 2020.

Despite the new conditions that have been formed, the activities of the Company continue as smoothly as possible. Management continuously assesses the situation and the possible effects of both facts-events arising from the normal operation as well as of extraordinary events, in order to ensure that all necessary and possible measures and actions are taken in time in order to minimize any impact on the Company's activities.

2) Global public health crisis from the coronavirus pandemic (COVID-19)

At the end of December 2019, the new coronavirus strain SARS-CoV-2, which causes coronavirus disease (COVID-19), appeared in China. In the following months, coronavirus (COVID-19) spread rapidly worldwide and on March 11, 2020, the World Health Organization declared the coronavirus (COVID-19) outbreak a pandemic. The COVID-19 pandemic has led to an unprecedented crisis in global health and the economy. In Greece, the virus was first detected in late February 2020, leading to a national quarantine. In this context, travel and transport restrictions were imposed, including air transport. In early May, a gradual easing of quarantine restrictions began, which lasted until June. During the summer, however, the increase in COVID-19 cases in Greece led to the early end of the tourist season and the resumption of restrictive measures. Measures of limited reopening of the stores were implemented during the festive period of Christmas. Throughout the pandemic, the Company constantly acts on the basis of the instructions and decisions of all relevant bodies, meeting the requirements and the action plan adopted by the Greek authorities.

The health crisis from the coronavirus pandemic (COVID-19) has led the world economy to a period of uncertainty and instability, the consequences of which are difficult to assess based on the data so far, as the situation is evolving. The economic impact will depend on the duration and intensity of the recession, as well as the formed prospects for recovery. In order to address the health and, consequently, economic aspects of the pandemic, governments around the world have already launched ongoing mass vaccination programs to cover the entire population and build the required immune wall, which will lead to a regularity. Based on the fact that the pandemic has not yet been fully controlled, in combination with the presence of virus mutations that alter the transmissibility of the virus and the effectiveness of vaccines, this risk remains among the main risks of the Company. Especially with regard to the aviation sector, the effects of the pandemic and the measures taken to reduce it have had a significant negative impact on air traffic worldwide. To this end, many countries,

including Greece, have taken and continue to take measures to support the aviation market. According to forecasts of international organizations [namely IATA], passenger traffic will return to 2019 levels, around the year 2024.
The Management of the Company with an extremely high sense of responsibility towards the Shareholders, the employees, the suppliers, its associates and the society as a whole, closely monitors the developments regarding the coronavirus pandemic (COVID-19), identifying the risk factors that could affect its financial position, activities, the course of construction work, its financial results as well as its smooth development and growth. The Management estimates that the operation, financial performance, cash flows and financial position of the Company will be affected for as long as the pandemic crisis in Greece lasts and restrictive measures are still applied by the Greek Government. In any case, the Management of the Company constantly takes care of the maintenance of the smooth operation, applying procedures and measures of timely identification and evaluation of all possible risks that will arise in the near future. The Management plans and implements measures to deal with any identified risk in order to limit its negative effects to the minimum possible and ensures the restoration of these effects as much as possible based on the provisions of the Concession Agreement.

(i) Organizational Planning

Following the first announcements of the relevant bodies and the action plan adopted by the Greek Authorities regarding the coronavirus pandemic (COVID-19), the Management of the Company setting as highest priority the health and safety of its employees and associates, moved quickly and immediately planned and implemented a scheme of measures and actions with the main objectives: the establishment of a safe working environment for all employees along with the adoption of distance work policies, the implementation of video conferencing (video calls), as well as modern, flexible working methods. Extremely strict operating rules have been adopted at all points of presence and operation of the Company, in order to constantly confirm the highest possible level of security for all. Finally, from the first moment of the pandemic crisis and the assumption of restrictive measures by the Government, the Company fully complied with all the procedures imposed (remote work, Forms of employees' movement and Management Bodies, responsible self-tests, etc.)

(ii) Impact of the coronavirus pandemic (COVID-19) on the operation of the Company

The Company faced similar problems due to the COVID-19 pandemic, as the majority of companies operating in Greece. The negative effects of the pandemic on the Company, although limited as much as possible after timely assumption by the management of all necessary decisions and actions, they have however so far affected the implementation time-schedule of the Project. The Management closely monitors the evolution of the phenomenon and its effects on the operation of the Company and undertakes actions, on the one hand, to control and reduce the inevitable delays in the progress of the Project and on the other hand to manage and restore these effects within the provisions of the Concession Agreement. In addition, the effects of the pandemic and the measures taken to limit this spread worldwide have undoubtedly had a negative impact on the air traffic of all airports in the country, including the International Airport of Heraklion, Crete "Nikos Kazantzakis". Given that the new Heraklion International Airport in Kastelli is in implementation face and not in operation, the effects of the pandemic on air traffic do not directly affect the Company's finances. Nevertheless, given that, under the Concession Agreement, a percentage of 64.98% on the amount

of A.D.M.F. which is collected monthly at the International Airport of Heraklion Crete "Nikos Kazantzakis" during the Design - Construction Period, is attributed to the Company as part of the State contribution for the Design and Construction of the Project, the observed drop in air traffic in the International Airport "Nikos Kazantzakis" will have a negative effect on the expected amount of A.D.M.F. which the Company is entitled to receive. The Company's Management has already identified and pointed out the issue to the State and is already cooperating with the latter to address it in the context of the solutions provided by the State to address the effects of the pandemic at other airports in the country under concession (Athens International Airport, 14 Regional Airports).
Finally, as the Company is in the initial stage of staffing and development, the pandemic crisis affected the initial planning and the schedules of recruitment and conclusion of collaborations.

E. *Estimated course and Development*

The prospects of the Company are considered positive, as it has managed to maintain a satisfactory level of development of its activities during the pandemic crisis. The negative consequences have been limited to specific areas, outside the sphere of Company's influence and all possible actions for their treatment have already been assumed. In addition, the Company is now moving rapidly in all areas and its Management is convinced that soon all the issues caused by the pandemic will be resolved. The Project is stabilized and continues, while the daily operation and management of the Company is smoothened.

F. *Non-financial data*

Adopting the provisions of Law 4403/2016, a section on non-financial data is developed, which concerns the areas with the greatest impact on the company in environmental, social, labor and human rights issues, as well as fight against corruption and bribery.

Company

The Company seeks business excellence and aims at best practices with responsible development and absolute respect for the environment in which it operates.

(i) <u>Vision and Principles</u>

The Company has been prioritizing values demonstrating that ethical and sustainable entrepreneurship constitutes growth driver.

These principles are the following:

- Respect for humans and the natural environment
- Creating value for employees, partners, customers and shareholders
- Honesty and credibility
- The targeted social contribution

(ii) Strategic approach for Corporate Responsibility

The Company is exposed to multiple risks, which are related to a number of exogenous factors that stem mainly from the economic conditions in Greece. Additional financial risks affect the Company's financial position and the way in which it makes business decisions and enters into strategic partnerships in Greece.

(iii) Responsibility for the Environment

The Corporate Responsibility is accompanied by a framework of principles, the effective integration of which affects the way the Company operates and guarantees the protection of the environment and optimal management of natural resources as well as the adoption of environmentally friendly technologies, thus minimizing the burden from the Company's activity.
The Company recognizes the extent of its impact on the natural environment and for this reason it has set its protection as a priority of its strategy. At the very least, the Company fully complies with the applicable legislation and regulations in the environment in which it operates and seeks to exceed the minimum requirements.

(iv) Issues of Health and Safety at Work

The Company, through a specific policy of Health and Safety as well as through a strict Health and Safety Management System, aims at the timely detection and minimization of risks related to all its business activities.

The Company's approach is based on the following 5 axes:

1. Active role of Management
2. Employee participation
3. Collaborations based on Health and Safety
4. Actions that promote Health and Safety
5. Compliance audit inspections

Within the above context the Company during 2021 it received the Certification of Management Quality System from a recognized organization (TUV HELLAS) in accordance with article 7.11.1.1. of National Health System.

(v) Labor Issues

The Corporate Responsibility is accompanied by a values framework, where the substantial incorporation of those affects the operation way of the Company and guarantees:

- The development and strengthening of the human resources
- The enhancement of employees' skills
- Ensuring equality and a fair working environment

(Amounts in thousands Euro, unless otherwise stated)

- Enhancing know-how and innovation
- Health and Safety
- Ensuring Health and Safety for the Company's employees and subcontractors and
- Ensuring Health and Safety for users

G. *Financial Ratios*

The Share Capital of the Company amounts 74,200,000.00.00 euro, divided into 74,200,000 shares of 1 euro each, while the Total Equity amounts to 72,534,724.84 euro.

The main financial indicators for the year 2020 and 2019 are as follows:

Financial Structure Ratios

	2020		2019	
Current Assets / Total Assets	65,483 / 174,669	37.49%	3,193 / 3,692	86.48%
Total non-current assets / Total Assets	109,186 / 174,669	62.51%	499 / 3,692	13.52%

The above ratios demonstrate the proportion of capital allocated to current assets and non-current assets.

	2020		2019	
Total equity / Total Liabilities	72,535 / 102,134	71.02%	3,497 / 195	1,793.33%

The above ratio demonstrates the financial self-sufficiency of the company.

	2020		2019	
Total Liabilities / Total Equity and Liabilities	102,134 / 174,669	58.47%	195 / 3,692	5.28%
Total equity / Total Equity and Liabilities	72,535 / 174,669	41.53%	3,497 / 3,692	94.72%

The above ratios show the company's dependence on debt and credit.

	2020		2019	
Total equity / Total non-current assets	72,535 / 109,186	66.43%	3,497 / 499	700.80%

This ratio shows the degree of financing of the company's non-current assets by Equity.

	2020		2019	
Current Assets / Current liabilities	65,483 / 1,906	3435.62%	3,193 / 183	1,744.81%

(Amounts in thousands Euro, unless otherwise stated)

This ratio shows the ability of the Company to cover its short-term liabilities via its current assets.

Working Capital / Current Assets	63,577 / 65,483	97.09%	3,010 / 3,193	94.27%

This ratio depicts in percentage terms, the part of current assets which is financed by the surplus of fixed assets (Equity and Long-Term Liabilities).

Return and Efficiency Ratios

Net Earnings/(losses) after taxes / Revenues	(162) / 17,262	-0.94%

This indicator shows the overall performance of the company compared to its total revenue.

Earnings before taxes / Total equity	(213) / 72,535	-0.29%	(97) / 3,497	-2.77%

This ratio shows the return on equity.

Gross Profit / Revenues	503 / 17,262	2.91%

This figure shows the percentage of gross profit on the company's revenues.

Athens, 19th August 2021

For the Board of Directors

DIMITRA TZOURMAKLIOTOU

CHAIRMAN OF THE BoD

[page intentionally blank]

II. INDEPENDENT AUDITOR'S REPORT

(This report has been translated from the Greek Original Version)

To the Shareholders of INTERNATIONAL AIRPORT OF HERAKLION CRETE CONCESSION S.A.

Report on Financial Statements

Opinion

We have audited the accompanying financial statements of the Company "INTERNATIONAL AIRPORT OF HERAKLION CRETE CONCESSION S.A." (the Company), which comprise the statement of financial position as at 31st December 2020, statements of comprehensive income, changes in equity and cash flows for the year then ended and 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 the company "INTERNATIONAL AIRPORT OF HERAKLION CRETE CONCESSION S.A." as of 31st December 2020, its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) that have been adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) incorporated into the Greek Legislation. Our responsibilities under those standards are described in the "Auditor's responsibilities for the audit of financial statements" section of our report. We are independent of the Company within the entire course of our appointment, in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) incorporated into the Greek Legislation and ethical requirements relevant to financial statements in Greece and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards that have been 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 the management's intention is to proceed with liquidating the Company or discontinuing its operations or unless the management has no other realistic option but to proceed with those actions.

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs, incorporated into the 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 that 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 the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We disclose to the management, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

Taking into consideration the fact that under the provisions of Par. 5, Article 2 (part B), Law 4336/2015, management has the responsibility for the preparation of the Board of Directors' Report, the following is to be noted:

a. In our opinion, the Board of Directors' Report has been prepared in compliance with the effective legal requirements of Article 150, CL 4548/2018, and its content corresponds to the accompanying financial statements for the year ended as at 31.12.2020.

b. Based on the knowledge we acquired during our audit, we have not identified any material misstatements in the Board of Directors' Report in relation to the Company "INTERNATIONAL AIRPORT OF HERAKLION CRETE CONCESSION S.A." and its environment.

Athens, 19th August 2021

The Chartered Accountant

George P. Panagopoulos

SOEL Reg. No 36471

Grant Thornton

Chartered Accountants Management Consultants
56, Zefirou str., 175 64 Palaio Faliro, Greece
Registry Number SOEL 127

[page intentionally blank]

III. ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING ON 31 DECEMBER 2020 (1 January - 31 December 2020)

In accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union

The Financial Statements were approved by the Board of Directors of "INTERNATIONAL AIRPORT HERAKLION CRETE CONCESSION S.A." on 19th August 2021 and have been posted on the website at the electronic address of the company https://www.iahc.gr and will remain at the disposal of the investment community for a time period of at least 5 years as of the date of its preparation and publication.

[page intentionally blank]

(Amounts in thousands Euro, unless otherwise stated)

STATEMENT OF FINANCIAL POSITION ON 31ST DECEMBER 2020

	Note	31.12.2020	31.12.2019
Non-current assets			
Intangible fixed assets	5	17,262	0
Right of use assets	6	285	24
Tangible fixed assets	7	39	0
Other long-term assets	8	91,074	0
Deferred Tax Assets	18	526	475
Total non-current assets		**109,186**	**499**
Current assets			
Trade receivables	9	177	0
Receivables from contracts with customers	10	0	137
Advances and other receivables	11	27,385	19
Cash and cash equivalents	12	37,921	3,037
Total current assets		**65,483**	**3,193**
TOTAL ASSETS		**174,669**	**3,692**
EQUITY AND LIABILITIES			
Share capital	17	74,200	5,000
Retained earnings		(1,665)	(1,503)
Total equity		**72,535**	**3,497**
Non-current liabilities			
Liabilities from leases	13	228	12
Grants	14	100,000	0
Total non-current liabilities		**100,228**	**12**
Current liabilities			
Suppliers	15	1,582	8
Short-term part liabilities from leases	13	60	12
Accrued and other short-term liabilities	16	264	163
Total current liabilities		**1,906**	**183**
Total Liabilities		**102,134**	**195**
TOTAL EQUITY AND LIABILITIES		**174,669**	**3,692**

The accompanying notes constitute an integral part of these Annual Financial Statements.

(Amounts in thousands Euro, unless otherwise stated)

STATEMENT OF TOTAL COMPREHENSIVE INCOME FOR THE FISCAL YEAR 2020

	Note	1.1-31.12.2020	5.2-31.12.2019
Turnover	19	17,262	0
Cost of sales	20	(16,759)	0
Gross profit/(loss)		**503**	**0**
Administrative and distribution expenses	20	(707)	(233)
Other income/(expenses)	22	0	137
Results before taxes, financing and investing activities		**(204)**	**(96)**
Net financial income/(expenses)	23	(9)	(1)
Earnings/(Losses) before taxes		**(213)**	**(97)**
Income tax	18	51	23
Net Earnings/(losses) after taxes		**(162)**	**(74)**
TOTAL COMPREHENSIVE INCOME		**(162)**	**(74)**

The accompanying notes constitute an integral part of these Annual Financial Statements.

(Amounts in thousands Euro, unless otherwise stated)

STATEMENT OF CASH FLOWS FOR THE FISCAL YEAR 2020

	Note	1.1-31.12.2020	5.2-31.12.2019
Cash flows from operating activities			
Profit/(loss) before tax		**(213)**	**(97)**
Adjustments for the agreement of the net flows from the operating activities			
Depreciation	6,7	43	8
Interest and other financial expenses	23	9	1
Results from fixed assets		(503)	0
Operating profit/(loss) before changes in working capital		**(664)**	**(88)**
(Increase)/Decrease in:			
Trade receivables		(177)	(137)
Prepayments and other receivables		(118,303)	(19)
Increase/(Decrease) in:			
Suppliers		1,574	8
Accruals and other liabilities		101	(1,718)
Net cash flows from operating activities		**(117,469)**	**(1,954)**
Cash flows from investing activities			
Purchases of intangible and fixed assets and construction related objects		(16,800)	0
Proceeds from grants		100,000	0
Net cash flows for investing activities		**83,200**	**0**
Cash flows from financing activities			
Receipts from increase of share capital		69,200	5,000
Payments for leases		(38)	(8)
Interest and other financial expenses paid		(9)	(1)
Net cash flows from financing activities		**69,153**	**4,991**
Net increase /(decrease) of cash and cash equivalents		**34,884**	**3,037**
Cash and cash equivalents at the beginning of the period	12	3,037	0
Cash and cash equivalents at the end of the period	**12**	**37,921**	**3,037**

The accompanying notes constitute an integral part of these Annual Financial Statements.

(Amounts in thousands Euro, unless otherwise stated)

STATEMENT OF CHANGES IN EQUITY FOR THE FISCAL YEAR 2020

	Note	Share capital	Retained earnings	Total
1st January 2020		**5,000**	**(1,503)**	**3,497**
Total comprehensive income		0	(162)	**(162)**
Share Capital Increase	17	69,200	0	**69,200**
31st December 2020		**74,200**	**(1,665)**	**72,535**

	Note	Share capital	Retained earnings	Total
5th February 2019		**5,000**	**0**	**5,000**
Total comprehensive income		0	(74)	**(74)**
Share capital issuance costs		0	(1,429)	**(1,429)**
31st December 2019		**5,000**	**(1,503)**	**3,497**

The accompanying notes constitute an integral part of these Annual Financial Statements.

NOTES ON THE FINANCIAL STATEMENTS

1 ESTABLISHMENT AND ACTIVITY OF THE COMPANY

On 05.02.2019 the Company under the name « INTERNATIONAL AIRPORT OF HERAKLION CRETE CONCESSION SOCIETE ANONYME» and with the distinctive title « INTERNATIONAL AIRPORT OF HERAKLION CRETE SA» was established with the Notary Deed no. 6604 / 04.02.2019 and was registered in the "One Stop service" with number 149125127000.

The Concession Company under the name "INTERNATIONAL AIRPORT OF HERAKLION CRETE CONCESSION S.A.", on 21.02.2019 signed with the Greek State the Concession Agreement which has already been voted and become a law of the state for the construction and operation of Heraklion Airport, Crete, Greece.

At the date of the Company's incorporation, the companies TERNA SA participated in its share capital with a participation percentage of 90% and GMR Airports Limited with a participation percentage of 10%. Based on the 05.07.2019 share sale agreement between the shareholders of TERNA SA and GMR Airports Limited, it was agreed to transfer from TERNA 30% of its shares to GMR Airports Limited, therefore the participation percentages of the two shareholders were changed to 60% for TERNA SA and 40% GMR Airports Limited.

On 06.02.2020, following the fulfillment of the Conditions of the Concession Agreement, the State provided to the Company of INTERNATIONAL AIRPORT OF HERAKLION CRETE CONCESSION S.A. the "Permit for the Establishment and Construction of the New International Airport of Heraklion, Crete". The above date is hereinafter the date of commencement of the concession. The project will be constructed 100% by the company TERNA SA.

At the specific Concession Company participate on 31.12.2020 the company of the Group GEK TERNA, TERNA SA, the company GMR Airports Limited and Greek State with participation percentages 32.46%, 21.64% and 45.9% respectively. The abovementioned participation percentages are effective from 06.02.2020. However, according to the Concession Agreement, the companies TERNA SA and GMR Airports Limited, have both undertaken the obligation to completely cover the share capital increase amount on a pro rata basis, based on the prior participation percentages, meaning 60% and 40% respectively.

The unique and exclusive purpose of the Company's business activity is:

- the execution of the Concession Agreement between the Greek State, the Company and the founders - Initial Shareholders of the Company as third parties for the execution of the project "Design - Construction - Financing - Operation - Maintenance and Management of the New International Airport of Heraklion Crete" & Design - Construction and Financing of its Road Connections" and the fulfillment of the obligations and the exercise of the Company's rights deriving from the above agreement.
- carrying out any action necessary or appropriate at the discretion of the Board of Directors for the execution of the Concession Agreement.

The duration of the Company is set at 37 years. This duration may be extended by a decision of the General Meeting of Shareholders.

The main activity of the Company is the Management of real estate assets.

Secondary activities of the Company are:

- Technical project feasibility study services.
- Construction works.
- Project management services for construction projects.
- Airport operating services.
- Air traffic control services.

The tenure of Board of Directors is set at 3 years in accordance to what is defined in case (a) of paragraph 4 of article 10 of the Company's Articles of Association and which it may be extended after the expiration of the deadline, within which must convene the immediately next General Meeting and until the relevant decision is taken, while in any case the tenure may not exceed four (4) years.

2 BASIS FOR THE PRESENTATION OF THE FINANCIAL STATEMENTS

2.1 Basis for Financial Statements Presentation

The Financial Statements as of 31.12.2020 covering the financial year starting on 1st of January until December 31st 2020, have been prepared according to the International Financial Reporting Standards (IFRS), which were published by the International Accounting Standards Board (IASB) and according to their interpretations, which have been published by the International Financial Reporting Interpretations Committee (IFRIC) and have been adopted by the European Union until 31st December 2020.

The Company applies all the International Accounting Standards (IAS), International Financial Reporting Standards (IFRS) and their Interpretations that have application on its operation. The relevant accounting policies, a summary of which is presented below in Note 4, have been applied consistently in the previous period.

2.2 Going Concern

The Company's management estimates that the Company holds sufficient resources, which ensure the smooth continuation of its operation as "Going Concern" in the foreseeable future.

2.3 Basis of measurement

The accompanying financial statements as of December 31st 2020 have been prepared according to the historical cost principle.

2.4 Presentation currency

The presentation currency is Euro (the currency of the Group's parent domicile) and all the amounts are presented in thousand Euro unless otherwise mentioned.

2.5 Use of estimates

The preparation of the financial statements according to IFRS requires the use of estimates and exercise of judgment on the application of the Company's accounting policies. Judgments, assumptions and Management estimates affect the valuation of several asset and liability items, the amounts recognized during the financial year regarding specific income and expenses as well as the presented estimates on contingent liabilities.

Assumptions and estimates are assessed on a continuous basis according to historic experience and other factors, including expectations on future event outcomes that are considered as reasonable given the current conditions. The estimates and assumptions relate to the future and, consequently, the actual results may deviate from the accounting calculations.

The aspects requiring the highest degree of judgment as well as the aspects in which the estimates and assumptions mostly affect the Financial Statements are presented in Note 3 to the Financial Statements.

2.6 New Standards, Interpretations and amendments of Standards

The accounting principles that were applied in the preparation of the financial statements are the same with those follows in the preparation of the Company's financial statements for the year ended on 31 December 2019, apart from the adoption of the amendments in certain standards, the application of which has become mandatory in the European Union for the fiscal years that begin on 1st January 2020 (see Notes 2.6.1 and 2.6.2).

2.6.1 New Standards, Interpretations, Revisions and Amendments to current Standards which have entered into force and have been adopted by the European Union

The following new Standards, Interpretations and amendments of Standard have been issued by the International Accounting Standards Board (IASB), have been adopted by the European Union and their application is mandatory as of 01.01.2020 or subsequently.

Revision of the Conceptual Framework for Financial Report (effective for annual periods starting on or after 01.01.2020)

In March 2018, the IASB issued the revised Conceptual Framework for Financial Reporting, the objective of which was to incorporate important issues that were not covered, as well as update and clarify in respect to specific guidance. The revised Conceptual Framework of Financial Report includes a new chapter on measurement, in which is analyzed the concept on measurement, including factors to be considered when selecting a measurement basis, concepts on presentation and disclosure in Financial Statements, and guidance on derecognition of assets and liabilities from the Financial Statements. In addition, the revised Conceptual Framework of Financial Report includes improved definitions of an asset and a liability, guidance supporting these definitions, update of recognition criteria for assets and liabilities, as well as clarifications in important areas, such as the roles of management, prudence and measurement uncertainty in financial reporting. The revisions do not have application on the Financial Statements.

Amendments to References to the Conceptual Framework of Financial Reporting (effective for annual periods starting on or after 01.01.2020)

In March 2018, the IASB issued Amendments to References to the Conceptual Framework of Financial Reporting, following its revision. Some Standards include explicit references to previous versions of the Conceptual Framework of Financial Report. The objective of these amendments is to update those references and to support transition to the revised Conceptual Framework of Financial Report.
The amendments do not have application on the Financial Statements.

Amendments to IAS 1 and IAS 8: "Definition of Material" (effective for annual periods starting on or after 01.01.2020)

In October 2018, the IASB issued amendments to its definition of material in order to make it easier for companies to exercise judgement on materiality size. The definition of material helps companies decide which information should be included in their Financial Statements. The new definition amends IAS 1 and IAS 8. The amendments clarify the definition of material and how it should be applied by including in the definition guidance that until now was included in other Standards. The amendments do not have application on the Financial Statements.

Amendments to IFRS 9, IAS 39 and IFRS 7: "Interest Rate Benchmark Reform" (effective for annual periods starting on or after 01.01.2020)

In September 2019, the IASB issued amendments to some specific hedge accounting requirements to provide relief from potential effects of the uncertainty caused by the Interest Rate Benchmark reform. The amendments are designed to support the provision of useful financial information by companies during the period of uncertainty arising from the phasing out of interest-rate benchmarks such as interbank rates. In addition, the companies are required to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties. The amendments do not have application on the Financial Statements.

Amendments to IFRS 3: "Definition of a Business" (effective for annual periods starting on or after 01.01.2020)

In October 2018, the IASB issued narrow-scope amendments to IFRS 3 to improve the definition of a business. The amendments will help companies determine whether an acquisition made is of a business combination or acquisition of assets. The amended definition emphasizes that the output of a business is to provide goods and services to customers, whereas the previous definition focused on returns in the form of dividends, lower costs or other economic benefits to investors and others. In addition to amending the definition of the business, the IASB through the respective issuance provides as well supplementary guidance. The amendments do not have application on the Financial Statements.

Amendments in IFRS 16 «Leases» related to Covid-19 Rent Concessions (applied on annual periods beginning on or after 01.06.2020)

In May 2020, the IASB issued amendments to IFRS 16 which allowed tenants not to assess whether a Covid-19 related rent concession is classified as a lease amendment. More specifically, the amendments clarify that if specific conditions are met, tenants are not required to assess whether specific rent concessions related to Covid-19 constitute lease amendments. On the contrary, tenants applying this practical application will adopt an accounting treatment for such leases as if they do not constitute lease amendments. The above applies to rent concessions related to Covid-19, which reduce lease payments due on or before June 30, 2021. The amendments do not have any effect on the Financial Statements.

2.6.2 New Standards, Interpretations, revisions and amendments of current Standards which have not entered into force or have not been approved by the European Union

The following new Standards, Interpretations and amendments to Standards have been issued by the International Accounting Standards Board (IASB), but either they have not yet entered into force or have not been adopted by the European Union.

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: "Interest Rate Benchmark Reform– Phase 2" (applied on annual periods beginning on or after 01.01.2021)

In August 2020, the IASB completed the assessment and response process to the reform of interbank interest rates and other interest rate benchmarks by issuing a series of amendments to five Standards. The amendments complement those issued in 2019 and focus on the impact on the Financial Statements when a company replaces the old benchmark rate with an alternative benchmark rate as a result of the reform. More specifically, the amendments relate to how a company will account for changes in contractual cash flows of financial assets, how it will account for a change in hedging relationships as a result of the reform, and related information that it will need to disclose. The Company will consider the impact of all of the above on its Financial Statements, although they are not expected to have any. The above have been adopted by the European Union with date of entry into force on 01.01.2021.

Amendments in IFRS 3 "Business Combinations", in IAS 16 "Property, Plant and Equipment", in IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" and in the "Annual Improvements 2018 – 2020" (applied for annual periods beginning on or after 01.01.2022)

In May 2020, the IASB issued a series of amendments, including limited-purpose amendments to three Standards, as well as the Council's Annual Improvements. These amendments provide clarification regarding the wording of the Standards or correct minor consequences, omissions or inconsistencies between the requirements of the Standards. More specifically:

- **The amendments to IFRS 3 "Business Combinations"** update a reference to IFRS 3 to the Conceptual Framework of the Financial Reporting without amending the accounting requirements relating to business combinations.
- **Amendments to IAS 16 "Property, Plant and Equipment"** prohibit a company from deducting from the cost of fixed assets amounts received from the sale of items produced during the preparation of those fixed assets to be ready for use. Instead, the company recognizes these as sales revenues and related costs in the Income Statement.
- The **amendments to IAS 37 "Provisions, Contingent Liabilities and Contingent Assets"** determine the costs that a company should include in assessing whether a contract is loss-making.
- **The Annual Improvements of IFRS - Cycle 2018-2020** make minor amendments to IFRS 1 "First-time Adoption of International Financial Reporting Standards", IFRS 9 "Financial Instruments", IAS 41 "Agriculture" and on the explanatory examples accompanying IFRS 16 "Leases".

The Company will consider the impact of all of the above on its Financial Statements, although they are not expected to have any. The above have not been adopted by the European Union.

Amendments to IAS 1 "Classification of Liabilities as Current or Non-current" (effective for annual periods starting on or after 01.01.2023)

In January 2020, the IASB issued amendments to IAS 1 that affect requirements for the presentation of liabilities. Specifically, the amendments clarify one of the classification criteria for a liability as non-current, the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period. The amendments include: (a) specifying that an entity's right to defer settlement must exist at the end of the reporting period; (b) clarifying that liability's classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement; (c) clarifying how lending conditions affect classification; and (d) clarifying requirements for classifying liabilities of an entity that will or may settle by issuing its own equity instruments. In addition, in July 2020, the IASB issued an amendment to postpone by one year the effective date of the amendment originally issued in IAS 1, as a result of the spread of the Covid-19 pandemic. The Company will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

3 SIGNIFICANT ACCOUNTING ESTIMATES AND MANAGEMENT ASSESSMENTS

The preparation of the Financial Statements in accordance with the International Financial Reporting Standards (IFRS) requires from the Management to make judgments, estimates and assumptions which affect assets and liabilities, disclosures on contingent receivables and liabilities as well as revenue and expenses during the presented periods.

In particular, amounts included in or affecting the financial statements, as well as the related disclosures, are estimated through making assumptions about values or conditions that cannot be known with certainty at the time of preparation of the financial statements and therefore actual results may differ from what has been estimated. An accounting estimate is considered significant when it is material to the financial position and income statement of the Company and requires the most difficult, subjective or complex judgments of the Management. Estimates and judgments of the Management are based on past experience and other factors, including expectations for future events that are judged to be reasonable in the specific circumstances while are being continually reassessed on the basis of all the available data and information.

Key estimates and evaluations referring to data whose development could affect the financial statements items in the upcoming 12 months are the following:

3.1 Significant judgements of the Management

The key judgments of the Management during the application of the Company's accounting policies which have the most significant impact on the financial statements (apart from those analyzed in Note 3.2) are analyzed below:

i) Recognition of deferred tax assets

The extent to which deferred tax assets are recognized for unutilized tax losses is based on the judgment regarding the extent to which it is probable that sufficient taxable profits will be offset with these tax losses.

In order to determine the amount of a deferred tax asset for recognition, significant judgments and estimates are required from the Company's Management, based on future tax profits combined with future tax strategies to be pursued as well as the uncertainties dominating various financial frameworks, within which the Company operates (for further information please refer to Note 18).

ii) Impairment of non-financial assets

Non-financial assets are tested for impairment whenever events or changes in the effective conditions demonstrate that their book value may not be recoverable in accordance with the accounting policy described in Note 4.4.

3.2 Uncertainty of estimates and assumptions

Specific amounts that are included or affect the Financial Statements and the related disclosures are estimated through requirement to make assumptions about values or conditions that cannot be known with certainty at the Financial Statements preparation date. An accounting estimate is considered significant when it is material to the financial position and results of the Company and requires most difficult, subjective or complex management judgments. The Company assesses such estimates on an ongoing basis, based on historical results and experience, while meetings with specialists, applying trends and other methods considered reasonable in the circumstances, as well as projections as to how these may change in the future.

i) Recognition of revenue from construction contracts

Managing the revenue and costs of a construction contract, depends on whether the final result from the execution of the contract work can be reliably estimated (and is expected to bring profit to the manufacturer, or the result from execution is loss-making). When the outcome of a construction contract can be reliably estimated, then the revenue and expense of the contract are recognized over the life of the contract, respectively, as revenue and expense.

The Company uses the completion stage to determine the appropriate amount of income and expense which it will recognize in a specific period. Specifically, based on the IFRS 15 input method, the manufacturing cost at each reference date, is compared to the total budgeted cost in order to determine the percentage of completion. The completion stage is measured on the basis of the contractual costs incurred until the reference date in relation to the total estimated cost of each project. The Company therefore makes significant estimates regarding the gross result with which the executed construction contract will be executed (total budgeted cost of the construction contract).

ii) Useful lives of depreciated assets

In order to calculate depreciation, in every reporting period, the Company examines the useful life and residual value of tangible and intangible assets in the light of technological, institutional and economic developments as well as the experience arising from their exploitation. As at 31.12.2020, the Management estimates that useful lives represent the expected usefulness of assets.

iii) Provision for income tax

The provision for income tax based on IAS 12 is calculated by estimating the taxes to be paid to tax authorities and includes the current income tax for every financial year and a provision for additional taxes that might emerge in tax audits.

For specific transactions and calculations, the final tax determination is uncertain. The Company recognizes liabilities for the forecasted tax issues based on calculations as to the extent to which additional tax will arise. In cases where the final tax amount differs from what had been initially recognized, the differences affect the provisions for income tax and deferred tax for the period when it had been determined (for further information please refer to Note 18).

iv) Contingent liabilities and receivables

The existence of contingent liabilities and receivables requires from the management to make assumptions and judgments on on-going basis about the probability that future events will occur or not occur as well as the possible consequences that these events may have on the Company's operations. Determining contingent liabilities and receivables is a complex process that includes judgments about future events, laws, regulations, etc. Changes in judgments or interpretations are likely to lead to an increase or decrease in the Company's contingent liabilities in the future. When additional information becomes available, the Company's Management reviews the facts based on which it may be led to a review of its estimates (see Note 29).

v) Provisions for expected credit losses from clients' receivables

The Company applies the simplified approach under the provisions of IFRS 9 for the calculation of expected credit losses, with which, provision for impairment is measured at an amount equal to the expected credit losses during the whole lifetime for the receivables from customers and the contractual assets. The Company has formed provisions for bad debts in order to adequately cover the loss that can be reliably estimated and arises from these receivables. At every reference date, the formed provision is adjusted and potential changes are recognized in the income statement (further information is presented in Notes 9, 10 and 11).

4 SUMMARY OF KEY ACCOUNTING PRINCIPLES

The main accounting principles adopted in the preparation of the attached financial statements are as follows:

4.1 Foreign currency translation

Functional and reporting currency

The financial statements are presented in Euro, which is the functional and reporting currency of the Company.

Transactions and balances in foreign currency

Foreign currency transactions are converted into the functional currency by using the exchange rates applicable on the date when the said transactions were performed.

Any gains or losses due to translation differences that result from the settlement of such transactions during the period, as well as from the conversion of monetary assets denominated in foreign currency based on the prevailing exchange rates on the Statement of Financial Position reporting date, are recognized in the Income Statement.

4.2 Intangible assets

The intangible assets of the Company concern

i. the pricing rights of service recipients arising from concession and PPP contracts and
ii. acquired software programs

Upon initial recognition, the intangible assets acquired separately are recorded at acquisition cost.

Following initial recognition, the intangible assets are measured at cost less accumulated amortization and any impairment loss. Amortization is recorded based on the straight-line method during the useful life of the said assets. All the Company's intangible assets have a definite useful life.

The period and method of amortization is redefined at least at the end of every annual reporting period. Changes in the expected useful life of each intangible asset are accounted for as a change in accounting estimates.

Methods of amortization and useful lives of the Company's intangible assets can be summarized as follows:

Category	Amortization method	Useful life in years
Software	Stable	3
Concessions (rights and concession agreements)	Stable	Based on the concession time period (35)

Gains or losses arising from the write-off due to disposal of an intangible asset are calculated as the difference between the net proceeds of the disposal and the current value of the asset and are recognized in profit or loss for the period.

(a) Software

The maintenance cost of software programs is recognized as an expense when the expense is realized. On the contrary, the costs incurred for improving or prolonging the performance of software programs beyond their initial technical specifications, or respectively the costs incurred for the modification of the software, are incorporated in the acquisition cost of the intangible asset, only if they can be measured reliably.

(b) Concessions

The Company, as concessionaire, recognizes an intangible asset and revenue to the extent that it gains the right to charge the users of the utilities. The intangible asset's fair value is calculated based on the construction cost plus any construction profit margin. Furthermore, the intangible asset is subject to amortization based on the time of the concession and the impairment test, while revenue from the users of the infrastructure is recognized on an accrual basis to the extent, they cover the operating costs of the Company. The additional part of these is recorded as a reduction of the intangible asset.

4.3 Tangible assets

Tangible fixed assets are presented in the financial statements at acquisition cost, less accumulated depreciation and any potential accumulated impairment losses. The acquisition cost includes all direct attributable costs for the acquisition of these assets.

Subsequent expenses are recorded as an increase in the book value of tangible assets or as a separate asset only to the degree that the said expenses increase the future financial benefits anticipated from the use of the fixed asset and their cost can be measured reliably

The cost of repair and maintenance works is recognized in the Income Statement when the said works are conducted.

Tangible assets are written off when they are sold or withdrawn or when no further economic benefits are expected from their continued use. Profit or loss arising from the write-off of tangible fixed assets is included in the income statement for the year in which the asset is written off.

Assets under construction include fixed assets under construction and are presented at cost. Assets under construction are not depreciated until the fixed asset is completed and set into operation.

Depreciation of tangible fixed assets (excluding land, which is not depreciated) is calculated based on the straight-line method over their estimated useful life as follows:

Tangible Assets	Useful life (in years)
Building and technical projects	8 - 30
Machinery and technical installations	3 - 25
Vehicles	5 - 12
Furniture and fixtures	3 - 12

When the book values of the tangible fixed assets are higher than their recoverable amount, then the difference (impairment) is recognized directly as an expense in the Income Statement. Upon sale of tangible assets, the differences between the received consideration and their book value are recognized as profits or losses in the Income Statement.

Interest accrued on loans specifically or generally issued in order to finance the construction of tangible fixed assets is capitalized in the year in which they arise, during the construction period of the tangible assets when the recognition criteria are met.

4.4 Impairment of non-current assets (intangible and tangible assets)

In respect of tangible and intangible fixed assets subject to amortization/depreciation, an impairment test is performed when events or changes in circumstances indicate that their carrying amount may no longer be recoverable. When the net book value of tangible and intangible fixed assets exceeds their recoverable amount, then the excess amount relates to an impairment loss and is recognized directly as an expense in the income statement. Respectively, the non-financial assets that are subject to impairment testing (if indicated) are assets valued at acquisition cost.

For the purpose of impairment testing, assets are grouped to the lowest level for which cash flows can be separately identified. The recoverable amount of an asset is the higher among the asset's fair value less costs to sell and its value in use. For the purpose of calculating value in use, Management estimates the future cash flows from the asset or cash-generating unit and chooses the appropriate discount rate to calculate the present value of future cash flows

An impairment loss is recognized for the amount based on which the book value of an asset or a Cash Generating Unit exceeds its recoverable amount. Discounting factors are determined individually for each Cash Generating Unit and reflect the corresponding risk data that has been determined by the Management for each of them.

Further assumptions are made that prevail in the market such as indicatively this of energy. The period considered by the management exceeds five years, a period that is encouraged by IAS 36, especially as for renewable energy units and the motorway concession companies, even a longer period will be judged to be quite satisfactory.

The impairment losses are charged pro rata to the assets items of the particular Cash Generating Unit.

An impairment loss is reversed if the recoverable amount of a Cash Generating Unit exceeds its book value.

In such a case, the increased book value of the asset will not exceed the book value that would have been determined (net of depreciation), if no impairment loss had been recognized, in the asset in previous years.

4.5 Cash and cash equivalents

Cash and cash equivalents include cash in hand, sight deposits, term deposits, bank overdrafts and other highly liquid investments that are directly convertible into particular amounts of cash equivalents which are subject to a non-significant risk of change in their value.

The Company considers term deposits and other highly liquid investments with expiration less than three months maturity as cash available, as well as time deposits with expiration of over than three months for which it has the right to early liquidation without loss of capital.

For the purposes of preparing the Statement of Cash Flows, cash and cash equivalents consist of cash in hand, bank deposits as well as cash equivalents as defined above.

The Company's restricted deposits, irrespective of the nature of their commitment, are not included in the cash and cash equivalents but are classified in the account "Advances and other receivables".

4.6 Financial instruments

4.6.1 Recognition and derecognition

The financial assets and financial liabilities are recognized in the Statement of Financial Position, when, and only when, the Company becomes a contracting party of the financial instrument.

The Company ceases to recognize a financial asset when and only when the contractual rights on the cash flows of the financial asset expire or when it transfers the financial asset and substantially transfer all the risks and rewards associated with that financial asset. A financial liability is derecognized from the Statement of Financial Position when, and only when, it is repaid - that is, when the commitment set out in the contract is fulfilled, cancelled or expires.

4.6.2 Classification and initial recognition of financial assets

With the exception of trade receivables that do not include a significant financing item and are measured at the transaction price in accordance with the requirements of IFRS 15, other financial assets are initially measured at fair value by adding the relevant transaction cost except in the case of financial assets measured at fair value through profit or loss.

Financial assets, except those that constitute defined and effective hedging instruments, are classified into the following categories:

- Financial assets at amortized cost,

Classification of every asset is defined according to:

- the Company's business model regarding management of financial assets, and
- the characteristics of their conventional cash flows.

All income and expenses related to financial assets recognized in the Statement of Comprehensive Income are included in the items "Other financial results", "Financial expenses" and "Financial income", except for the impairment of trade receivables that is included in operating results.

4.6.3 Subsequent measurement of financial assets

Financial assets at amortized cost

A financial asset is measured at amortized cost when the following conditions are met:

i. financial asset's management business model includes holding the asset for the purposes of collecting contractual cash flows,

ii. contractual cash flows of the financial asset consist exclusively of repayment of capital and interest on the outstanding balance ("SPPI" criterion).

Following the initial recognition, these financial assets are measured at amortized cost using the effective interest rate method. In cases where the discount effect is not significant, the discount is omitted.

The amortized cost measured category includes non-derivative financial assets such as loans and receivables with fixed or pre-determined payments that are not traded on an active market, as well as cash and cash equivalents, trade and other receivables.

4.6.4 Impairment of financial assets

The adoption of IFRS 9 led to a change in the accounting treatment of impairment losses for financial assets, as it replaced the treatment of IAS 39 for the recognition of realized losses with the recognition of expected credit losses

Impairment is defined in IFRS 9 as an Expected Credit Loss (ECL), which is the difference between the contractual cash flows attributable to the holder of a particular financial asset and the cash flows expected to be recovered, i.e. cash deficit arising from default events, discounted approximately at the initial effective interest rate of the asset.

The Company recognizes provisions for impairment for expected credit losses for all financial assets except those measured at fair value through profit or loss. The objective of the IFRS 9 impairment provisions is to recognize the expected credit losses whole life of a financial instrument whose credit risk has increased since initial recognition, regardless of whether the assessment is made at a collective or individual level, using all the information that can be collected on the basis of both historical and present data, as well as data relating to reasonable future estimates of the financial position of customers and the economic environment.

To facilitate implementation of this approach, a distinction is made among:

- financial assets whose credit risk has not deteriorated significantly since initial recognition or which have a low credit risk at the reporting date (Stage 1) and for which the expected credit loss is recognized for the following 12 months,
- financial assets whose credit risk has deteriorated significantly since initial recognition and which have no low credit risk (Stage 2). For these financial assets, the expected credit loss is recognized up to their maturity.
- financial assets for which there is objective evidence of impairment at the reporting date (Stage 3) and for which the expected credit loss is recognized up to maturity.

Trade receivables, other receivables and receivables from contracts with customers

The Company applies the simplified approach of IFRS 9 for trade and other receivables as well as to receivables from construction contracts and receivables from leases, estimating the expected credit losses over the life of the above items. In this case, the expected credit losses represent the expected shortfalls in the contractual cash flows, taking into account the possibility of default at any point during the life of the financial instrument. In calculating the expected credit losses, the Company uses a provision-table by grouping the above financial instruments based on the nature and maturity of the balances and taking into account available historical data in relation to the debtors, adjusted for future factors in relation to the debtors and the economic environment.

4.6.5 Classification and measurement of financial liabilities

The Company's financial liabilities include mainly liabilities from suppliers and other liabilities. Financial liabilities are initially recognized at cost, which is the fair value of the consideration received apart from issuance cost regarding borrowing. After initial recognition, financial liabilities are measured at amortized cost using the effective interest rate method.

Financial liabilities are classified as short-term liabilities unless the Company has the unconditional right to transfer the settlement of the financial liability for at least 12 months after the financial statements reporting date.

In particular:

Trade and other liabilities

Balance from suppliers and other liabilities is initially recognized at their fair value and subsequently measured at amortized cost using the effective interest rate method.

Trade and other short-term liabilities are not interest-bearing accounts and are usually settled on the basis of the agreed credits.

4.6.6 Offsetting financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is shown in the Statement of Financial Position only if there is the present legal right to offset the recognized amounts and intends to clear them on a net basis or to require the asset and settle the liability simultaneously

4.7 Service concession agreements

Under the terms of the Concession Agreement, the operator acts as a service provider. The operator constructs an infrastructure (construction services) used to provide a utility service and deals with the operation and maintenance of that infrastructure (operating services) for a specified period of time.

According to IFRS, such infrastructure is recognized as a financial asset or as an intangible asset, depending on the contractually agreed terms. The Company recognizes based on the case, both an intangible asset from the concession agreement and a financial asset (bifurcated model).

Intangible Assets

The Company operating as concessionaire recognizes an intangible asset and an income to the extent that they acquire the right to charge the users of utilities. Furthermore, the intangible asset is subject to amortization based on the concession period and to impairment test, while the revenues from the users of the infrastructure are recognized according to the accrual basis.

For further information regarding the concession right please refer to Note 5.

Financial asset

The Company, as the concessionaire, recognizes a financial asset to the extent that they have an unconditional contractual right to receive cash or another financial asset from the provider for the services it provides.

In the case of concession agreements, the concessionaire has an unreserved right to receive cash, if the provider contractually guarantees to pay to the Concessionaire:

- Specific or specified amounts, or
- the deficit that may arise between the amounts received by public service users and the specific or specified amount provided for in the Concession Agreement.

The Company recognizes the Financial Contribution of the State, as a financial asset in accordance with the provisions of IFRIC 12 "Service Concession Agreements". In particular, the Company recognizes a financial asset receivable and income based on the completion rate method and the receivable is measured at amortized cost less any impairment losses.

4.8 Leases

Until 2018, leases were classified as finance or operating in accordance with the requirements of IAS 17. Finance leases were capitalized at the commencement of the lease at the lower value that arises between the fair value of the asset and the present value of the minimum lease payments, each of which were identified at the commencement of the lease. Every lease payment was allocated as liability and interest. Operating lease payments were recorded in the income statement on a straight-line basis over the term of the lease.

As of 01.01.2019, under IFRS 16, leases are no longer classified as operating leases and finance leases, and all leases are recognized accounting wise as items in the "Statement of Financial Position", through recognition of a "right-of-use asset" and a "lease liability".

Recognition and initial measurement of the right-of-use asset

At the lease period commencement date, the Company recognizes a right-of-use asset and a lease liability, measuring the right-of-use asset at cost.

The cost of the right-of-use asset comprises:

- the amount of the initial measurement of the lease liability (see below),
- any lease payments made at or before the commencement date, less any lease incentives received,
- the initial direct costs incurred by the lessee, and
- an estimate of costs to be incurred by the Company in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease. The Company incurs the obligation for those costs either at the commencement date or as a consequence of having used the underlying asset during a particular period.

Initial measurement of the lease liability

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. When the interest rate implicit in the lease can be readily determined, the lease payments shall be discounted using this interest rate. In different case, the marginal borrowing rate of GEK TERNA Group is utilized.

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

1. fixed payments less any lease incentives receivable,

2. any variable lease payments that depend on the future change in index or a rate, initially measured using the index or rate as at the commencement date of the lease period

3. amounts expected to be payable by the Company under residual value guarantees,

4. the exercise price of a purchase option if the Company is reasonably certain to exercise that option and

5. payments of penalties for terminating the lease, if the lease term reflects the Company exercising an option to terminate the lease.

Subsequent measurement

Subsequent measurement of the right-of-use asset

After the commencement date, the Company shall measure the right-of-use asset applying a cost model.

The Company shall measure the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses, and adjusted for any subsequent measurement of the lease liability.

The Company applies the depreciation requirements in IAS 16 in depreciating the right-of-use asset, which it examines for potential impairment.

Subsequent measurement of the lease liability

After the commencement date of the lease period, the Company shall measure the lease liability as follows:

1. increasing the carrying amount in order to reflect financial cost on the lease liability,

2. reducing the carrying amount in order to reflect the lease payments made, and

3. measuring again the carrying amount in order to reflect any reassessment or lease modifications.

Financial cost of a lease liability is allocated over the lease term in such a way that it results in a constant periodic rate of interest on the remaining balance of the liability.

After the commencement date, the Company shall recognize in profit or loss, (unless the costs are included in the carrying amount of another asset applying other applicable Standards), and the two following items:

1. financial cost of the lease liability, and

2. variable lease payments not included in the measurement of the lease liability in the period in which the event that triggers those payments occurs.

4.9 Government grants

Government grants are recorded at fair value when it is expected with certainty that the grant will be collected and the Company will comply with all relevant terms.

Government grants related to the subsidy of tangible fixed assets are recognized when there is reasonable assurance that the grant will be collected and all relevant conditions will be met. These grants are recorded in a deferred income account and transferred to profit or loss over the period based on the expected useful life of the subsidized asset.

Expenditure-related government grants are recorded in transitional accounts and recognized in profit or loss over the period required to match the costs they are intended to reimburse.

The Company's government grant relates to the State's financial contribution, as support for the project's construction, in the form of capital subsidy.

4.10 Revenue

In accordance with IFRS 15 it is established a five-step model for the for the identification of revenue from contracts with customers:

1. Identify the contract(s) with a customer.
2. Identify the performance obligations in the contract.
3. Determine the transaction price.
4. Allocate the transaction price to the performance obligations in the contract.
5. Recognize revenue when (or as) the entity satisfies a performance obligation

Revenue is recognized at the amount by which an entity expects to have in exchange for the transfer of the goods or services to a counterparty. When awarding a contract, accounting treatment is also defined of the additional costs and the direct costs required for the completion of the contract.

Revenue is defined as the amount that an entity expects to be entitled to in exchange for the goods or services it has transferred to a customer. If the promised consideration in a contract includes a variable amount, the entity estimates the consideration amount that would be entitled to the transfer of the promised goods or services to customer. The consideration amount may vary due to discounts, price subsidies, refunds, credits, price reductions, incentives, additional performance benefits, penalties, or other similar items. Promising consideration may also change if the entity's entitlement to the consideration depends on the occurrence or non-occurrence of a future event. For example, a consideration amount will be variable if the product has been sold with a refund or if a fixed amount promise has been given as an additional performance benefit to achieve a specific milestone.

The volatility associated with the consideration promised by a customer may be expressly stated in the contract. An entity shall measure the amount of the variable consideration using one of the following methods, depending on which method it considers that it best estimates the amount of consideration to which it will be entitled to:

(a) Estimated value - the estimated value is equal to the sum of the probability-weighted amounts in a range of possible consideration amounts. Estimated value is an appropriate estimate of the variable amount if the entity has a large number of contracts with similar characteristics.

(b) Potential amount - the most probable amount is the only most probable amount in a range of possible consideration amounts (i.e., the only likely outcome of the contract). The most probable amount is an appropriate estimate of the variable amount if the contract has only two possible outcomes (for example, the entity provides additional performance or not).

The Company recognizes revenue when it satisfies the performance of the contractual obligation by transferring the goods or services on the basis of this obligation. Acquisition of control by the client occurs when it has the ability to direct the use and to derive virtually all the economic benefits from this good or service. Control is passed over a period or at a specific time. Revenue from the sale of goods is recognized when the control of goods is transferred to the customer, usually upon delivery to the customer, and there is no obligation that could affect the acceptance of the goods by the customer.

Commitments for implementation performed over time

The Company recognizes revenue for a performance obligation that is performed over time only if it can reasonably measure its development in full compliance with the obligation. The Company is not in a position to reasonably measure progress in meeting a performance obligation when it does not have the reliable information required to apply the appropriate method of measuring progress. In some cases (i.e. during the initial stages of a contract), the entity may not be able to reasonably measure the outcome of a performance obligation, but at least expects to recover the costs incurred to meet it.

In such cases, an entity shall recognize revenue only on the extent of the cost incurred until it is able to reasonably measure the outcome of the execution obligation.

Revenue from services provision is recognized in the accounting period in which the services are provided and measured according to the nature of the services to be provided. The receivable from client is recognized when there is an unconditional right for the entity to receive the consideration for the contractual obligations performed to the client.

A conventional asset is recognized when the Company has satisfied its liabilities to the counterparty before it pays or before the payment is due, for example when the goods or services are transferred to the customer prior to the right of the Company to issue an invoice. The contractual obligation is recognized when the Company receives a consideration from the counterparty as an advance or when it reserves the right to a price, which is postponed before the performance of the contractual obligations and the transfer of the goods or services. The contractual obligation is derecognized when the contract obligations are met and the revenue is recorded in the income statement.

Commitments for implementation performed at a specific time

When an implementation commitment is not met over time (as outlined above), then the entity fulfils the implementation commitment at a specific time. In determining this specific time when the client acquires control of a promising asset and the entity performs an implementation commitment, the entity examines the requirements for the acquisition control, as analytically recorded in IFRS 15.

The main category of revenue for the Company is the following:

Revenue from the construction of the Concession project

According to the Concession Agreement, the Company has undertaken the design, construction, funding, operation, maintenance and exploitation of the project "INTERNATIONAL AIRPORT OF HERAKLION CRETE".

Company engaged in the implementation of constructions recognizes revenue from construction contracts in their tax records on the basis of customer invoices resulting from relevant sectional project's implementation certifications issued by accredited engineers and responsive to the work carried out until the closing date. For the purpose of complying with IFRS, the revenue from the construction activity are accounted for in the accompanying financial statements progressively during construction, based on the input method of measurement in accordance with the provisions of IFRS 15 "Revenue from Contracts with Customers".

The measurement methods of progress based on input method recognizes revenue, based on the efforts of the economic entity or inflows towards fulfilling an implementation commitment (for example, the resources consumed, the hours worked, the costs incurred, the time spent or the hours of operation of the machines consumed) in relation to the total expected inputs for the fulfillment of this implementation commitment.

Contractual construction costs: The construction cost mainly consists of the following: a) expenses directly related to the specific agreement, b) expenses charged to the contractual operations and can be allocated to the construction agreement and c) any other expense that is charged to the customer, based on the terms of the construction agreement.

Contractual revenue: The contractual revenue is calculated based on the construction cost plus any construction profit margin.

4.11 Income tax

Income taxes charges for the year consists of current taxes, deferred taxes and audit tax differences from previous years.

Current Tax

The current tax is calculated based on the tax Statements of Financial Position for each of the companies included in the Financial Statements, according to the tax regulation effective in Greece. The expenses for current Income tax are calculated based on the earnings of each company as such are reformed on the companies' tax reports and provisions for additional income taxes and is calculated in accordance with statutory or substantially institutionalized tax rates.

Deferred Tax

Deferred taxes are taxes or tax relief that are related to the financial burdens or benefits accruing in the year but have already been accounted for or will be accounted for by the tax authorities in different fiscal years.

Deferred income tax is determined using the liability method that results from the temporary differences between the carrying amount and the tax base of the assets and liabilities. Deferred income tax is not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that, when the transaction took place, did not affect either the accounting or the tax profit or loss.

Deferred income taxes are measured using the liability method in all temporary differences at the date of the financial statements between the tax base and the carrying amount of assets and liabilities. Deferred tax liabilities are recognized for all taxable temporary differences.

Deferred tax assets are measured at each reporting date and are reduced to the extent that it is unlikely that there will be sufficient taxable profits against which part or all of the deferred income tax assets may be used.

Deferred tax assets and liabilities are measured at the tax rates that are expected to be in force for the year in which the asset is incurred or the liability will be settled and are based on the tax rates (and tax laws) that are in effect or effectively in force at the date of reporting of the financial statements. In the event that the temporary reversal of temporary differences cannot be clearly identified, the tax rate applicable on the next day of the statement of financial position is used.

Income tax related to items that have been recognized in other comprehensive income is also recognized in other comprehensive income.

4.12 Share capital, reserves and distribution of dividends

Common registered shares are recorded as equity. Costs, directly attributable to a component of equity net of tax effect, are monitored as a deduction to the Balance of Retained Earnings in equity. Otherwise, this amount is recognized as an expense in the period in question.

At 31.12.2020 the Company did not hold treasury shares.

In particular, the reserves are divided into:

Statutory reserves

In compliance with the Greek Commercial Law, companies shall transfer at least 5% of their annual net profits to a statutory reserve until such reserve equals 1/3 of the paid-up share capital. This reserve cannot be distributed during the Company's operations.

5 INTANGIBLE FIXED ASSETS

The intangible assets of the Company that are presented in the accompanied financial statements refer to Intangible asset from the Concession right of the New International Airport of Heraklion Crete.

The significant terms of the Concession agreement are summarized as follows:

► Concession Period: 2020-2055 (35 years)

► Contractual Consideration: Collection of 64.98% percentage of the utilization fee (ADMF) of the National Airport Heraklion Crete "Nikos Kazantzakis" from the Greek State during the period of design-construction (T1) and collection 100% of the utilization fee (ADMF) of the airport from the users and right of commercial operation of the stores and are of the Project during the operation period (T2)

(Amounts in thousands Euro, unless otherwise stated)

► Financial Contribution of the State: 180mn €

► Renewal terms and termination of the agreement:

Renewal up to 10 years in case of need for additional investments by the Company due to Required Extension, or in case of non-repayment of the required capital by the Company.

Termination of the agreement due to denouncement on behalf of the State or the Concessionaire due to a Fact of Failure

► Maintenance Expenses: Liability for maintenance (heavy maintenance and other regular and extraordinary maintenance) and restoration of the infrastructure to a specified condition before handing it over to the granting authority at the end of the concession agreement

► Changes to the agreement that occurred during the period: None

6 RIGHT OF USE ASSETS

The rights of use assets and their movement for the periods 1 January until 31 December 2020 and 2019, that are presented in the financial statements are analyzed as follows:

	Buildings and Installations
Acquisition Value	
1st January 2020	**32**
Additions	303
31st December 2020	**335**
Accumulated amortization and impairments	
1st January 2020	**(8)**
Amortization	(42)
31st December 2020	**(50)**
Net book value	
31st December 2020	**285**

(Amounts in thousands Euro, unless otherwise stated)

	Buildings and Installations
Acquisition Value	
5th February 2019	**0**
Additions	32
31st December 2019	**32**
Accumulated amortization and impairments	
5th February 2019	**0**
Amortization	(8)
31st December 2019	**(8)**
Net book value	
31st December 2019	**24**

The amortization expense for the year 2020 has been recorded in the Administrative and distribution expenses and selling expenses by 42 (31.12.2019: 8).

7 TANGIBLE FIXED ASSETS

The tangible assets of the Company and their movements for the period 1 January until 31 December 2020, in the accompanied financial statements, are analyzed as follows:

	Other
Acquisition Value	
1st January 2020	**0**
Additions	40
31st December 2020	**40**
Accumulated amortization and impairments	
1st January 2020	**0**
Depreciation	(1)
31st December 2020	**(1)**
Net book value	
31st December 2020	**39**

The depreciation for the year 2020 has been recorded in the administrative and distribution expenses by 1.

(Amounts in thousands Euro, unless otherwise stated)

8 OTHER LONG-TERM RECEIVABLES

The account of "Other long-term receivables" on 31.12.2020 and 31.12.2019 in the accompanied financial statements are analyzed as follows:

Other long-term financial assets	**31.12.2020**	**31.12.2019**
Other long-term assets	9	0
Total	**9**	**0**
Other long-term non-financial assets	**31.12.2020**	**31.12.2019**
Advances to suppliers	91,065	0
Total	**91,065**	**0**
Other long-term assets	**91,074**	**0**

The account of "Advances to suppliers" included the advance given to the supplier TERNA SA, for the construction of the New International Airport Heraklion Crete, based on the Concession Agreement with the Greek State. The total unamortized amount of the advance on 31.12.2020 amounts to 115,017. The amount of 91,065 is included in the "Other long-term receivables" and the amount of 23,952 is included in the "Advances and other receivables".

9 TRADE RECEIVABLES

The "Trade receivables" of the Company on 31.12.2020 and 31.12.2019, in the accompanied financial statements, are analyzed as follows:

	31.12.2020	**31.12.2019**
Trade receivables	177	0
Total	**177**	**0**

The Company in each reporting date examines the receivables for potential impairments, in accordance with the requirements of IFRS 9 and the expected credit losses. The maximum exposure to credit risk in the reporting date of the financial statements is the book value of each category of receivables as mentioned above. Within the current fiscal year there were no indications of any impairment. The total of the receivables refers to non-overdue balances.

(Amounts in thousands Euro, unless otherwise stated)

10 RECEIVABLES/LIABILITIES FROM CONTRACTS WITH CUSTOMERS

The receivables from contracts with customers are analyzed as follows:

	31.12.2020	31.12.2019
Receivables from other contracts with customers	0	137
Total	**0**	**137**

11 ADVANCES AND OTHER RECEIVABLES

The "Advances and other receivables" on 31st of December 2020 and 31st December 2019 in the accompanied financial statements are analyzed as follows:

Prepayments and other short-term non-financial receivables	**31.12.2020**	**31.12.2019**
Advances to suppliers	24,404	0
VAT for rebate – offsetting	1,240	19
Other deferred and prepaid expenses	1,741	0
Total	**27,385**	**19**

12 CASH AND CASH EQUIVALENTS

The cash equivalents of the Company on 31st December 2020 and 31st December 2019, in the accompanied financial statements are analyzed as follows:

	31.12.2020	31.12.2019
Sight Deposits	37,921	3,037
Total	**37,921**	**3,037**

Sight deposits are all denominated in Euro.

13 LIABILITIES FROM LEASES

The liabilities from leased on 31st December 2020 and 31st December 2019, in the accompanied financial statements are analyzed as follows:

(Amounts in thousands Euro, unless otherwise stated)

	31.12.2020	31.12.2019
Liabilities from third parties' leases (long-term)	228	12
Liabilities from third parties' leases (short-term)	60	12
Total leases	**288**	**24**

The repayment period of the liabilities from leases are analyzed in the table that follows:

	31.12.2020	31.12.2019
Up to 1 Year	60	12
Between 1 - 5 Years	228	12
Total	**288**	**24**

The movement of the respective liabilities for the fiscal year 2020 and 2019 is presented as follows:

Liabilities from leases	**31.12.2020**	**31.12.2019**
Opening balance	**24**	**0**
1st January, Readjusted Balance	**24**	**0**
Repayments of lease contracts	(38)	(8)
Payments of interest	(7)	(1)
Liabilities from new contracts	302	32
Financial cost for the period (note 23)	7	1
Closing balance	**288**	**24**
Long-term liabilities from leases	**228**	**12**
Short-term liabilities from leases	**60**	**12**

14 GRANTS

The amount of grants presented in the Statement of Financial Position, refers to the amount that the Company collected from the Greek State and constitutes part of the total Financial Contribution of the Greek State amount of €180,000,000.00, in accordance to what is defined in article 7.3.1 of the Concession Agreement.

(Amounts in thousands Euro, unless otherwise stated)

15 SUPPLIERS

The account "Suppliers" on 31st December 2020 and 31st December 2019, in the accompanied financial statements are analyzed as follows:

	31.12.2020	31.12.2019
Suppliers	1,582	8
Total	**1,582**	**8**

16 ACCRUED AND OTHER LIABILITIES

The accrued and other liabilities (short-term) on 31st December 2020 and 31st December 2019 in the accompanied financial statements are analyzed as follows:

Accrued and other short-term financial liabilities	31.12.2020	31.12.2019
Accrued expenses	206	146
Sundry Creditors	0	6
Total	**206**	**152**

Other short-term non-financial liabilities	31.12.2020	31.12.2019
Liabilities from taxes and duties	54	11
Social security funds	4	0
Total	**58**	**11**
Total Accrued and other short-term liabilities	**264**	**163**

17 SHARE CAPITAL

The total share capital amounts to € 74,200,000.00 divided into 74,200,000 shares with a nominal value of € 1.00 each.

With the decision of the General Meeting of Shareholders on December 12, 2019, it was decided to increase the share capital of the Company by a total of € 170,500,000.00 with the issue of 170,500,000 new registered common shares, with a nominal value of € 1.00 each with payment in cash. Within January 2020, the amount of € 65,200.00.00 was paid in accordance with article 21 of

(Amounts in thousands Euro, unless otherwise stated)

Law 4548/2018 and the provisions of article 7.2.4 of the Concession Agreement. The remaining amount of the above increase will be paid in installments as follows:

(i) part of the nominal value of the new shares corresponding to the total amount of € 4,000,000 distributed proportionally to each new share of the Company, will be paid on the First Business Day after the end of the 180-day period from the Commencement Date of the Concession. This amount was paid in full and in full by September 2020.

(ii) part of the nominal value of the new shares corresponding to the total amount of € 101,300,000 distributed proportionally to each new share of the Company, will be paid on the First Business Day after the end of 720 days from the date of commencement of the Concession.

With the decision of February 5, 2020 of the extraordinary General Meeting of Shareholders of the Company, the transfer of part of the shares to the Greek State was approved based on the terms of the Concession Agreement. On 31.12.2020 the percentages were as follows:

Company - Shareholder	Participation Rate
GMR Airports Limited	21.640%
TERNA SA	32.460%
Greek State	45.900%
Total	**100%**

18 INCOME TAX – DEFERRED TAX

The income tax rate for legal entities in Greece for both fiscal years 2020 and 2019 was 24%.

On 18.05.2021 the new tax law 4799/2021 was passed, where according to article 120, the tax rate is set at 22% for the income of the tax year 2021 and onwards. The impact from the tax rate's change for the fiscal year 2021 is estimated to a total expense of 44, which will be recognized as a tax expense of 6 to the Statement of total Comprehensive Income and as a tax expense of 38 to Equity.

The actual final tax rate differs from the nominal one. The formation of the real tax rate is influenced by various factors, the most important of which are the non-tax deduction of certain expenses, the differences in depreciation rates that arise between the useful life of the asset and the rates set by Codified Law 4172/2013 and the possibility of companies to form tax-free discounts and tax-free reserves.

The Company offsets the deferred tax asset and liabilities when there is an applicable legal right to offset the current tax receivables against the current liabilities and when the deferred taxes relate to the same tax authority. The offset amounts of 31.12.2020 and 31.12.2019 are analyzed as follows:

(Amounts in thousands Euro, unless otherwise stated)

	31.12.2020	31.12.2019
Deferred tax assets	526	475
Net deferred asset/ (liability)	**526**	**475**

(a) Income tax expense

The income tax in the Statement of comprehensive income is analyzed as follows:

	1.1-31.12.2020	5.2-31.12.2019
Deferred tax expense/(income)	(51)	(23)
Total expenses/(income)	**(51)**	**(23)**

	31.12.2020	31.12.2019
Profit before income tax expense	**(213)**	**(97)**
Nominal tax rate	**24%**	**24%**
Income tax expense/(income) based on the nominal tax rate	**(51)**	**(23)**
Results not included in the calculation of tax	0	451
Effect of net temporary tax differences for which no deferred tax has been recognized	0	(451)
Income tax expense	**(51)**	**(23)**

The income tax return is submitted on an annual basis, but the declared profits or losses remain temporary until the tax authorities audit the taxpayer's books and records and the final audit report is issued. The company makes an annual assessment of any liabilities that are expected to arise from the audit of previous years, forming relevant provisions where necessary. The Management considers that in addition to the formed provisions, any amounts of taxes that may arise, will not have a significant impact on the Company's equity, results and cash flows. Information on unaudited fiscal years is provided in Note 29 of the Financial Statements.

(Amounts in thousands Euro, unless otherwise stated)

(b) Deferred tax

Deferred income tax is calculated on all temporary tax differences between the carrying amount and the taxable value of the assets and liabilities.

A deferred tax asset is recognized in respect of the transferable tax losses, to the extent that it is probable that future taxable profits will be realized through future taxable profits.

The Company offsets the deferred tax asset and liabilities when there is an applicable legal right to offset the current tax asset against the current liabilities and when the deferred taxes relate to the same tax authority.

The change of the net deferred tax asset/(liability) in the Statement of Financial Position on 31.12.2020 and 31.12.2019 is analyzed as follows:

	31.12.2020	31.12.2019
Net deferred tax asset / (liability)	**526**	**475**
Opening Balance	**475**	**0**
(Expense)/Income recognized in net earnings	51	23
(Expense) / Income recognized directly in the equity	0	452
Closing Balance	**526**	**475**

The deferred taxes (asset and liability) for the years 2020 and 2019 are analyzed as follows:

Deferred tax	01.01.2020	Statement of Profit or loss (Debit)/Credit	Other comprehensive income (Debit)/Credit	Equity	31.12.2020
Tangible and Intangible Assets	0	(5)	0	0	(5)
Recognized tax losses	475	176	0	0	651
Recognition of assets from concession contracts	0	(121)	0	0	(121)
Lease Contracts	0	1	0	0	1
Total	**475**	**51**	**0**	**0**	**526**

(Amounts in thousands Euro, unless otherwise stated)

Deferred tax	05.02.2019	Statement of Profit or loss (Debit)/Credit	Other comprehensive income (Debit)/Credit	Equity	31.12.2019
Recognized tax losses	0	23	0	452	475
Total	**0**	**23**	**0**	**452**	**475**

19 TURNOVER

The account "Turnover" in the accompanied statement of comprehensive income refers to the construction activity of the Airport based on the Concession Agreement that concerns the project's construction of the new International Airport in Heraklion Crete. The recognition of revenue is conducted through time in accordance with the progress measurement method based on input (input method).

20 COST OF SALES – ADMINISTRATIVE AND DISTRIBUTION EXPENSES

The cost of sales on 31st December 2020 and 2019, in the accompanied financial statements is analyzed as follows as:

	1.1-31.12.2020	5.2-31.12.2019
Sub-contractors	16,759	0
Total	**16,759**	**0**

The administrative and distribution expenses on 31st December 2020 and 2019, in the accompanied financial statements, analyzed as follows:

	1.1-31.12.2020	5.2-31.12.2019
Employee remuneration	29	0
Fees of civil engineers, technical consultants and other third parties	549	76
Other third-party expenses	4	1
Travel expenses	2	0
Subscriptions and contributions	5	0
Promotion and advertising expenses	7	0
Depreciation	43	8

(Amounts in thousands Euro, unless otherwise stated)

Repairs – Maintenance	5	0
Insurance Premiums	5	146
Operating leases	1	0
Taxes – Duties	7	0
Transport expenses	3	0
Other	47	2
Total	**707**	**233**

21 AUDITORS' FEE

	1.1-31.12.2020	5.2-31.12.2019
Total	27	0

The amount for the fiscal year 2020, includes the prior year's audit fee, since it was accounted for during 2020.

22 OTHER INCOME /(EXPENSES)

The other income/(expenses) for the year, in the accompanied financial statements on 31st December 2020 and 2019, is analyzed as follows:

	1.1-31.12.2020	5.2-31.12.2019
Other income		
Other revenue	0	137
Total	**0**	**137**

23 FINANCIAL INCOME /(EXPENSE)

Financial income/(expense) on 31st December 2020 and 2019, in the accompanied financial statements are analyzed as follows:

	1.1-31.12.2020	5.2-31.12.2019
Financial cost from lease contracts	(7)	(1)
Bank commissions and expenses	(2)	0
Total financial expenses	**(9)**	**(1)**
Net financial income/(expenses)	**(9)**	**(1)**

(Amounts in thousands Euro, unless otherwise stated)

24 SALARY EXPENSES

The expenses for salaries for the year 2020 and 2019 are analyzed as follows:

	1.1-31.12.2020	5.2-31.12.2019
Wages and related employee benefits	23	0
Social security fund contributions	6	0
Total	**29**	**0**

The number of employed personnel in the Company at the end of the current year was 3.

25 TRANSACTIONS WITH RELATED PARTIES

The transactions, as well the balances of the Company with related parties for the period ending on 31.12.2020 and 31.12.2019, are analyzed as follows:

31.12.2020

Related party-Transaction	Revenue	Purchases/Expense	Debit Balances	Credit Balances	Loans receivable	Loans payable
Other Related Parties - Goods/Other Services	289	15,279	115,194	661	0	0
Other Related Parties - Leases	0	32	9	0	0	0

31.12.2019

Related party-Transaction	Revenue	Purchases /Expense	Debit Balances	Credit Balances	Loans receivable	Loans payable
Other Related Parties - Goods/Other Services	137	0	137	0	0	0

The transactions with related parties are conducted on the same terms as transactions with third parties.

26 RISK MANAGEMENT PURPOSES AND POLICIES

The Company is exposed to multiple financial risks such as market risk (fluctuations in exchange rates, interest rates, market prices, etc.), credit risk and liquidity risk. The Company's risk management program aims to reduce the negative impact on financial results resulting from the inability to predict financial markets and fluctuations in cost and sales variables. The risk management policy is applied by the financial services of the Company.

The procedure applied is the following:

- assessment of the risks related to the activities and operations of the Company,
- designing the methodology and selecting the appropriate financial products to reduce the risks; and
- execution / implementation, according to the procedure approved by the Management, of the risk management process.

The financial instruments of the Company consist mainly of deposits to banks, commercial debtors and creditors, liabilities from leases.

FOREIGN EXCHANGE RISK

Foreign exchange is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in exchange rates. This type of risk may arise, for the Company, from foreign currency transactions with countries outside the Euro zone and countries that have not pegged their currency to the euro.

The Company is not exposed to foreign exchange risk as all its financial instruments (receivables and liabilities) are denominated in euro.

RISK OF INTEREST RATE CHANGES

The Company is not exposed to risks of interest rates or changes in the prices of securities whose price is traded on a financial market.

CREDIT RISK

The exposure of the Company regarding the credit risk is limited to financial assets which are analyzed as follows:

	31.12.2020	31.12.2019
Cash and cash equivalents	37,921	3,037
Loans and receivables	186	137
Total	**38,107**	**3,174**

(Amounts in thousands Euro, unless otherwise stated)

The Company is not exposed to significant credit risks as the business activity is controlled during the current period.

The other receivables refer to affiliated companies and therefore they do not involve credit risk.

The credit risk for receivables liquid as well as other short-term financial assets (cash equivalents) is considered negligible, given that the counterparties are reliable banks with a high-quality capital structure.

LIQUIDITY RISK

The Company manages its liquidity needs by carefully monitoring the debts, long-term financial liabilities as well as the payments made daily. Liquidity needs are monitored in various time zones, on a daily and weekly basis as well as in a rolling period of 30 days. Liquidity needs for the next 6 months and the following year are determined monthly.

The Company maintains cash and cash in banks to meet liquidity needs for periods of up to 30 days. The funds for the medium-term liquidity needs are released from the Company's time deposits. The maturity of financial liabilities as at 31 December 2020 is analyzed as follows:

	0 to 12 months	**1 to 5 years**	**Over 5 years**	**Total**
Liabilities from leases	60	228	0	288
Suppliers	1,582	0	0	1,582
Accrued and other short-term financial liabilities	206	0	0	206
Total	**1,848**	**228**	**0**	**2,076**

The corresponding maturity of financial liabilities for December 31, 2019 was as follows:

	0 to 12 months	**1 to 5 years**	**Over 5 years**	**Total**
Liabilities from leases	12	12	0	24
Suppliers	8	0	0	8
Accrued and other short-term financial liabilities	152	0	0	152
Total	**172**	**12**	**0**	**184**

The above contractual maturities reflect gross cash flows, which may differ from the carrying amounts of liabilities at the balance sheet date.

GLOBAL PUBLIC HEALTH CRISIS FROM THE CORONOVIRUS PANDEMIC (COVID-19)

At the end of December 2019, the new coronavirus strain SARS-CoV-2, which causes coronavirus disease (COVID-19), appeared in China. In the following months, coronavirus (COVID-19) spread rapidly worldwide and on March 11, 2020, the World Health Organization declared the coronavirus (COVID-19) outbreak a pandemic. The COVID-19 pandemic has led to an unprecedented crisis in global health and the economy. In Greece, the virus was first detected in late February 2020, leading to a national quarantine. In this context, travel and transport restrictions were imposed, including air transport. In early May, a gradual easing of quarantine restrictions began, which lasted until June. During the summer, however, the increase in COVID-19 cases in Greece led to the early end of the tourist season and the resumption of restrictive measures. Measures of limited reopening of the stores were implemented during the festive period of Christmas. Throughout the pandemic, the Company constantly acts on the basis of the instructions and decisions of all relevant bodies, meeting the requirements and the action plan adopted by the Greek authorities.

The health crisis from the coronavirus pandemic (COVID-19) has led the world economy to a period of uncertainty and instability, the consequences of which are difficult to assess based on the data so far, as the situation is evolving. The economic impact will depend on the duration and intensity of the recession, as well as the formed prospects for recovery. In order to address the health and, consequently, economic aspects of the pandemic, governments around the world have already launched ongoing mass vaccination programs to cover the entire population and build the required immune wall, which will lead to a regularity. Based on the fact that the pandemic has not yet been fully controlled, in combination with the presence of virus mutations that alter the transmissibility of the virus and the effectiveness of vaccines, this risk remains among the main risks of the Company. Especially with regard to the aviation sector, the effects of the pandemic and the measures taken to reduce it have had a significant negative impact on air traffic worldwide. To this end, many countries, including Greece, have taken and continue to take measures to support the aviation market. According to forecasts of international organizations [namely IATA], passenger traffic will return to 2019 levels, around the year 2024.

The Management of the Company with an extremely high sense of responsibility towards the Shareholders, the employees, the suppliers, its associates and the society as a whole, closely monitors the developments regarding the coronavirus pandemic (COVID-19), identifying the risk factors that could affect its financial position, activities, the course of construction work, its financial results as well as its smooth development and growth. The Management estimates that the operation, financial performance, cash flows and financial position of the Company will be affected for as long as the pandemic crisis in Greece lasts and restrictive measures are still applied by the Greek Government. In any case, the Management of the Company constantly takes care of the maintenance of the smooth operation, applying procedures and measures of timely identification and evaluation of all possible risks that will arise in the near future. The Management plans and implements measures to deal with any identified risk in order to limit its negative effects to the minimum possible and ensures the restoration of these effects as much as possible based on the provisions of the Concession Agreement.

(i) Organizational Planning

Following the first announcements of the relevant bodies and the action plan adopted by the Greek Authorities regarding the coronavirus pandemic (COVID-19), the Management of the Company setting as highest priority the health and safety of its employees and associates, moved quickly and immediately planned and implemented a scheme of measures and actions with the main objectives: the establishment of a safe working environment for all employees along with the adoption of distance work policies, the implementation of video conferencing (video calls), as well as modern, flexible working methods. Extremely strict operating rules have been adopted at all points of presence and operation of the Company, in order to constantly confirm the highest possible level of security for all. Finally, from the first moment of the pandemic crisis and the assumption of restrictive measures by the Government, the Company fully complied with all the procedures imposed (remote work, Forms of employees' movement and Management Bodies, responsible self-tests, etc.)

(ii) Impact of the coronavirus pandemic (COVID-19) on the operation of the Company

The Company faced similar problems due to the COVID-19 pandemic, as the majority of companies operating in Greece. The negative effects of the pandemic on the Company, although limited as much as possible after timely assumption by the management of all necessary decisions and actions, they have however so far affected the implementation time-schedule of the Project. The Management closely monitors the evolution of the phenomenon and its effects on the operation of the Company and undertakes actions, on the one hand, to control and reduce the inevitable delays in the progress of the Project and on the other hand to manage and restore these effects within the provisions of the Concession Agreement. In addition, the effects of the pandemic and the measures taken to limit this spread worldwide have undoubtedly had a negative impact on the air traffic of all airports in the country, including the International Airport of Heraklion, Crete "Nikos Kazantzakis". Given that the new Heraklion International Airport in Kastelli is in implementation face and not in operation, the effects of the pandemic on air traffic do not directly affect the Company's finances. Nevertheless, given that, under the Concession Agreement, a percentage of 64.98% on the amount of A.D.M.F. which is collected monthly at the International Airport of Heraklion Crete "Nikos Kazantzakis" during the Design - Construction Period, is attributed to the Company as part of the State contribution for the Design and Construction of the Project, the observed drop in air traffic in the International Airport "Nikos Kazantzakis" will have a negative effect on the expected amount of A.D.M.F. which the Company is entitled to receive. The Company's Management has already identified and pointed out the issue to the State and is already cooperating with the latter to address it in the context of the solutions provided by the State to address the effects of the pandemic at other airports in the country under concession (Athens International Airport, 14 Regional Airports).

Finally, as the Company is in the initial stage of staffing and development, the pandemic crisis affected the initial planning and the schedules of recruitment and conclusion of collaborations.

27 FINANCIAL ASSETS AND FINANCIAL LIABILITIES: PRESENTATION

The financial assets as well as the financial liabilities of the Company per category are as follows:

(Amounts in thousands Euro, unless otherwise stated)

	31.12.2020	
Financial Assets	**Amortized cost**	**Total**
Other long-term receivables	9	**9**
Trade and other receivables	177	**177**
Cash and cash equivalents	37,921	**37,921**
Total	**38,107**	**38,107**

	31.12.2019	
Financial Assets	**Amortized cost**	**Total**
Trade and other receivables	137	**137**
Cash and cash equivalents	3,037	**3,037**
Total	**3,174**	**3,174**

	31.12.2020	
Financial Liabilities	**Amortized cost**	**Total**
Trade and other receivables	1,788	**1,788**
Liabilities from leases	288	**288**
Total	**2,076**	**2,076**

	31.12.2019	
Financial Liabilities	**Amortized cost**	**Total**
Trade and other receivables	160	**160**
Liabilities from leases	24	**24**
Total	**184**	**184**

28 POLICIES AND PROCEDURES FOR CAPITAL MANAGEMENT

The aims of the Company regarding the management of its capital are as follows:

- To ensure the ability of the Company to continue its activity (going-concern) and
- To secure a satisfactory capital structure and return for its shareholders

(Amounts in thousands Euro, unless otherwise stated)

For this purpose, the Company monitors the capital on the basis of the leverage ratio which it defines as: Adjusted Net Debt / Adjusted Equity. Adjusted Net Debt is defined as the total of Loan Liabilities plus Liabilities from Bank Leases less cash and cash equivalents, as reflected in the Statement of Financial Position. Adjusted Equity is defined as Equity plus Grants.

This indicator at the end of the years 2020 and 2019 is as follows:

	31.12.2020	**31.12.2019**
Interest bearing debt	0	0
Minus:		
Cash and Cash equivalents	(37,921)	3,037
Adjusted Net Debt	**(37,921)**	**3,037**
Equity	72,535	3,497
Grants	100,000	0
Adjusted Equity	**172,535**	**3,497**
Leverage ratio	**(21.98) %**	**86.85%**

29 CONTINGENT LIABILITIES AND ASSETS

Tax unaudited years

The sub-twelve-month period 05.02-31.12.2019 as well as the period 01.01-31.12.2020 are considered tax unaudited fiscal years by the competent authorities. According to the relevant legislation, the audit and issuance of the Tax Compliance Report is valid for the years 2016 and onwards on an optional basis. In this context, the company did not receive a tax compliance report for the sub-twelve-month period 05.02-31.12.2019.

The special audit for the receipt of the Tax Compliance Report for the year 2020 is in progress and the relevant tax certificate is expected to be issued after the publication of the annual financial statements of 31.12.2020. Upon completion of this tax audit, the Management does not expect to incur significant tax liabilities other than those recorded and reflected in the financial statements.

Court cases

There are no disputes or arbitrations as well as decisions of courts or arbitration bodies that have an impact on the financial situation or operation of the Company.

(Amounts in thousands Euro, unless otherwise stated)

30 EVENTS AFTER THE REFERENCE DATE OF THE STATEMENT OF FINANCIAL POSITION

As of 01.01.2021 until the preparation date of the present, there were noted the following significant events:

- Within February 2021, the Company collected the remaining amount of the Greek State's Financial Contribution, amount of € 80,000,000 in accordance with what is defined in article 7.3.1 of the Concession Agreement.
- Following the issuance of the Joint Ministerial Decision that specialized the auditing and performance mechanism of the corresponding A.D.M.F. (Airport Development Modernization Fee) from the operation of the airport "N. Kazantzakis" towards the Company, according to the provision of the Concession Agreement, within May 2021, the partial payment of the corresponding Airport Development Modernization Fee was initiated towards the Company for the respective time period from the Concession Initiation Date, according to the provisions of the Concession Agreement and the issued J.M.D.

31 APPROVAL OF THE FINANCIAL STATEMENTS

The Financial Statements for the year ended on 31.12.2020 were approved by the Board of the Directors of INTERNATIONAL AIRPORT OF HERAKLION CRETE CONCESSION SOCIETE ANONYME on 19th August 2021.

THE CHAIRMAN OF THE BoD	THE GENERAL MANAGER
DIMITRA TZOURMAKLIOTOU	ATHANASIOS VOURDAS

GENERAL DIRECTOR OF FINANCE

ANTONIOS LAMPROPOULOS

(A' CLASS ACCOUNTING LICENCE No: 0098505)