



INTERNATIONAL AIRPORT HERAKLION CRETE CONCESSION S.A.

26 Ikarou Ave., 713 07 Heraklion, Crete, Greece

General Commercial Registry (GEMI) No. 149125127000

ANNUAL FINANCIAL REPORT

For the year

1 January to 31 December 2022

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

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(Amounts in thousands Euro, unless otherwise stated)

I. ANNUAL MANAGEMENT REPORT OF BOARD OF DIRECTORS FOR THE FINANCIAL YEAR 2022 ON THE FINANCIAL STATEMENTS

Dear Sirs/Madams,

We have the honor to bring 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 INTERNATIONAL AIRPORT HERAKLION CRETE CONCESSION S.A. (hereinafter referred to as "the Company"), for the fiscal year 2022 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 during the next year.

A. Financial Developments and Performance for the fiscal year 2022

Despite the prolonged war in Ukraine and the substantial rise in energy costs, according to Hellenic Statistical Authority's provisional data, the Greek economy grew by 5.9% in 2022 with GDP reaching 192 billion Euros versus 181 billion Euros in 2021 (with a high growth rate achieved in 2021 as well, by 8.3%). The above development confirmed the Greek economy's capacity to follow a steadily high economic growth trajectory.

The absorption of funds coming from the Recovery and Resilience Fund by an amount of 11.4 billion Euros (approximately 6.4% of GDP) had a significant contribution to the achievement of the above-mentioned economic growth of 5.9%. Those funds were injected into the Greek economy from 2021 until the end of 2022. Equally important contributions came from the public investment program which amounted to 11.0 billion Euros, the foreign direct investments which amounted to 6.24 billion Euros, as well as from the higher revenues in tourism and shipping, and from the increase in private consumption. It should be noted that, at the end of year 2022, corporate and household deposits in the banking system exceeded 188 billion Euros, creating significantly improved liquidity conditions, which were higher than the corresponding level of 2021.

On the contrary, the contribution of rising inflation was negative, caused by the upward trend in the prices of energy goods, labor costs, of building and construction materials in general and of the prices of food items. According to the Hellenic Statistical Authority's (ELSTAT) latest data for the entire year of 2022, the annual change in the Consumer Price Index stood at 9.6%, despite the deceleration of the last quarter of the year due to declining energy prices.

On the fiscal macroeconomic sector, the Greek economy, according to the latest available data, has shown improved performance, compared to the initial annual targets. It should be noted that, based on statements made by the Minister of Finance, the government supported households and businesses against the energy crisis with 10.7 billion Euros in 2022.

The yield to maturity of the Greek 10-year bond followed the broader economic developments and moved higher in line with the course of interest for the rest of the Eurozone countries, surpassing 4%. For the entire year of 2022, the Greek Government borrowed 8.3 billion Euros from the international markets via bond issues, while the country's credit rating was improved by one notch in 2022 by 3 rating agencies (Standard and Poor's, DBRS, Rating and Investment). At the beginning of the year 2023, Greece was one notch below investment grade according to Scope, DBRS, Standard and Poor's, Rating and Investment and Fitch and three notches below investment grade according to Moody's.

In this international uncertain but also very dynamic environment where, due to the high inflationary pressures, there will be even more credit tightening and restrictive measures in place that will in turn affect economic growth of various countries, the Greek economy will have the following growth drivers as allies: a) the contribution of the Recovery and Resilience Fund (RRF) for an amount of 30 billion Euros until 2026, as well as financial support from the EU budget during the period 2021-2027 for an amount of up to 40 billion Euros, and b) the expected upgrade of the credit rating of the economy by the international rating agencies. In this context the Greek economy will be favorably affected by the higher level of investment capital and be in better position to mitigate the negative effects of a potential contraction of the global economy. According to the latest available estimates of the Bank of Greece, the economic growth is expected from 2.2% in 2023 to close at around 3% for both 2024 and 2025.

In the medium term, the outlook for the Greek economy remains positive due to the important projects being implemented and in view of the country's objective to boost investments for: a) the production of clean

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electricity through RES (Renewable Energy Sources), b) the increase of energy storage areas, c) the construction or improvement of infrastructure and d) the development of upgraded tourist facilities, so that Greece can utilize in the most efficient manner its comparative advantages over other countries (geographical position, climatic conditions, high level of education of workers among other things).

Regarding the Company, the main Financial Results of 2022 based on International Financial Reporting Standards, compared to the financial results of 2021, are as follows:

The turnover in 2022 amounted to 47,914 compared to 35,041 in 2021, presenting an increase by 36.74% due to the Company's stronger construction activity. The cost of goods sold for the financial year 2022 amounted to 46,519 (Financial year 2021: 34,020) resulting in a gross profit of 1,395 versus a profit of 1,021 in the financial year 2021.

From the above result the following expenses are being deducted:

	2022	2021
Administrative and distribution expenses	(834)	(2.084)
Other income/(expenses)	0	(14)
Net financial income/(expenses)	(1)	(13)

Based on the above, pre-tax earnings amount to 560 versus losses of 1,090 in 2021 and after calculating income tax expense of (186) we arrive at a total profit for the year of 374 (Financial year 2021: Losses of 1,253).

B. Significant events for the year 2022

During the fiscal year 2022 the following significant events were noted:

1. Deposit of the 4th Committed Investment by the Common Shareholders of the Company for an amount of 101,300,000 Euros, in proportion to their percentages (January 2022).
2. Following the provision of the relevant written consent of the Greek State, the Initial Common Shareholder "GMR AIRPORTS LIMITED" transferred to "GMR AIRPORTS GREECE SINGLE PERSON SOCIETE ANONYME", the issued shares under no. 4 and 8 (and according to the no. 29/15.10.2020 minutes of the Board of Directors), and as a result "GMR Airports Greece Single Person S.A." became shareholder at a rate of twenty-one and sixty-four percent (21.64%) of the Company's Share Capital, holding a total of 16,056,880 Shares with a nominal value of one Euro (€1.00) per share (January 2022).
3. Following the provision of the relevant written consent of the Greek State, the Initial Common Shareholder TERNA S.A. transferred to "GEK TERNA KASTELLI Single Person Societe Anonyme":
 - the issued shares under no. 2 and 6 (and according to the no. 29/15.10.2020 minutes of the Board of Directors), and as a result "GEK TERNA KASTELLI Single Person Societe Anonyme" became shareholder at a rate of thirty-two and forty-six percent (32.46%) of the Share Capital, holding a total of 56,967,300 Shares with a nominal value of one Euro (1 .00 euros) per share, and
 - the contractual relationship as well as all the rights, obligations and receivables of TERNA S.A. according to the Secondary Bond Loan dated 21/02/2019, for the amount of 36,000,000 Euros, which has not been issued and which has been signed between the Company as the issuer and TERNA as the Bond Lender (January 2022).
4. The "Agreement for execution of additional works of Article 18.6 of Concession Agreement" was signed between IAHC SA and the Greek State, amounting to 104,943,699.85 Euros (December 2022). The Company assigned these additional works to the Constructor (TERNA S.A.).

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C. Significant events after the ending of the period 01.01 – 31.12.2022

As of 01.01.2023 until the preparation date of the present, there were noted the following significant events in reference to the Company:

1. Approval for the placement of the Company's "Idle Cash Reserves" (as they were specified by the 12.12.2022 B.o.D. Decision) in the systemic Greek banks: a) National Bank of Greece and b) Eurobank EFG, for a period of 12 months. The approval was preceded by the successful completion of a competitive process with specific criteria and bid evaluation, which ensured the maximization of the benefit for the Company on credit interest (February 2023).
2. Approval by the Independent Engineer of the Company's updated Time Schedule (ΧΕΠΜΚ), for the Period T1. With the specific Schedule, the Study - Construction Period (T1) is extended by 24 months (March 2023).
3. The Extraordinary, unsolicited and universal, General Assembly of the Company's Shareholders convened and re-elected the Chairman, the Vice-Chairman and the other Members of the Board of Directors, whose 3-year term ended on May 13, 2023, for a new full 3-year term (April 2023).
4. The Company's Corporate Social Responsibility (CSR) Policy/Strategy was approved by the Board of Directors, which also approved the draft "Airport Operations Advisor Agreement" between the Company and the Common Shareholder "GMR AIRPORTS GREECE M.A.E." (May 2023).

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 emergencies (COVID-19, geopolitical conditions) and which may have a prolonged and unpredictable duration.

1) Financial Risks

I. Interest rate risk

During 2022, the Company did not have any bank debt and therefore did not need to cover such a risk.

II. Credit Risk

The credit risk concerning the trade receivables, cash reserves, as well as the other receivables, is considered limited, given the narrower scope of the general macroeconomic risk. In particular, the majority of receivables concern advances that have been given to the Contractor, and which are amortized at a fixed rate in proportion to the progress of the construction works. Management considers that all receivables, for which the necessary impairments have been already formed, depict conservatively the real and overall financial position of the Company.

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 short-term and long-term financial liabilities as well as the payments which are carried out whenever required. Liquidity needs are monitored on a daily and weekly basis as well as in a rolling period of 30, 60 and 90 days respectively. Liquidity needs for the next 6 months and next year are determined with adequacy and diligence.

V. Foreign exchange risk

The Company operates exclusively in Greece and therefore it is not exposed to any foreign exchange risk. Supplier payments are made almost exclusively in euros (€).

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.

The performance of the Greek economy for the year 2022 was positive, since the achieved growth was 5.9% following the respective growth of 2021 (i.e. 8.3%). Furthermore, according to the latest estimates of the Bank of Greece, the economic growth for 2023 is expected to settle at 2.2%.

The Greek economy is growing at a faster pace than its European counterparts, due to its lower dependence on the ongoing energy crisis, which was exacerbated by the geopolitical developments in Ukraine. The repercussions of the reduced supply of natural gas from Russia towards the European Union and its substitution with the more expensive solution of liquefied natural gas, affected negatively the electricity production and also resulted in price increases in the energy production market, which further uplifted the already high inflationary pressures of the European Union. As a result of the above, inflation based on the harmonized Consumer Price Index, for the European Union in 2022, was 9.6%,

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due to the upward trend of energy prices as well as price increases in food items. The European Central Bank (ECB) in its effort to control inflation, considering that the price increases are due to the strong demand in the economy, has proceeded with successive interest rate increases. Specifically, from July 2022 until the date of drafting the present Financial Statements, interest rates have risen to 3.5% with the prospect of increasing even more if it is required. ECB aims at further reducing liquidity in the market, so as to reduce demand for goods and services and, by extension, the inflationary pressures.

Despite the new conditions that have been prevailing due to the geopolitical conditions in relation to the ongoing energy crisis and also due to the consequent inflationary pressures, the outlook remains positive. At the same time, the Management continues to monitor developments very closely.

2) Global public health crisis due to coronavirus pandemic (COVID-19)

Despite the fact that the problems, originally seen back in 2019 by the pandemic of COVID— 19 and its mutations, were not completely eliminated in 2022, the experience gained about how to protect the population from the contagion of virus, the mass vaccination programs which started in 2021, as well as the provision of new drugs to the patients, reduced the severity of the overall health risk, as well as the percentage of patients on global level. The effects of the pandemic on a global level urged the European Union, in the context of dealing with the impact of COVID-19 pandemic on the European Economy, to approve a total funding of 1,824 billion Euros to support its country members. From the total funding, Greece is expected to draw around 71 billion Euros, i.e. 31 billion Euros through the Recovery and Resilience Fund (18 billion Euros in the form of subsidies and 13 billion Euros in the form of loans) and another 40 billion Euros through the Cohesion Fund E.S.P.A. for the period 2021-2027.

(i) Organizational Planning

Without complacency, the Company's Management plans and implements preventive measures for any real or expected risk, in order to mitigate any negative effects to the minimum possible extent, within the provisions of the Concession Agreement. In this context, given the valuable experience from Covid-19 pandemic, the Company has already adopted extremely strict operating rules in order to constantly ensure the highest possible level of safety for all its employees and partners.

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

The Company had to deal with serious problems due to the COVID-19 pandemic, like it was the case for the majority of businesses operating in Greece. The negative effects of pandemic on the Company, although they were limited to the greatest possible extent during 2022 following the timely action plan taken by the Management, nevertheless those conditions affected significantly both the flow of the Project's financing from the Greek State, as well as the envisaged implementation schedule. The Management continues to undertake actions, on the one hand, to control and limit the inevitable delays in the progress of the Project's implementation phase, and on the other hand, to effectively manage and mitigate the above problems in the context of the provisions of Concession Agreement. In addition, the effects of the pandemic and the measures taken to avert its spread at a global level had a negative impact on the air traffic of all airports in Greece, including the Heraklion Crete State Airport "Nikos Kazantzakis". Due to the fact that the Heraklion International Airport in Kasteli, Crete is under construction and not in operation, the impact of pandemic on the air traffic apparently did not directly affect the financial performance of the Company. Nevertheless, given the fact that, by virtue of the Concession Agreement, a percentage of 64.98% on the amount of Airport Development Modernization Fee (A.D.M.F.) collected by Heraklion Crete State Airport "Nikos Kazantzakis" during the Study-Construction Period, is attributed to the Company as part of the contribution of the State for the Study and Construction of the new Project ("Heraklion International Airport in Kasteli, Crete"), the observed decline in air traffic at the State Airport "Nikos Kazantzakis" until the year 2021, had by default a negative impact on the expected amount of (A.D.M.F.) which the Company was entitled to receive. The Company's Management identified in time and pointed out by all appropriate means in subsequent stage the above problem to the Greek State and made a request for a respective resolution. It is noted that, during the year 2022, a strong upward trend in the air traffic of Heraklion Crete State Airport "Nikos Kazantzakis" was observed, which resulted in the maximum (A.D.M.F.) payment made towards the Company according to Concession Agreement for that particular year.

3) Other risks and uncertainties

Consequences of the Russian invasion of Ukraine – Geopolitical risks

The ongoing and escalating hostilities between Ukraine and Russia have minimized the possibility of a ceasefire between the two conflicting sides. The Company does not have any activities in Russia, Ukraine and Belarus, nevertheless it constantly evaluates the geopolitical risks concerning each country which the Company is exposed to, but also

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concerning the Company itself, having formed a specific framework of Policies and Procedures, so as to mitigate the risk to the greatest possible extent.

E. Estimated Course and Outlook

The projected course of the Company is considered positive. The negative consequences, although now limited to only specific areas, were outside the Company's zone of influence. However, both the Company and its Management have certain concerns following the latest geopolitical developments. In this context, the Management has already and immediately responded to the need to take the necessary actions for the identification and effective treatment of any negative impact.

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) Vision and Principles

The Company has been prioritizing values demonstrating that ethical and sustainable entrepreneurship constitutes a strong 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
- The sustainable development
- The implementation of the EU Taxonomy Regulation (2020/852)

(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 and training
3. Collaborations based on Health and Safety
4. Actions that promote Health and Safety
5. Compliance audit inspections

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Within the above context the Company during 2022 received the Certification of Management Quality System from a recognized organization (TUV HELLAS) in accordance with article 7.11.1.1. of NHS.

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

(vi) EU Taxonomy Regulation

The EU Taxonomy Regulation is a key element of the European Commission's action plan to redirect capital flows towards a more sustainable economy. It represents an important step towards achieving carbon neutrality by 2050, in line with the EU's climate targets, as the Regulation is a classification system for environmentally sustainable economic activities.

G. Financial Ratios

The Share Capital of the Company amounts to 175,500,000.00 Euros, divided into 175,500,000 shares with nominal value of 1.00 euros per share, while Total Equity amounts to 174,252,223.54 Euros.

The main financial ratios for the year 2022 and 2021 are as follows:

Financial Structure Ratios

	<u>2022</u>		<u>2021</u>	
Current Assets	241,821		145,018	
Total Assets	412,593	58.61%	280,826	51.64%
Total non-current assets	170,772		135,808	
Total Assets	412,593	41.39%	280,826	48.36%

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

Total equity	174,252		72,575	
Total Liabilities	238,341	73.11%	208,251	34.85%

The above ratio demonstrates the financial self-sufficiency of the Company,

Total Liabilities	238,341		208,251	
Total Equity and Liabilities	412,593	57.77%	280,826	74.16%
Total equity	174,252		72,575	
Total Equity and Liabilities	412,593	42.23%	280,826	25.84%

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The above ratios show the Company's dependence on debt and credit,

Total equity	174,252		72,575	
Total non-current assets	170,772	102.04%	135,808	53.44%

This ratio shows the degree of financing of the Company's non-current assets by Equity,

Current Assets	241,821		145,018	
Current liabilities	2,066	11704.79%	2,830	5124.31%

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

Working Capital	239,755		142,188	
Current Assets	241,821	99.15%	145,018	98.05%

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

Return and Efficiency Ratios

Net Earnings/(losses) after taxes	374		(1,253)	
Revenues	47,914	0.78%	35,041	(3.58)%

This ratio shows the overall performance of the Company compared to its total revenue,

Earnings before taxes	560		(1,090)	
Total equity	174,252	0.32%	72,575	(1.50)%

This ratio shows the return on equity,

Gross Profit	1,395		1,021	
Revenues	47,914	2.91%	35,041	2.91%

This ratio shows the percentage of gross profit on the Company's revenues.

Other Information

- Branches – Other Facilities/Establishments

The Company maintains offices in Athens, as a secondary establishment.

- Research and development expenses

The Company within the current financial year has not incurred any research and development expenses.

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- Treasury shares

The Company does not hold treasury shares.

- Use of financial instruments by the Company to estimate assets and liabilities

The Company does not use financial instruments to estimate assets and liabilities.

- Intra-group Balances and transactions (see detailed Note 25 of the Financial Statements).

Athens, 19th July 2023
For the Board of Directors



DIMITRA TZOURMAKLIOTOU
CHAIRMAN OF THE BoD

II. INDEPENDENT AUDITOR'S REPORT

(This report has been translated from Greek original version)

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

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of INTERNATIONAL AIRPORT HERAKLION CRETE CONCESSION S.A. (the Company), which comprise the statement of financial position as of December 31, 2022, 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 HERAKLION CRETE CONCESSION S.A. as of 31 December 2022, its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards 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 the Separate and Consolidated 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 the audit of separate and consolidated 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.

Other Information

Management is responsible for the other information. The other information included in the Annual Financial Report includes the Board of Director's Report, the reference to which is made in the "Report on Other Legal and Regulatory Requirements" section of our Report and Statements of the Members of the Board of Directors but does not include the financial statements and our auditor's report thereon.

Our opinion on the separate and consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the separate and consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the separate and consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our audit, we conclude that there is a material misstatement therein, we are required to communicate that matter. No such issue has arisen.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 separate and consolidated 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 and the Corporate Governance Statement included in this report, the following is to be noted:

- a) The Board of Directors' Report includes the Corporate Governance Statement that provides the data and information defined under article 150, Law 4548/2018 and its content corresponds to the accompanying financial statements for the year ended as at 31/12/2022.
- 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 HERAKLION CRETE CONCESSION S.A." and its environment.

Athens, 19th July 2023
The Chartered Accountant

George Panagopoulos
SOEL Reg. No.36471



Grant Thornton

Chartered Accountants Management Consultants
58, Katschaki Av., 115 25 Athens, Greece
Registry Number SOEL 127

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INTERNATIONAL AIRPORT HERAKLION CRETE CONCESSION S.A.

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

(Amounts in thousands Euro, unless otherwise stated)

**III. ANNUAL FINANCIAL STATEMENT FOR THE YEAR ENDING ON 31
DECEMBER 2022 (1 January - 31 December 2022)**

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 OF HERAKLION CRETE CONCESSION S.A." on the 19th July 2023 and have been posted on the website at the electronic address of the Company <https://www.heraklion-airport.gr/oikonomikes-katastaseis/> 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.

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(Amounts in thousands Euro, unless otherwise stated)

STATEMENT OF FINANCIAL POSITION ON 31st DECEMBER 2022

	Note	31.12.2022	31.12.2021
Non-current assets			
Intangible fixed assets	5	100,233	52,317
Right of use assets	6	503	656
Tangible fixed assets	7	325	309
Other long-term assets	8	69,711	82,526
Total non-current assets		170,772	135,808
Current assets			
Trade receivables	9	974	86
Advances and other receivables	10	28,192	29,482
Income tax receivables		50	0
Cash and cash equivalents	11	212,605	115,450
Total current assets		241,821	145,018
TOTAL ASSETS		412,593	280,826
EQUITY AND LIABILITIES			
Share capital	17	175,500	74,200
Reserves		3	0
Retained earnings		(1,251)	(1,625)
Total equity		174,252	72,575
Non-current liabilities			
Liabilities from leases	12	396	543
Provisions for staff leaving indemnities	13	25	23
Grants	14	235,617	204,805
Deferred tax liabilities	18	237	50
Total non-current liabilities		236,275	205,421
Current liabilities			
Suppliers	15	1,484	1,608
Short-term liabilities from leases	12	129	129
Accrued and other short-term liabilities	16	453	1,093
Total Liabilities		2,066	2,830
Total Liabilities		238,341	208,251
TOTAL EQUITY AND LIABILITIES		412,593	280,826

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

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*(Amounts in thousands Euro, unless otherwise stated)***STATEMENT OF TOTAL COMPREHENSIVE INCOME FOR THE FISCAL YEAR 2022**

	Note	1.1-31.12.2022	1.1-31.12.2021
Turnover	19	47,914	35,041
Cost of sales	20	(46,519)	(34,020)
Gross profit/(loss)		1,395	1,021
Administrative and distribution expenses	20	(834)	(2,084)
Other income/(expenses)	22	0	(14)
Results before taxes, financing and investing activities		561	(1,077)
Net financial income/(expenses)	23	(1)	(13)
Earnings/(Losses) before taxes		560	(1,090)
Income tax	18	(186)	(163)
Net Earnings/(losses) after taxes		374	(1,253)
<i>Other Comprehensive Income which are not reclassified in the Statement of Income for the following years</i>			
Actuarial income / (expenses) from defined benefit plans	13	4	0
Income tax corresponding to the above results	18	(1)	0
Total		3	0
Net Other Comprehensive Income		3	0
TOTAL COMPREHENSIVE INCOME		377	(1,253)

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

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*(Amounts in thousands Euro, unless otherwise stated)***STATEMENT OF CASH FLOWS FOR THE FISCAL YEAR 2022**

	Note	1.1- 31.12.2022	1.1- 31.12.2021
Cash flows from operating activities			
Profit/(loss) before income tax		560	(1,090)
<i>Adjustments for the agreement of the net flows from the operating activities</i>			
Depreciation	6,7	157	151
Provisions		11	22
Interest and related revenue	23	(21)	(8)
Interest and other financial expenses	23	22	21
Operating profit/(loss) before changes in working capital		729	(903)
(Increase)/Decrease in:			
Trade receivables		(888)	91
Prepayments and other receivables		(2,588)	8,157
Increase/(Decrease) in:			
Suppliers		794	26
Accruals and other liabilities		(644)	829
(Payments) / Collections of income tax		(50)	0
Net cash flows from operating activities		(2,647)	8,200
Cash flows from investing activities			
Outflows of construction period related to the concession		(32,185)	(35,365)
Proceeds from grants	14	30,812	104,805
Interest and related income received		21	8
Net cash flows for investing activities		(1,352)	69,448
Cash flows from financing activities			
Receipts from increase of share capital	17	101,300	0
Payments for leases		(125)	(97)
Interest and other financial expenses paid		(21)	(22)
Net cash flows from financing activities		101,154	(119)
Net increase /(decrease) of cash and cash equivalents		97,155	77,529

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Cash and cash equivalents at the beginning of the period	11	115,450	37,921
Cash and cash equivalents at the end of the period	11	212,605	115,450

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

STATEMENT OF CHANGES IN EQUITY FOR THE FISCAL YEAR 2022

	Note	Share capital	Reserves	Retained earnings	Total
1st January 2022		74,200	0	(1,625)	72,575
Total comprehensive income		0	3	374	377
Share capital increase	17	101,300	0	0	101,300
31st December 2022		175,500	3	(1,251)	174,252

	Note	Share capital	Reserves	Retained earnings	Total
1st January 2021		74,200	0	(1,665)	72,535
Total comprehensive income		0	0	(1,253)	(1,253)
Transfers other movements		0	0	1,293	1,293
31st December 2021		74,200	0	(1,625)	72,575

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

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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 Company, 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 31.12.2022 the Company of the Group GEK TERNA, GEK TERNA KASTELLI SINGLE PERSON S.A., the Company GMR AIRPORTS GREECE SINGLE PERSON S.A. and the Greek State with participation percentages 32.46%, 21.64% and 45.90% respectively. The above percentages are effective as of 06.02.2020. However, according to the Concession Agreement, TERNA and GMR AIRPORTS LIMITED have undertaken the obligation to fully cover the amount of the share capital increase pro rata based on the previous participation percentage of each participant, namely 60% and 40% respectively (Binding Investment).

With the respective share sale agreement dated 12.01.2022, it was agreed the transfer of 37,978,200 registered shares, with a nominal value of one euro (€1.00) per share, from GMR AIRPORTS LIMITED to GMR AIRPORTS GREECE SINGLE PERSON S.A., which represent 21.64 % of the Company's share capital. At the same time, on 20.01.2022, an agreement for the sale and transfer of shares and the transfer of a contractual relationship concerning a secondary bond loan was signed, with which the transfer of 56,967,300 registered shares, with a nominal value of one euro (€1.00), was agreed by and from TERNA S.A. to GEK TERNA KASTELI S.A., which correspond to 32.46% of the Company's share capital.

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 38 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.

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- 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 PREPARATION OF THE FINANCIAL STATEMENTS

2.1 Basis for Financial Statements Presentation

The Financial Statements of the Company as of 31.12.2022 covering the financial year starting on 1st of January until December 31st 2022, 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 2022.

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 all previous periods.

2.2 Going Concern

The Company's management estimates that the Company has 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 2022 have been prepared according to the historical cost principle.

2.4 Presentation currency

The presentation currency is Euro, 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 followed in the preparation of the Company's financial statements for the year ended on 31 December 2021, apart from the adoption of the amendments in certain standards, the application of which has become mandatory in the European Union for the financials years beginning on 1st January 2022 (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

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The following new Standards, Interpretations and amendments of Standards have been issued by the International Accounting Standards Board (IASB), have been adopted by the European Union and their application is mandatory as of 01.01.2022 or subsequently.

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 amendments have no effect on the Financial Statements.

2.6.2 New Standards, Interpretations, Revisions and Amendments to existing Standards that have not been applied yet or have not been adopted by the European Union until 31/12/2022.

The following new Standards, Interpretations, and amendments of IFRSs have been issued by the International Accounting Standards Board (IASB), but their application has not started yet, or they have not been adopted by the European Union.

Amendments to IAS 1 "Presentation of Financial Statements" (effective for annual periods starting on or after 01.01.2023)

In February 2021, the IASB issued narrow-scope amendments that refer to accounting policy disclosures. The objective of these amendments is to improve accounting policy disclosures so that they provide more useful information to investors and other users of financial statements. More specifically, based on these amendments it is required the disclosure of material information regarding the accounting policy rather than the disclosure of significant accounting policies. The Company will examine the impact of the above on its Financial Statements. The above have been adopted by the European Union with an effective date of 01.01.2023.

Amendments IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates" (effective for annual periods starting on or after 01.01.2023)

In February 2021, the IASB issued narrow-scope amendments that clarify the difference between change in accounting estimates and change in accounting policy. This distinction is important because changes in accounting estimates are applied without retroactive effect and only for future transactions and other future events, in contrast to the change in accounting policy that has retroactive effect and it applied in transactions and other events of the past. The Company will examine the impact of the above on its Financial Statements. The above have been adopted by the European Union with an effective date of 01.01.2023.

Amendments to IAS 12 "Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction" (effective for annual periods starting on or after 01.01.2023)

In May 2021, the IASB issued targeted amendments to IAS 12 to specify how financial entities should account for deferred tax arising from transactions such as leases and decommissioning obligations – transactions for which financial entities recognize both an asset and a liability. In specified circumstances, financial entities are

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exempt from recognizing deferred tax when they recognize assets or liabilities for the first time. The amendments clarify that the exemption does not apply and that financial entities are required to recognize deferred tax on such transactions. The Company will examine the impact of the above on its Financial Statements. The above have been adopted by the European Union with an effective date of 01.01.2023.

Amendments to IAS 1 "Classification of Liabilities as Current or Non-current" (effective for annual periods starting on or after 01.01.2024)

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 reporting date; (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. _ However, a Company's ability to do so often depends on compliance with the standard's commitments. The amendments to IAS 1 specify that commitments to be met after the reporting date do not affect the classification of the loan as short-term or long-term at the reporting date. Instead, the amendments to the standard require a Company to disclose information about these commitments in the notes to the Financial Statements. The amendments are effective for annual periods beginning on or after January 1, 2024, with early adoption permitted. The Company will consider the impact of all 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 IFRS 16 "Leases: Lease Obligation in a Sale and Leaseback" (effective for annual periods starting on or after 01.01.2024)

In September 2022, the IASB issued limited-purpose amendments to IFRS 16 "Leases" that add requirements regarding how a Company accounts for a Sale and leaseback after the date of the transaction. A sale and leaseback is a transaction in which a Company sells an asset and leases the same asset back for a period of time from the new owner. IFRS 16 includes requirements regarding the accounting treatment of a sale and leaseback at the date the transaction takes place. However, the Standard did not specify how to measure the transaction after that date. The issued amendments add to the requirements of IFRS 16 regarding the sale and leaseback, thus supporting and facilitating the consistent application of the accounting standard. These amendments will not change the accounting treatment for leases other than those arising from a sale and leaseback transaction. The Company will examine the impact of all the above on its Financial Statements. 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

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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 more 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 financial developments as well as the experience arising from their exploitation. As at 31.12.2022, 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

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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 and 10).

vi) Provision for personnel compensation

Based on IAS 19, the Company makes estimates of the assumptions underlying the actuarial valuation of provision for personnel compensation. The provision amount for personnel compensation is based on an actuarial study. The actuarial study includes specific assumptions on discount rate, employees' remuneration increase rate, consumer price index increases and the expected remaining working life. The assumptions used are imbedded with significant uncertainty and the Company's Management continuously reassesses these assumptions (for further information please refer to Note 13).

4 SUMMARY OF KEY ACCOUNTING PRINCIPLES

The main accounting principles adopted in the preparation of the accompanying Financial Statements are as follows:

4.1 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:

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Category	Amortization method	Useful life in years
Software	Stable	3
Concessions (rights from 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 incurred. 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 fair value of the right is determined based on the construction cost plus a construction profit margin. Furthermore, the intangible asset is subject to amortization based on the time of the concession and impairment test, while revenue from the users of the infrastructure are 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 (see in detail Note 4.7).

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 as an expense 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:

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- 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 measurement 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 for the 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, considering 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 considering 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

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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 Concession Agreement has been accounted for based on the intangible asset model, as provided by IFRIC 12, as the Company, as the Concessionaire, has the right to invoice the airport users and the Greek State has not undertaken any contractual guarantee in relation to the recovery of the investment. The intangible fixed asset represents the right assigned by the Greek State to the Company to charge the users of the air services. The intangible fixed asset represents the right assigned by the Greek State to the Company to charge the users of the air services. In the cost of the intangible asset is included the fair value of the acquisition of the service concession, which consists mainly of the costs incurred for the construction of the infrastructure (minus the government grants received as a Financial Contribution for this purpose) as well as the present value of the defined future liabilities arising from the fees to be paid to the Greek State under Article 3.1.16 16 of the Concession Agreement as "Compensatory consideration".

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.

4.8 Leases

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.

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The Company incurs an obligation for those costs either at the commencement lease 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 adjust 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 Government grant of the Company concerns the financial contribution of the State as a subsidy for the construction of the Project and is in the form of a capital subsidy.

4.10 Revenue

In accordance with IFRS 15 it is established a five-step model 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.

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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 the right of return 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 based on 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.

Implementation commitments that are fulfilled 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 of control, as analytically recorded in IFRS 15.

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The main categories of revenue for the Company are as follows:

i. Revenue from construction of Concession Project

In accordance with the concession agreement the Company has undertaken the study, construction, financing, operation maintenance and exploitation of the project "International Airport of Heraklion, Crete".

The Company that undertakes the implementation of constructions recognizes revenue from construction contracts in its 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 is 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.

Based on Interpretation 12 and IFRS 15, revenue from construction contracts is recognized over time, according to the input method. Under this method, revenue from construction contracts is offset against contract-related costs incurred up to that stage of completion, resulting in revenue, costs, and profit attributable to the portion of the project being completed. The calculation considers the ratio of the contractual costs incurred for work carried out on a given date, in relation to the calculated total contractual cost.

Contractual construction costs: The construction costs include a) the costs directly related to the specific contract b) costs that are charged to the contractual activities in general and can be allocated in the construction contract c) any other costs specifically borne by the customer, according to the terms of the construction contract. Contractual revenue: Contractual revenue is determined based on construction cost plus construction profit margin.

4.11 Income Tax

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

Current Income Tax

The current tax is calculated based on the tax Statement of Financial Position of the Company included in the Financial Statements, according to the tax regulation effective in Greece. The income tax expense for current income tax includes the income tax expense as it results based on the earnings of the Company as such is reformed on the Company's tax reports and provisions for additional income taxes and is calculated in accordance with statutory or substantially institutionalized tax rates.

Deferred Income 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 calculated 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 of the Financial Statements 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.

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4.12 Share capital and reserves

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. On 31.12.2022, 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.

Other reserves

The other reserves consist mainly of actuarial losses of pension plans. The category of other reserves includes: Actuarial gains / (losses) from defined benefit pension plans arising from a) empirical adjustments (the result of differences between previous actuarial assumptions and those that eventually occurred) and b) changes in actuarial assumptions.

4.13 Employee Benefits

Short-term benefits: Short-term employee benefits (except for termination of employment benefits) in cash and in kind are recognized as an expense when deemed accrued. Any unpaid amount is recorded as a liability, whereas in case the amount already paid exceeds the benefits' amount, the entity identifies the excessive amount as an asset (prepaid expense) only to the extent that the prepayment shall lead to a future payments' reduction or refund.

Retirement Benefits: Benefits following termination of employment include lump-sum severance grants, pensions and other benefits paid to employees after termination of employment in exchange for their service. The Company's liabilities for retirement benefits cover both defined contribution plans and defined benefit plans. The defined contribution plan's accrued cost is recognized as an expense in the period to which it relates. Pension plans adopted by the Company are partly financed through payments to insurance companies or state social security funds.

a) Defined Contribution Plan

Defined contribution plans refer to contribution payment to Social Security Organizations and therefore, the Company does not have any legal obligation in case the Fund is incapable of paying a pension to the insured person. The employer's obligation is limited to paying the employer's contributions to the Funds. The payable contribution by the Company in a defined contribution plan is identified as a liability after the deduction of the paid contribution, while accrued contributions are recognized as expenses in the income statement.

(b) Defined Benefit Plan (non-funded)

Under Laws 2112/20 and 4093/2012, the Company must pay compensation to its employees upon their dismissal or retirement. The amount of compensation paid depends on the years of service, the level of wages and the way of leaving service (dismissal or retirement). The entitlement to participate in these plans is carried out through the distribution of benefits in the last 16 years until the date of retirement of employees following the scale of Law 4093/2012.

The liability recognized in the Statement of Financial Position for defined benefit plans is the present value of the liability for the defined benefit less the plan assets' fair value (reserves from payments to an insurance Company), the changes deriving from any actuarial profit or loss and the previous service cost. The defined benefit commitment is calculated on an annual basis by an independent actuary through the use of the projected unit credit method. For the discounting of fiscal year 2021, the selected interest rate follows the tendency of European Bonds of 10-year maturity as at December 31, 2021, which is regarded as consistent with the provisions of IAS 19, namely is based on bonds corresponding to the currency and the estimated term relative to employee benefits as well as appropriate for long-term provisions.

A defined benefit plan establishes, based on various parameters, such as age, years of service and salary, the specific obligations for payable benefits. Provisions for the period are included in the relative staff costs in the accompanying Income Statement and is comprised of the current and past service cost, the relative financial cost, the actuarial gains or losses and potentially arising additional charges. Regarding unrecognized actuarial gains or losses, the revised IAS 19 is applied, which includes a number of changes to accounting treatment of defined benefit plans, including as follows:

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- i. recognition of actuarial gains/losses in other comprehensive income and their permanent exclusion from the Income Statement,
- ii. non-recognition of the expected returns of the plan's investment in the Income Statement, but recognition of the relative interest on net liability/(asset) of the benefits calculated based on the discount rate used to measure the defined benefit liability.
- iii. recognition of past service cost in the Income Statement at the earliest between the plan's modification date or when the relative restructuring or terminal provision are recognized,
- iv. other changes including new disclosures, such as quantitative sensitivity analysis.

5 INTANGIBLE ASSETS

The Company's intangible assets and their movement for the periods from 1 January to 31 December 2022 and 2021, in the accompanying Financial Statements are analyzed as follows:

	Concessions and other rights	Software	Total
Acquisition Value			
1st January 2022	52,317	0	52,317
Additions	47,914	3	47,917
31st December 2022	100,231	3	100,234
Amortization	(1)	0	(1)
31st December 2022	(1)	0	(1)
Net book value			
31st December 2022	100,230	3	100,233
2021			
Acquisition Value			
1st January 2021	17,262	0	17,262
Additions	35,055	0	35,055
31st December 2021	52,317	0	52,317
Net book value			
31st December 2021	52,317	0	52,317

The intangible assets of the Company that are presented in the accompanying Financial Statements mainly 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 areas of the Project during the operation period (T2)
- Financial Contribution of the State: 180mn €
- Renewal terms and termination of the agreement:

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- 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.
- No changes exist or apply to the agreement that occurred during the period.

6 RIGHT OF USE ASSETS

The right of use assets and their movement for the periods 1 January until 31 December 2022 and 2021, that are presented in the financial statements are analyzed as follows:

	Buildings and Installations	Transportation means / Vehicles	Total
Acquisition Value			
1st January 2022	647	166	813
Additions	19	17	36
Termination of contracts	0	(61)	(61)
31st December 2022	666	122	788
Accumulated amortization and impairments			
1st January 2022	(144)	(13)	(157)
Amortization	(106)	(26)	(132)
Termination of contracts	0	4	4
31st December 2022	(250)	(35)	(285)
Net book value			
31st December 2022	416	87	503

	Buildings and Installations	Transportation means / Vehicles	Total
Acquisition Value			
1st January 2021	335	0	335
Additions	312	169	481
Termination of contracts	0	(3)	(3)
31st December 2021	647	166	813

Accumulated amortization and impairments			
1st January 2021	(50)	0	(50)
Amortization	(94)	(16)	(110)

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Termination of contracts	0	3	3
31st December 2021	(144)	(13)	(157)

Net book value

31st December 2021	503	153	656
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The amortization for the year 2022 has been recorded in Administrative and distribution expenses by 132 (31.12.2021: 110).

7 TANGIBLE ASSETS

The tangible assets of the Company and their movements for the periods 1 January until 31 December 2022 and 2021, in the accompanying Financial Statements, are analyzed as follows:

	Buildings and installations	Other	Assets under construction and prepayments for acquisition of fixed asset	Total
Acquisition Value				
1st January 2022	0	104	247	351
Additions	0	40	0	40
Transfers	247	0	(247)	0
31st December 2022	247	144	0	391

Accumulated amortization and impairments

1st January 2022	0	(42)	0	(42)
Depreciation	(10)	(14)	0	(24)
31st December 2022	(10)	(56)	0	(66)

Net book value

31st December 2022	237	88	0	325
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	Buildings and installations	Other	Assets under construction and prepayments for acquisition of fixed asset	Total
Acquisition Value				

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1st January 2021	0	40	0	40
Additions	0	64	247	311
31st December 2021	0	104	247	351
Accumulated amortization and impairments				
1st January 2021	0	(1)	0	(1)
Depreciation	0	(41)	0	(41)
31st December 2021	0	(42)	0	(42)
Net book value				
31st December 2021	0	62	247	309

The depreciation for the fiscal year 2022 has been recorded in administrative and distribution expenses by 24 (2021: 41).

8 OTHER LONG-TERM ASSETS

The account of "Other long-term assets" on 31.12.2022 and 31.12.2021 in the accompanied Financial Statements are analyzed as follows:

Other long-term financial assets	31.12.2022	31.12.2021
Granted guarantees	20	0
Other long-term assets	0	23
Total	20	23
Other long-term non-financial assets		
	31.12.2022	31.12.2021
Advances to suppliers	69,691	82,503
Total	69,691	82,503
Other long-term assets	69,711	82,526

The account of "Advances to suppliers" includes mainly 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 above advance on 31.12.2022 amounts to 91,594 (2021: 108,173). The amount of 69,558 (2021: 82,272) is included in the "Other non-current receivables" and the amount of 22,037 (2021: 25,901) is included in the "Advances and other receivables" (note 10).

9 TRADE RECEIVABLES

The "Trade receivables" of the Company on 31.12.2022 and 31.12.2021, in the accompanied Financial Statements, are analyzed as follows:

31.12.2022	31.12.2021
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Trade receivables	974	86
Total	974	86

On each reporting date, the Company examines the receivables for any impairment, in accordance with the requirements of IFRS 9 and the expected credit losses. The maximum exposure to credit risk at the reporting date of the Financial Statements is the carrying amount of each category receivable as stated above. During the current year, there were no indications of any impairment. All receivables refer to non-overdue balances and comprise collections from the wider Public Sector of Greece.

10 ADVANCES AND OTHER RECEIVABLES

The "Advances and other receivables" on 31st of December 2022 and 31st December 2021 in the accompanied Financial Statements are analyzed as follows:

Prepayments and other short-term non-financial receivables	31.12.2022	31.12.2021
Advances to suppliers	22,134	26,032
VAT for rebate – offsetting	4,748	1,998
Other deferred and prepaid expenses	1,292	1,452
Total (a)	28,174	29,482

Other short-term financial receivables	31.12.2022	31.12.2021
Financial receivables from various other debtors	18	0
Total (b)	18	0

Total Prepayments and other receivables (a)+(b)	28,192	29,482
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11 CASH AND CASH EQUIVALENTS

The cash and cash equivalents of the Company on 31st December 2022 and 31st December 2021, in the accompanied Financial Statements are analyzed as follows:

	31.12.2022	31.12.2021
Sight Deposits	212,605	115,450
Total	212,605	115,450

The change in sight deposits mainly concerns the timely payment of the 4th Investment Commitment of the Common Shareholders, as well as the increased receivables of the corresponding part of Airport Development Modernization Fees (A.D.M.F.). All sight deposits are held in Euros.

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12 LIABILITIES FROM LEASES

The liabilities from leases on 31st December 2022 and 31st December 2021, in the accompanied Financial Statements are analyzed as follows:

	31.12.2022	31.12.2021
Liabilities from third parties' leases (non-current)	396	543
Liabilities from third parties' leases (current)	129	129
Total lease	525	672

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

	31.12.2022	31.12.2021
Up to 1 Year	129	129
Between 1 - 5 Years	313	427
More than 5 years	83	116
Total	525	672

The movement of the respective liabilities for the fiscal year 2022 and 2021 is presented as follows:

Liabilities from leases	31.12.2022	31.12.2021
Opening balance	672	288
1st January, Readjusted Balance	672	288
Repayments of lease contracts	(125)	(97)
Payments of interest	(18)	(18)
Liabilities from new contracts	36	481
Financial cost for the period (note 23)	18	18
Termination of lease	(58)	0
Closing balance	525	672
Long term liabilities from leases	396	543
Short term liabilities from leases	129	129

13 PROVISION FOR EMPLOYEE COMPENSATION

According to Greek labor law, every employee is entitled to a lump sum compensation in case of dismissal or retirement. The amount of compensation depends on the length of service and the employee's remuneration on the day of dismissal or retirement. Employees who resign or are reasonably dismissed are not entitled to compensation. The compensation payable in case of retirement in Greece is equal to 40% of the compensation calculated in case of unnecessary dismissal. Estimates for staff indemnity liabilities were determined through an actuarial study. The following tables show the composition of the net expense for the relevant provision recorded in the net profit for the year ended December 31 2022, and the movement of the relevant provisions accounts for employee compensation presented in the attached Statement of financial position for the year ended December 31, 2022. The expense for staff compensation that was recognized by the Company in the

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Statement of Comprehensive Income and recorded in the administrative and distribution expenses by is analyzed as follows:

	1.1-31.12.2022	1.1-31.12.2021
Current service cost	6	4
Effect of cutbacks or settlements	5	19
Recognition of actuarial (gains)/losses	(4)	0
Total	7	23

The movement of the relevant provision in the Statement of Financial Position is as follows:

	2022	2021
Balance 1 January	23	0
Provision recognized in Net Earnings	11	23
Provision recognized in Other Comprehensive Income	(4)	0
Compensation payments	(5)	0
Balance 31 December	25	23

The basic actuarial assumptions for the fiscal years 2022 and 2021 are as follows:

	2022	2021
Discount rate	2.90%	0.60%
Future salaries increase	2.50%	1.80%
Inflation	2.80%	1.80%
Movement of salaried or day wage workers (departure under their own will)	Table 1	Table 1
Mortality	EVK 2000	EVK 2000

Table 1

Years of Service	Leaving rate
From 0 to 1 years	1.50%
From 1 to 5 years	1.00%
From 5 to 10 years	0.50%
From 10 years and above	0.00%

14 GRANTS

The movement of grants of the Company in the Statement of Financial Position for the years 2022 and 2021 is as follows:

	2022	2021
Balance 1st January	204,805	100,000
Approved and collected grants	30,812	104,805
Balance 31st December	235,617	204,805

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 Funding Contribution of the Greek State amount

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of 180,000 euros, according to what is defined in article 7.3.1 of the Concession Agreement. The remaining amount of 55,617 euros constitutes the collected Airport Development Modernization Fees (A.D.M.F.) in accordance with the provisions of article 7.7 of the Concession Agreement. In particular, within the year 2022, the Company collected an amount of 30,812 euros related to the above-mentioned Airport Development Modernization Fee (A.D.M.F.). At the end of the construction period and before the commencement of the amortization of the New International Airport's Concession right, Heraklion Crete, this grant will be recognized deductible from the cost of the right, based on the accounting policy applied and presented in detail in Note 4.7.

15 SUPPLIERS

The account "Suppliers" on 31st December 2022 and 31st December 2021, in the accompanied Financial Statements are analyzed as follows:

	31.12.2022	31.12.2021
Suppliers	1,484	1,608
Total	1,484	1,608

16 ACCRUED AND OTHER LIABILITIES

The accrued and other liabilities (short-term) on 31st December 2022 and 31st December 2021 in the accompanied Financial Statements are analyzed as follows:

Accrued and other short-term financial liabilities	31.12.2022	31.12.2021
Accrued expenses	135	855
Sundry Creditors	4	10
Total	139	865

Other short-term non-financial liabilities	31.12.2022	31.12.2021
Liabilities from taxes and duties	266	183
Social security funds	48	45
Total	314	228

Total Accrued and other short-term liabilities	453	1.093
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17 SHARE CAPITAL

The total share capital amounts on 31.12.2022 to 175,500,000.00 euros divided into 175,500,000 shares with a nominal value of 1.00 euro each. The share capital of the Company was initially set at 5,000,000.00 euro, divided into 5,000,000 shares with a nominal value of 1.00 euro 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 euro with the issue of 170,500,000 new registered common shares, with a nominal value of 1.00 euro each with payment in cash. Within January 2020, the amount of 65,200.00.00 euro was paid in accordance with article 21 of Law 4548/2018 and the provisions of article 7.2.4 of the Concession Agreement.

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During the second half of 2020, the payment of an amount of 4,000,000.00 euros was made, in accordance with the schedule of binding investment payments of the Concession Agreement as defined in article 7.2.4. of the agreement. The share capital increase was completed within January 2022, with the payment of the balance of 101,300,000.00 euros. With the decision of February 5th 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. Following the sale & purchase agreement regarding the shares, as of January 12th, 2022, the transfer of the shares of GMR AIRPORTS LIMITED towards GMR AIRPORTS GREECE SINGLE PERSON SA took place. With the sale & purchase agreement as of January 20th, 2022, the shares of TERNA SA were transferred to GEK TERNA KASTELI SINGLE PERSON SA. On the 31/12/2022, the shares percentages of the shareholders were as follows:

COMPANY - SHAREHOLDER	PARTICIPATION RATE
GMR AIRPORTS GREECE SINGLE PERSON S.A.	21.64%
GEK TERNA KASTELI SINGLE PERSON S.A.	32.46%
GREEK STATE	45.90%
Total	100.00%

18 INCOME TAX – DEFERRED TAX

The tax rate for legal entities in Greece both for the year 2022 as well as for the year 2021 after the enactment of Law 4799/2021 which amended par. 1 of art. 58 of Law 4172/2013 has been set at 22%. 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 assets and liabilities when there is an applicable legal right to offset the current tax assets against the current liabilities and when the deferred taxes relate to the same tax authority. The offset amounts of 31.12.2022 and 31.12.2021 are analyzed as follows:

	31.12.2022	31.12.2021
Deferred tax liabilities	(237)	(50)
Net deferred asset/(liability)	(237)	(50)

(a) Income tax expense

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

	1.1-31.12.2022	1.1-31.12.2021
Deferred tax expense/(income)	186	163
Total expenses/(income)	186	163

	31.12.2022	31.12.2021
Profit / (loss) before income tax expense	560	(1,090)
Nominal tax rate	22%	22%
Income tax expense/(income) based on the nominal tax rate	123	(240)

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Results not included in the calculation of tax	0	22
Impact due to change in tax rate	0	6
Write off/(Offset) of tax losses	63	0
Effect of net temporary tax differences for which no deferred tax has been recognized	0	375
Income tax expense	186	163

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.

(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 31.12.2022 and 31.12.2021 is analyzed as follows:

	31.12.2022	31.12.2021
Net deferred tax asset / (liability)	(237)	(50)
Opening Balance	(50)	526
(Expense)/ Income recognized in net earnings	(186)	(163)
(Expense) / Income recognized in the other comprehensive income	(1)	0
(Expense) / Income recognized directly in the equity	0	(413)
Closing Balance	(237)	(50)

The deferred taxes (asset and liability) for the years 2022 and 2021 are analyzed as follows:

Deferred tax asset / (liability)	01.01.2022	Statement of Profit or loss (Debit) / Credit	Equity	31.12.2022
Tangible and Intangible Assets	(7)	1	0	(6)
Recognized tax losses	283	118	0	401

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Recognition of assets from concession contracts	(335)	(307)	0	(642)
Provision for staff indemnities	5	1	0	5
Lease Contracts	4	1	0	5
Total	(50)	(186)	0	(237)

Deferred tax asset /(liability)	01.01.2021	Statement of Profit or loss (Debit)/Credit	Equity	31.12.2021
Tangible and Intangible Assets	(5)	(2)	0	(7)
Recognized tax losses	651	45	(413)	283
Recognition of assets from concession contracts	(121)	(214)	0	(335)
Provision for staff indemnities	0	5	0	5
Lease Contracts	1	3	0	4
Total	526	(163)	(413)	(50)

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 for the years 2022 and 2021, in the accompanied Financial Statements is analyzed as follows as:

	1.1-31.12.2022	1.1-31.12.2021
Employee remuneration	809	502
Sub-contractors	40,481	30,053
Fees of civil engineers, technical consultants and other third parties	5,012	3,310
Travel expenses	61	0
Insurance Premiums	18	18
Commissions and other financial expenses	138	137
Total	46,519	34,020

The analysis of the comparative data of the cost of sales has been modified for comparability reasons with the disclosure of the financial figures for the current period.

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The administrative and distribution expenses for the years 2022 and 2021, in the accompanied Financial Statements, analyzed as follows:

	1.1-31.12.2022	1.1-31.12.2021
Employee remuneration	111	199
Fees of civil engineers, technical consultants and other third parties	78	1,357
Other third-party expenses	37	35
Travel expenses	54	32
Subscriptions and contributions	8	5
Promotion and advertising expenses	37	16
Depreciation	157	151
Repairs - Maintenance	48	11
Insurance Premiums	16	11
Remuneration of BoD	41	36
Leases	11	26
Taxes - Duties	35	24
Transport expenses	39	27
Other	162	154
Total	834	2,084

21 AUDITORS' FEE

These fees concern the annual fiscal audit, the interim fiscal review and the tax certificate audit. The fees amounted to 55 for the year 2022 (2021: 35). In the comparative period, i.e. 2021, no interim fiscal review was carried out. For the financial year 2022, the fees concerning eligible non-audit related services (excluding annual and tax certificate audit services) amounted to 11 (2021: 0).

22 OTHER INCOME/(EXPENSE)

The other income/(expenses), in the accompanied Financial Statements for the years 2022 and 2021, is analyzed as follows:

	1.1-31.12.2022	1.1-31.12.2021
<u>Other income</u>		
Total	0	0
<u>Other Expenses</u>		
Taxes – duties	0	(1)
Other expenses	0	(13)
Total	0	(14)
Total other income / (expenses)	0	(14)

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23 FINANCIAL INCOME /(EXPENSES)

Financial income/(expense) for the years 2022 and 2021, in the accompanied Financial Statements are analyzed as follows:

	1.1-31.12.2022	1.1-31.12.2021
Deposit interest	21	8
Total Financial income (a)	21	8
Financial cost from lease contracts	(18)	(18)
Bank commissions and expenses	(4)	(3)
Total Financial expenses (b)	(22)	(21)
Net financial income/(expenses) (a+b)	(1)	(13)

24 SALARY EXPENSES

The expenses for salaries for the year 2022 and 2021 are analyzed as follows:

	1.1-31.12.2022	1.1-31.12.2021
Wages and related employee benefits	737	563
Social security fund contributions	172	115
Provision for employee indemnities	11	23
Total	920	701

The number of employed Personnel in the Company at the end of the current year was 34 (30 for the comparative year). The analysis of the comparative data regarding the salaries expenses has been modified, in order to also include the costs that had been allocated in the cost of sales.

25 TRANSACTIONS WITH RELATED PARTIES

The transactions, as well the balances of the Company with related parties for the period ending on 31.12.2022 and 31.12.2021, are analyzed as follows:

31.12.2022

Related party-Transaction	Revenue	Purchases/Expense	Debit Balances	Credit Balances
Other Related Parties - Goods/Other Services	297	44,220	91,755	1,076
Other Related Parties - Leases	0	56	0	0

31.12.2021

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Related party-Transaction	Revenue	Purchases/Expense	Debit Balances	Credit Balances
Other Related Parties - Goods/Other Services	277	31,074	108,269	2,080
Other Related Parties - Leases	0	54	0	6

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, trade 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 foreign 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. The Company during the year 2022 has no external borrowing.

CREDIT RISK

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

	31.12.2022	31.12.2021
Cash and cash equivalents	212,605	115,450
Receivables	1,012	109
Total	213,617	115,559

The Company is not exposed to significant credit risks. The other receivables refer to affiliated companies and therefore, they do not involve any actual 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 accredited bank institutions with a high-quality capital structure.

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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 maturity of financial liabilities as at 31 December 2022 is analyzed as follows:

	0 to 12 months	1 to 5 years	Over 5 years	Total
Liabilities from leases	129	313	83	525
Suppliers	1,484	0	0	1,484
Accrued and other short-term financial liabilities	139	0	0	139
Total	1,752	313	83	2,148

The corresponding maturity of financial liabilities for December 31, 2021 was as follows:

	0 to 12 months	1 to 5 years	Over 5 years	Total
Liabilities from leases	129	427	116	672
Suppliers	1,608	0	0	1,608
Accrued and other short-term financial liabilities	865	0	0	865
Total	2,602	427	116	3,145

The above contractual maturities reflect gross cash flows, which may differ from the carrying amounts of liabilities at the reporting date of the Statement of Financial Position.

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

Despite the fact that the problems, originally seen back in 2019 by the pandemic of COVID— 19 and its mutations, were not completely eliminated in 2022, the experience gained about how to protect the population from the contagion of virus, the mass vaccination programs which started in 2021, as well as the provision of new drugs to the patients, reduced the severity of the overall health risk, as well as the percentage of patients. COVID-19 pandemic and its mutations will continue to affect the global economy with ever-diminishing intensity, due to the experience gained in how to prevent and deal with this problem, and in particular through mass vaccination programs and the provision of new drugs to the patients. As always, the Management plans and implements measures to deal with any real or expected risk, in order to limit its negative effect to the minimum possible extent. At the same time the Management ensures a proper recovery from any potential impact based on the provisions of the Concession Agreement.

27 FINANCIAL ASSETS AND FINANCIAL LIABILITIES: PRESENTATION

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

31.12.2022

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Financial Assets	Amortized cost	Total
Other long-term receivables	20	20
Trade and other receivables	992	992
Cash and cash equivalents	212,605	212,605
Total	213,617	213,617

31.12.2021

Financial Assets	Amortized cost	Total
Other long-term receivables	23	23
Trade and other receivables	86	86
Cash and cash equivalents	115,450	115,450
Total	115,559	115,559

31.12.2022

Financial Liabilities	Amortized cost	Total
Trade and other liabilities	1,623	1,623
Liabilities from leases	525	525
Total	2,148	2,148

31.12.2021

Financial Liabilities	Amortized cost	Total
Trade and other liabilities	2,473	2,473
Liabilities from leases	672	672
Total	3,145	3,145

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.

For this purpose, the Company monitors the capital on the basis of the leverage ratio which it is defined 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 presented in the Statement of Financial Position. Adjusted Equity is defined as Equity plus Grants. This ratio at the end of the years 2022 and 2021 is as follows:

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	31.12.2022	31.12.2021
Interest bearing debt	0	0
Minus:		
Cash and Cash equivalents	(212,605)	(115,450)
Adjusted Net Debt	(212,605)	(115,450)
Equity	174,252	72,575
Grants	235,617	204,805
Adjusted Equity	409,869	277,380
Leverage ratio	(51.87) %	(41.62) %

29 CONTINGENT LIABILITIES AND ASSETS

Tax Unaudited Financial Years

The Company's tax obligations have not been set as final, since there are unaudited financial years (especially the years 2019 to 2022). The Management considers that any additional tax amounts that may arise will not have a significant impact on the Company's equity, financial results and cash flows and therefore on 31.12.2022 the Company had not recognized provisions for unaudited financial years.

Tax Certificate - Tax Compliance Report

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. For the fiscal years 2020 and 2021 the Company has received a Tax Compliance Certificate, in accordance with article 65A par.1 L.4174/2013, without substantial differences arising. For the year 2022 the Company is subject to optional audit, which is in progress and the relevant Tax Compliance Certificate is estimated to be issued after the publication of the interim condensed Financial Statements of 31.12.2022. Upon completion of this tax audit, the Management does not expect to incur any tax liabilities other than those recorded and presented in the Financial Statements. It is noted that, according to the circular POL. 1006/2016, companies that have been subject to the above special tax audit are not exempted from conducting regular audits by the competent tax Authorities.

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.

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

As of 01.01.2023 until the preparation date of the attached Financial Statements, there were noted the following significant events:

1. Approval by the Independent Engineer of the Company's updated Time Schedule (ΧΕΠΜΚ), for the Period T1. With the specific Schedule, the Study - Construction Period (T1) is extended by 24 months (March 2023).

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31 APPROVAL OF THE FINANCIAL STATEMENTS

The Financial Statements for the year ended on 31.12.2022 were approved by the Board of the Directors of INTERNATIONAL AIRPORT OF HERAKLION CRETE CONCESSION SOCIETE ANONYME on 19th July 2023.

THE CHAIRMAN OF THE BoD




DIMITRA TZOURMAKLIOTOU

THE GENERAL MANAGER OF THE COMPANY



ATHANASIOS VOURDAS

THE CHIEF FINANCIAL OFFICER



ANTONIOS LAMPROPOULOS

THE CHIEF FINANCIAL CO-OFFICER



ALOK SRIVASTAVA