

**ANNUAL REPORT
2022**



On the Yearly
Financial Statements of Year
1.1.2022-31.12.2022

**MANAGEMENT REPORT OF THE
BOARD OF DIRECTORS OF SOCIETE
ANONYME NAMED THE “HELLENIC
GAS TRANSMISSION SYSTEM
OPERATOR S.A.”**

TO THE YEARLY GENERAL ASSEMBLY OF THE SHAREHOLDERS

Dear Shareholders, we have the honor to submit to you the Yearly Report of the Board of Directors according to the statute and article 150 of L. 4548/2018 and the financial statements of the Company for the year ending 31.12.2022, so as to inform you about the financial performance of the Company and request for your approval.



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MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS (BOD)

1

Dear Shareholders and Stakeholders,

2022 has been a very successful year for DESFA, despite the unprecedented shock of the global energy crisis, a shock of extreme breadth and complexity! Pressures in markets predated Russia's invasion of Ukraine, but Russia's actions have turned the rapid economic recovery from the pandemic, which itself strained the global supply chain system, into a full-blown energy turmoil. Russia has been, by far, Europe's and Greece's largest supplier of natural gas but its curtailments of gas supply to Europe along with the European sanctions on imports of Russian oil and coal, have severed one of the major arteries of energy trade. All fuels were affected, but gas markets were the epicenter, with great uncertainties, higher energy bills and supply shortages.

Additionally, the long-term shift to low-carbon energy systems continued to gain momentum and has been accelerating in several respects. However, while governments and businesses are increasingly committed to ambitious decarbonization targets, the rebound in energy demand under the prevailing geopolitical tensions resulted in a gas price race, beyond of any control. While gas prices hit a 30-year low at the start of the pandemic, reaching a nearly two-decade-high point in 2021, they climbed at unconceivable all-time heights in 2022.

A series of measures were employed by EU (including REPowerEU initiative), promoting a faster penetration of renewable energy- including biomethane and hydrogen-, decrease of natural gas consumption, fill-in of gas storage and diversification of natural gas supplies away from the Russian traditional sources, primarily through the imports of LNG throughout EU.

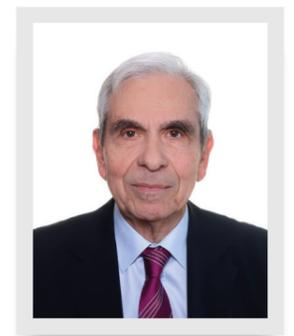
For DESFA, being in the launching phase of a very ambitious development plan and an equally important transformation plan, new challenges were therefore imposed, including the support of the pivotal role of Greece for diversification of the supply sources and security of supply of the region. In parallel, new infrastructure, aiming to bring gas in new areas of Greece and foster the export capacity, continued to be developed. In this context, the approval of the ambitious TYDP 2022-2031, along with the preparation of the subsequent TYDP 2023-2032, mark DESFA's determination to provide a reliable NNGTS that can serve the ever-increased needs of the new energy era!

DESFA's continued in its energy transition commitment, promoting the development of renewable gases in Greece and the emergence of a CCUS ecosystem. Emphasizing Health, Safety and Environment protection continued, as a Board practice! Remarkably, DESFA carried this extremely demanding year in an environment of IT disruption due to a very serious Cyberattack, reacted vigorously to promptly recover, and achieved totally uninterrupted operation! Experience that eventually had a positive impact, as it led to the acceleration of the Business and Digital transformation plan.

In the meantime, DESFA took significant steps towards a more transparent corporate governance and robust compliance, by strengthening its Internal Control & Risk Management System: the approval of the Anticorruption Model of the Company, our partnership with Transparency International Greece and the enhancement of the Enterprise Risk Management reinforced DESFA's governance posture and showed the way to our external stakeholders.

Going forward, we will continue our efforts towards our vision of making DESFA "the enabler of a sustainable and clean energy future in Greece and the wider Southeast Mediterranean region", working fully in line with our values of Safety, Protection of the Environment, Integrity, Responsibility, Collaboration and Pursuit of excellence.

Konstantinos Kosmadakis,
Chairman of the BoD



MESSAGE FROM THE CEO

Dear Shareholders and Stakeholders,

2022 has been an unprecedented year for the gas industry, marked by the global energy market disruption caused by Russia's invasion of Ukraine last February and the unfolding of the de-fact trade war between EU and Russia, which has led to a profound and permanent transformation of European energy map with a sharp decline of Russian pipeline imports, sky rocketing prices and an increase by more than 50% of LNG imports vs. the previous year. As a result, the European gas market has been transformed in a way that seemed inconceivable one year ago.

In the context of great instability and huge volatility, DESFA business model has proved resilient, and the company has positioned itself strongly at the forefront of the initiatives which have been launched at national and EU level to strengthen the security of supply of Greece and South-East Europe. The rapidity with which DESFA has reacted to the interruption of flows of Russian gas to Bulgaria by turning the NNGTS into a transit corridor, has led to an increase of approximately 300% of the natural gas export y-o-y supported by 78 LNG cargoes being unloaded at the Revithoussa Import Terminal, whose storage capacity has been expanded by more than 60% in record time with the installation in June 2022 of a floating storage unit. The crucial role of the Revithoussa Terminal has been reconfirmed by the auctions in which capacity has been assigned for the next five years, with congestions in 2023 and 2024 leading to high auction premiums recognized by the market players.

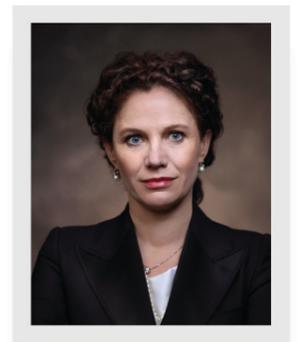
The transformation of the EU energy map has significantly enhanced Greece and DESFA network strategic role as a gateway for security of supply of the regions. This evolution has been made possible by ongoing projects for strengthening the south - north transportation capacity – such as the Compressors stations of Nea Messimvria, NM Booster and Ambelia and the connection with ICGB completed in 2022 – and the new projects which have been launched in 2022 such as the Komotini CS and the North Macedonia interconnection, for which a successful market test was concluded last December, which will overall lead to quadruple the country export capacity by 2025. DESFA commitment to the energy security of the region is confirmed by a very ambitious TYDP, with capex of approximately €819million, approved by the regulator in August 22, and by our investment in the FSRU project in Alexandroupolis, whose completion is expected in January 2024. In line with our long term decarbonization strategy, all new infra-

structures are designed and built to ensure the progressive integration of renewable gases, with the construction of the landmark project of West Macedonia as the first fully hydrogen certified pipeline, having started at the end of last year.

2022 has been a challenging year not only for the consequences of the war and of the gas crisis but also of the cyberattack which the company has suffered in the summer of 2022. Also, in these circumstances the company's systems, governance and organization have proved very resilient with no impact on the performance of the operations and the full availability of our infrastructures, ensured thanks to the determination and commitment of all our employees.

In these complex circumstances, we have never stepped back from our commitment to the Health & Safety of our employees, contractors and sub-contractors and the local communities we interact with, and from our Environment, Social and Governance responsibility which has driven all the initiatives we have carried out in 2022. In 2022, we have further reduced our CO2 footprint, got excellent results in terms of H&S, with the continuous goal to reach “zero accidents”, and maintained the OGMP Gold Standard certification on Methane Emission. Outside Greece, we completed the mobilization of almost 150 employees engaged in the operation and maintenance of the Al Zour LNGI terminal in Kuwait, obtaining excellent performance results also in this new field of activities.

In line with the company long term strategy, approved by the Board in 2021, toward the introduction renewable gases in the country and EU energy mix, and with the acceleration imposed by the RePowerEU plan adopted by the European Commission in response to the energy crisis, we have made concrete steps toward the hydrogen readiness of our grid, establishing a network of cooperation with local and international players for the launch of pilot projects both in Hydrogen and Biomethane in the next few years and have analyzed the possibility of a strategic development in the field of Carbon Capture and Sequestration which will be further assessed in 2023.



Maria Rita Galli
Chief Executive Officer

DESFA
PROFILE

2

DESFA PROFILE

DESFA is the Transmission System Operator (TSO) responsible for the development, operation, management and utilization of the Greek Natural Gas System and its interconnections, in a technically safe and economically efficient way, to best serve its users with reliability and adequacy.

Having established herself as a trusted energy partner in Southeast Europe (SEE) and beyond, DESFA, contributes decisively to the security and diversification of natural gas supply routes for Greece and the wider region, while working to enable the transition to a more sustainable energy future.

Driven by the vision of operating and developing a technologically advanced network to transport gaseous energy in a safe, reliable and sustainable manner, DESFA implements high value-added projects for the upgrade, expansion, and interconnection of the Greek Natural Gas System with adjacent networks, actively contributing to the energy transition of the country. DESFA facilitates the development of competition in the market by effectively integrating new strategic gas infrastructure into its system, ensuring access of the Greek and Balkan market to new competitive sources of supply, and transforming Greece into an international energy hub.

Methodically pursuing its path to net zero, by steadily reducing the environmental impact of its operation, DESFA increasingly invests in the development of new technical and operational capabilities to accelerate the transition to a cleaner energy, through promoting the development of green, renewable gases, and ensuring that its system is constantly evolving to enable the transportation of decarbonized gases.

On a consistent basis, DESFA implements activities aimed at strengthening its positive environmental, social, and corporate governance impact, loyal to its vision to be a model of business excellence and corporate responsibility in every aspect of its operation.



Vision

Our vision is to operate and develop a technologically advanced network, which transmits and stores clean, reliable and affordable gaseous energy in a safe and sustainable manner. We are leading the transition to the clean energy of tomorrow, investing in people, innovation, future-proof infrastructure, and building our way to a net zero-carbon future.

We place Greece at the core of our operations, building new energy routes and transforming the country into an international energy and trading hub part of an interconnected, secure, and economically efficient European market, creating value for all our stakeholders, through an open, continuous, and transparent dialogue.

We aim at being a role model of development and growth in the wider region, fostering a sustainable business model with respect to the environment, society and corporate governance. We are creating a new opportunity for the country, our people, and the communities, where we operate.

Mission

We pursue our business activity as Greece's natural gas TSO and as a reliable energy partner in Southeast Europe and beyond, operating and developing the Greek Natural Gas System and its interconnections. Our mission is to ensure the proper functioning of the energy supply system, enhancing competitiveness and extroversion and improving the quality of lives.

Given our extensive experience and highly skilled workforce, we promote competition in the Greek energy market, enabling the smooth integration of new infrastructures, contributing substantially to the diversification of gas supply sources and security of supply of Greece and the wider region, while serving our Users with safety, reliability, transparency and commercial innovation.

We work for the transition to a cleaner energy era, promoting the development of green, renewable gases and ensuring that our system is constantly evolving to enable the transportation of decarbonized gases. We are building a diverse and inclusive organization that attracts talent, innovative ideas and develops the leaders of the future energy market.

Values

Integrity

- › Our outmost priority is the Health and Safety of our Employees and our Network Users.
- › In conducting its business, DESFA is inspired by and complies with the principles of loyalty, fairness, efficiency and an open market. We are guided by business ethics based on honesty, transparency and impartiality in all our business partnerships, having adopted a zero-tolerance approach to any form of corruption.
- › We ensure equal treatment and non-discrimination, and we foster a culture of integration and inclusiveness.
- › We undertake responsibility for supporting vulnerable groups and the local communities, in which we operate.
- › We guarantee the security of our infrastructures and act for the mitigation of operational risks in Greece and the wider Southeast European region.

Excellence & Leadership

- › We promote skill enhancement and personal accountability, in order to meet the needs of Users in a safe, agile, innovative and reliable way.
- › Our aim is for all our employees to be proud of the work they do, the Company they work for and be enabled not only to make the best use possible of their capabilities but also to excel themselves.
- › We foster a continuous improvement culture, through the empowerment of all our people to continuously seek opportunities for the enhancement of our operation and services.
- › We are nurturing the leaders of the future, with a deep commitment to creating vision, building a sense of purpose, motivating others and leading by example.
- › We constantly redefine the standard of excellence in every aspect of our business operation and culture, responding to the market's and society's needs.

Collaboration

- › We believe in the power of working together, building, supporting and encouraging collaboration across teams for the achievement of our shared objectives and the internal dissemination of knowledge, information and technical know-how.
- › We collaborate with other Operators, Users, Regulatory Authorities and Institutions, international partners, Universities, and other stakeholders within and outside Europe to share technical knowhow and best practices, fostering innovation and leading the way to energy transition.
- › We interconnect with local communities and organizations to generate benefits for the broader society.

Sustainability & Innovation

- › We operate in an environmentally sustainable manner, designed to promote the protection of natural resources, ensuring an environmentally safe operation and reducing emissions.
- › We are committed to incorporate Environmental, Social, and Governance (ESG) factors in our sustainable business model, focusing on those with a high impact on the climate and the environment, defining DESFA's path towards net zero emissions.
- › Technological and cultural innovation are core pillars of our strategy to pursue a sustainable energy system

A. Legal framework & Corporate Governance

Legal Framework

By Presidential Decree 33 (Government Gazette A' 31 / 20.02.2007) the Société Anonyme was established under the name "Hellenic Gas Transmission System Operator S.A.", whose purpose is the operation, maintenance, management, utilization and development of the National Natural Gas System (NNGS) and its interconnections, as defined in Article 68 of Law 4001/2011 (Government Gazette A' 179 / 22.08.11), in order for the NNGS to be cost-effective, technically sound and complete, and in order for the needs of the Users for natural gas to be served in a safe, adequate, reliable and economically efficient way.

The Company is active in the Transmission and LNG markets applying the EU Legislative Framework related to its activities (most important of which the Regulation (EC) 715/2009 of the European Parliament and the European Council on the conditions of access to the natural gas transmission networks and the secondary legislation deriving therefrom).

The Company's activities are regulated primarily by law 4001/2011, which transposed Directive 2009/73/EC of the European Parliament and the Council. Law 4001/2011 regulates, inter alia, the Company's activities of Transmission and Gasification of Natural Gas, which are considered as activities of general interest. Said activities, with respect to Third Party Access to the Company's Transmission Network and LNG Terminal, as well as the applicable Tariffs, are highly regulated and closely monitored by the Regulatory Authority for Energy (RAE).

Pursuant to the above legislation, the Company is a certified Transmission System Operator under the Ownership Unbundling model.

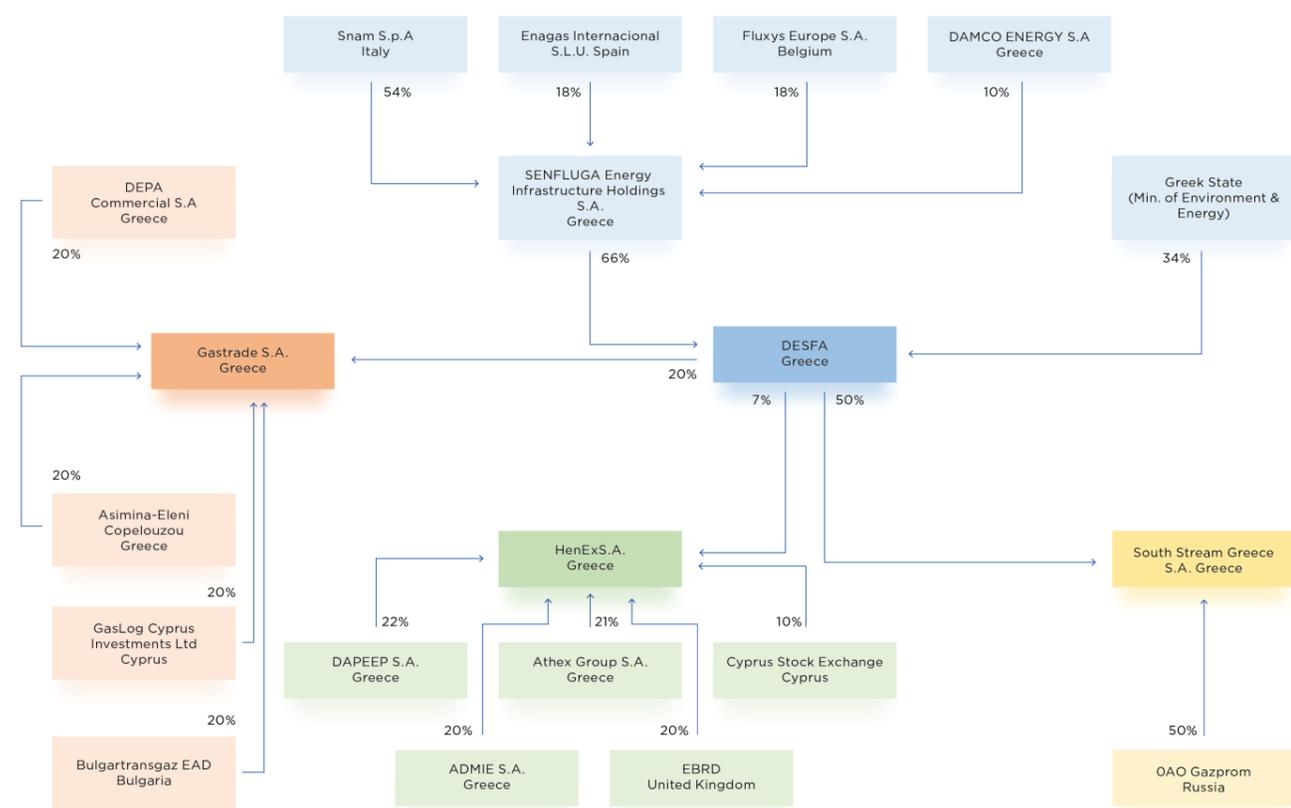
The Company's headquarters are in Attica, Halandri, 357-359 Messogion Avenue.

Corporate Governance

Desfa's shareholders are the Hellenic Republic with a stake equal to 34% and Senfluga SA (a consortium formed by Snam, Enagás, Fluxys and DAMCO) with a stake equal to 66%.

The Company participates in the shareholding structure of: i. Gastrade SA with a stake equal to 20ii. South Stream Greece SA with a stake equal to 50%, and iii. HenEx SA with a stake equal to 7%.

Shareholders and Company structure as at 31.12.2022



Information relating to the acquisition of shares

No “own shares” were acquired during the year 2022.

Branches of the Company

The Company does not have any branches.

B. Composition of the corporate bodies as AT 31.12.2022

Board of Directors (BoD)

- › Konstantinos Kosmadakis: Chairman of the BoD
- › Ben De Waele: Vice Chairman
- › Marta Bellagamba: Member
- › Salvatore Branca: Member
- › Anna Mantakou: Member
- › Panagiotis Tambourlos: Member
- › Carlos Ródenas de la Vega: Member
- › Theodoros Tsakiris: Member
- › Eleftherios Kritikos: Member
- › Ugo Venier: Member
- › Sergio Molisani: Member

The term of office of the Board of Directors is until 01/06/2025.

Audit Committee

- › Panagiotis Tampourlos, Chairman
- › Carlos Ródenas de la Vega
- › Marta Bellagamba
- › Eleftherios Kritikos

Nominations and Remuneration Committee

- › Anna Mantakou, Chairperson
- › Theodoros Tsakiris
- › Ben De Waele
- › Ugo Venier

Within year 2022, the following changes took place in the composition of the Board of Directors and the Board Committees:

- › On 23/03/2022, Mr. Yanos Michopoulos resigned from his office as Chairman of the Board of Directors, and the Board of Directors decided by virtue of its decision dated 20/04/2022 to continue its operations with a ten-member composition and not replace the resigned director.
- › On 06/05/2022, Mr. Konstantinos Kosmadakis was elected as the Chairman of the Board of Directors, while the Board of Directors was constituted into body and Mr. Ben De Waele was appointed as Vice-Chairman.
- › On 06/05/2022, Mr. Luis Romero Urrestarazu and Mr. Ben De Waele were appointed as Members of the Audit Committee and the Nomination and Remuneration Committee, respectively.
- › Hellenic Republic, by virtue of the letter of the Minister of Environment and Energy dated 27/05/2022, appointed three Members of the Board (Mr. Konstantinos Kosmadakis, Mr. Theodoros Tsakiris, Mr. Eleftherios Kritikos) pursuant to its right under article 11.3 under the Articles of Association.
- › On 01/06/2022, the Extraordinary General Assembly of Shareholders of the Company elected eight (8) Members of the Board of Directors (Mr. Ben De Waele, Mr. Salvatore Branca, Mr. Panagiotis Tampourlos, Mr. Ugo Venier, Mr. Sergio Molisani, Ms. Marta Bellagamba, Mr. Luis Romero Urrestarazu, Mr. Jose Miguel Tudela Olivares), in accordance with article 11 of the Articles of Association of the Company.
- › On 02/06/2022, the Board of Directors appointed Mr. Jose Miguel Tudela Olivares, as Chairman of the Nomination and Remuneration Committee and Mr. Ben De Waele, Mr. Ugo Venier and Mr. Theodoros Tsakiris as Members of the Nomination and Remuneration Committee, in accordance with the provisions of article 12.5 of the Articles of Association.
- › On 02/06/2022 the Board of Directors appointed Mr. Panagiotis Tampourlos, as Chairman of the Audit Committee and Mr. Luis Romero Urrestarazu, Ms. Marta Bellagamba and Mr. Eleftherios Kritikos as Members of the Audit Committee, in accordance with the provisions of article 12.5 of the Articles of Association.
- › Mr. Luis Romero Urrestarazu, via his letter dated 29/09/2022, submitted his resignation from his office as a Member of the Board of Directors and the Audit Committee of the Company valid as of 04/10/2022.
- › On 04/10/2022, Mr. Carlos Rodenas de la Vega was appointed as Member of the Board of Directors and the Audit Committee, in replacement of the resigned Member Luis Romero Urrestarazu.
- › On 14/11/2022, Ms. Anna Mantakou was appointed as Member of the Board of Directors and Chairperson of the Nomination and Remuneration Committee, in replacement of the resigned Member Jose Miguel Tudela Olivares.

Management Team

The Management team (as at 31.12.2022) is responsible for the day-to-day and operational management of the Company. The Management team also makes investment proposals to the Board of Directors within the framework of the Company's strategy and articles of associations.

- › Maria Rita Galli: Chief Executive Officer (CEO)
- › Marc Vercruysse: Chief Financial Officer (CFO)
- › Ioannis Gyftakis: Human Resources & Organization Division Director
- › Sophia Michelaki: Legal & Governance Division Director
- › Nikos Katsis: Asset Management Division Director
- › Michalis Thomadakis: Strategy & Development Division Director
- › Sotirios Bravos: Commercial Services Division Director
- › Ioannis Chomatas: Asset Development Division Director
- › Alexios Giannakopoulos: Supply Chain Division Director
- › Alex Varonos: Information & Communication Technology and Facilities & Fleet Management Division Director
- › Fernando Kalligas: Corporate Affairs, ESG & Communication Division Director
- › Serafeim Ioannidis: HSSEQ Division Director
- › Andrea Pagano: Head of Risk, Ethics & Compliance
- › Tatiana Zachou: Head of CEO Office, Equity Participation Management & Transformation
- › Giovanna Dakouri: Head of Internal Audit
- › Konstantinos Maroulis: KIPIC Plant Manager

**DESFA'S NETWORK
& LNG TERMINAL**

3

The National Natural Gas System is composed of the National Natural Gas Transmission System (NNGTS or Transmission Network) and the Liquefied Natural Gas Terminal (LNG Terminal) in Revithoussa. The Transmission Network, as well as the LNG Terminal, operate under DESFA's certified Management System according to ISO 9001, ISO 14001 and ISO 45001 International Standards.

The **Transmission Network** transports gas from four (4) Entry Points, namely i) the Greek-Bulgarian border (upstream TSO BULGARTRANGAZ), ii) the Greek-Turkish border (upstream TSO BOTAS), iii) the Entry Point in Nea Mesimvria connecting the NNGTS with the Trans Adriatic Pipeline (TAP), as well as iv) the LNG Entry Point (Agia Triada), to the main areas of consumption in continental Greece.

The Transmission Network consists of:

- › 1.466 km of main gas transmission pipeline and its branches.
- › The Border Metering Stations at Sidirokastro and Kipi, as well as the Metering/Regulating (M/R) Station at N. Mesimvria for the connection of NNGTS to TAP.
- › The Compression Station at Nea Mesimvria, Thessaloniki.
- › 55 Natural Gas Metering and Regulating Stations.
- › The Natural Gas Control and Dispatching Centers at Patima near Athens and at Nea Mesimvria near Thessaloniki.
- › The Operation and Maintenance (O&M) Centers of Sidirokastro, Vistonida (with the satellite station at Kipi BMS), Nea Mesimvria (with the satellite station at Ptolemaida), Ampelia, Patima, Spathovouni, as well as the Kipi TAP O&M.
- › The Remote Control and Communication System, composed by fiber optic cables and other dedicated devices.

The gas supply has been secured throughout 2022, as the network availability at the delivery points has been uninterrupted. The Key Performance Indicator (KPI) measuring the network's non-availability at the delivery points has been equal to 0% (i.e. 100% availability of all entry points).

The **Revithoussa LNG Terminal** is one of the most important energy infrastructures of the country. The Terminal is located on the islet of Revithoussa, 500 meters approximately from the coast of Agia Triada, in the gulf of Pachi at Megara, 45 km west of Athens. Designed and built in 1999, according to the best international standards, the Terminal successfully expanded in 2007 and more recently in 2018 with the construction of the third tank, increasing the total LNG storage capacity to 225.000m³ LNG. The Terminal adopts the most environmentally friendly technology and operates, in accordance with the strictest safety and security regulations. In particular, the Terminal falls under the requirements of the Seveso III Directive, providing for the highest safety standards, whose application is constantly verified and certified by independent operators.

With a storage capacity of 225.000m³ LNG and a regasification capacity of 1.250 m³/h, as a Sustained Maximum Send out Rate, the Terminal is an important energy asset for Greece, providing security of energy supply, operational flexibility in the transmission system and increased capability to meet peak gas demand.

In 2022, DESFA further increased the storage capacity of the LNG Terminal with the installation of a Floating Storage Unit (FSU). The steam turbine vessel has a capacity of 145.000m³, becoming Revithoussa's fourth LNG storage tank and expanding its total storage capacity to 370.000m³ of LNG. The addition of the new floating tank was implemented in a record time following close cooperation between DESFA and the Ministry of Environment and Energy, the Ministry of Maritime Affairs and Insular Policy, as well as RAE, with the aim of strengthening the energy security of the country and offering the LNG facility extended flexibility in terms of receiving and unloading LNG cargoes, since it is now possible to simultaneously unload two LNG carriers (at the Revithoussa jetty and the floating unit), thus optimizing the country's LNG supply chain and ensuring the required reserves for the smooth supply of the market in light of international developments.



The Revithoussa LNG Terminal

KEY EVENTS
OF 2022

4

KEY EVENTS OF 2022

In a period of unprecedented volatility, DESFA business model has proven resilient, and its regional character has been strengthened. Throughout the year the Company has responded promptly to all challenges, arising from the Russian invasion in Ukraine that started at the beginning of the year, positioning at the forefront of security of supply in the region, while continuously moving towards Energy Transition. Later in summer, the Company suffered a Cyberattack but ensured the continuous availability of its services and has since then recovered and strengthened its system and Information Security.

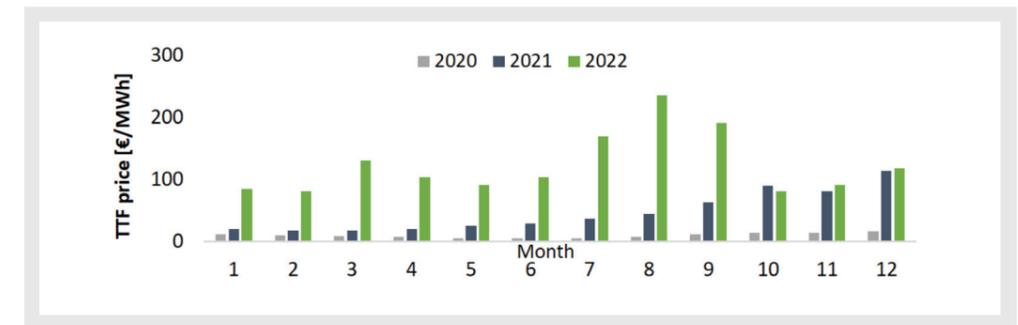


2022 Key Milestones

KEY EVENTS OF 2022

A. Energy crisis and impact on DESFA operations

The Russian invasion in Ukraine in February 2022 had a significant impact on the gas markets of almost all European countries creating high volatility and a sharp increase in gas prices - reaching 270€/MWh in August 2022 as shown in the graph below.



Monthly average TTF prices during the last three years¹

The evolution of average gas import price in Greece is presented below.



Average gas import price in Greece during the last three years²

1. Source: <https://www.eia.gov/dnav/pet/hist/RBRTED.htm>

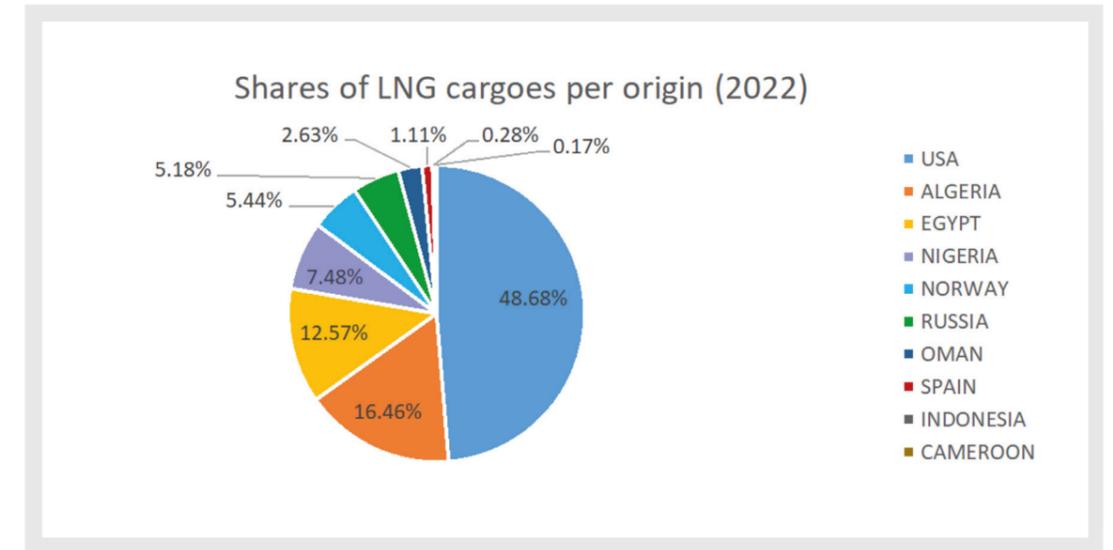
2. Source: <https://www.rae.gr/mesostathmiki-timi-eisagogis>

South-East Europe was significantly affected by the gas crisis stemming from the Ukrainian war, especially after the suspension of Russian gas supplies to Bulgaria in May 2022. At a European level, the reaction to the energy crisis was immediate with the introduction of measures that had an impact also on DESFA. Measures included the regulation on a voluntary reduction of natural gas demand by 15%, the introduction of storage obligations, and the REPowerEU Plan enacted in response to the hardships and global energy market disruption caused by Russia's invasion of Ukraine, increasing the targets on efficiency, energy savings, diversification of supplies, emissions' reduction, and RES integration.

The energy crisis has highlighted the critical role of infrastructures to ensure resilience and security of supply. The pivotal role of Greece, due to its strategic geographical position, and of the Greek Infrastructures for the supply of Balkan countries and SEE strongly emerged during 2022 resulting in significantly higher transit flows. Specifically, in 2022 the Greek NNGTS has been utilized to supply to the Bulgarian gas market more than 26 TWh, through Sidirokastro Interconnection Point (IP). For the first time in DESFA's history, as a result of the Energy Crisis, the Entry Point of Sidirokastro has been extensively used at such level as exit point.

Further due to the crisis, the Importance of LNG in the supply mix has increased significantly, enhancing Greece's/DESFA's role for import and transit of LNG supplies for the region. The LNG regasification Terminal in Revithoussa operated almost at maximum technical capacity, in order to accommodate for the significant increase of LNG cargoes received on the island for regasification and transmission to the Greek market and other gas markets northern of Greece via NNGTS.

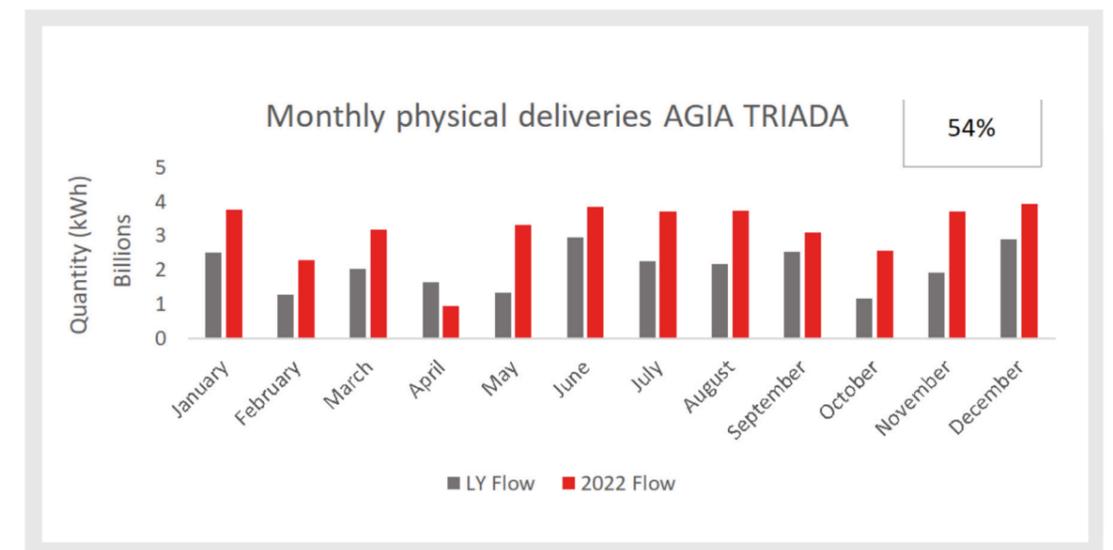
In 2022, 78 cargoes were unloaded at the Revithoussa Terminal, with the highest safety and technical standards. This number represents a 123% increase in number (35 cargoes) and a 55% increase in LNG quantities compared to 2021. This increase is directly associated with the disruption of Russian gas supply in Bulgaria and the Terminal's increased role as an alternative route of gas supply. The following graph illustrates the share of LNG cargoes per country of origin for the reference year, indicative of the extensive diversification of supply along with the sources of pipeline gas, indicated in the relevant table on physical deliveries (presented further below).



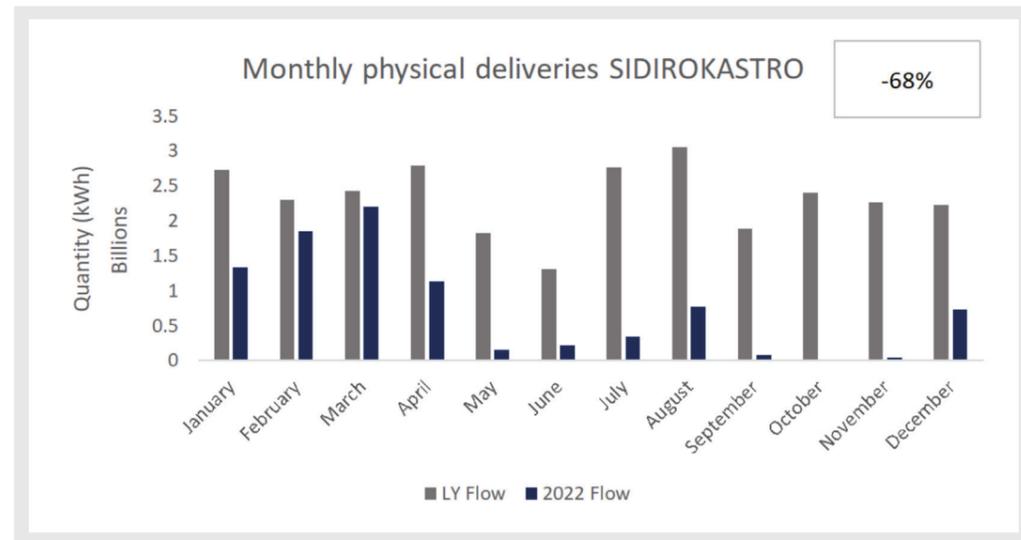
Share of LNG cargoes per country of origin

The LNG Terminal's regasification availability was uninterrupted. The KPI has been maintained at 100% throughout 2022.

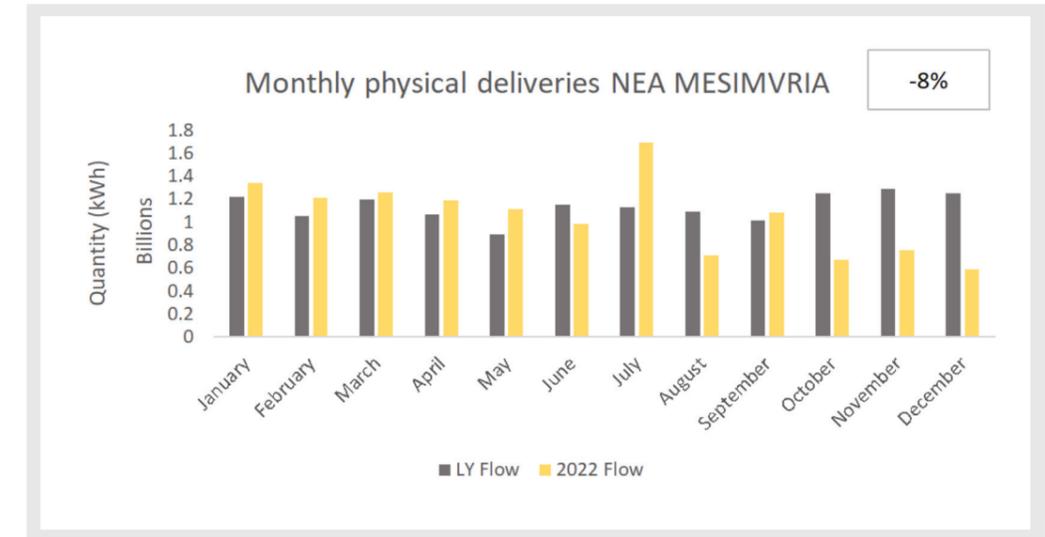
As a result of the sharp increase of LNG cargoes delivered and re-gasified at the Revithoussa Terminal, the physical deliveries at the Entry Point of Agia Triada raised by 54% in comparison to 2021.



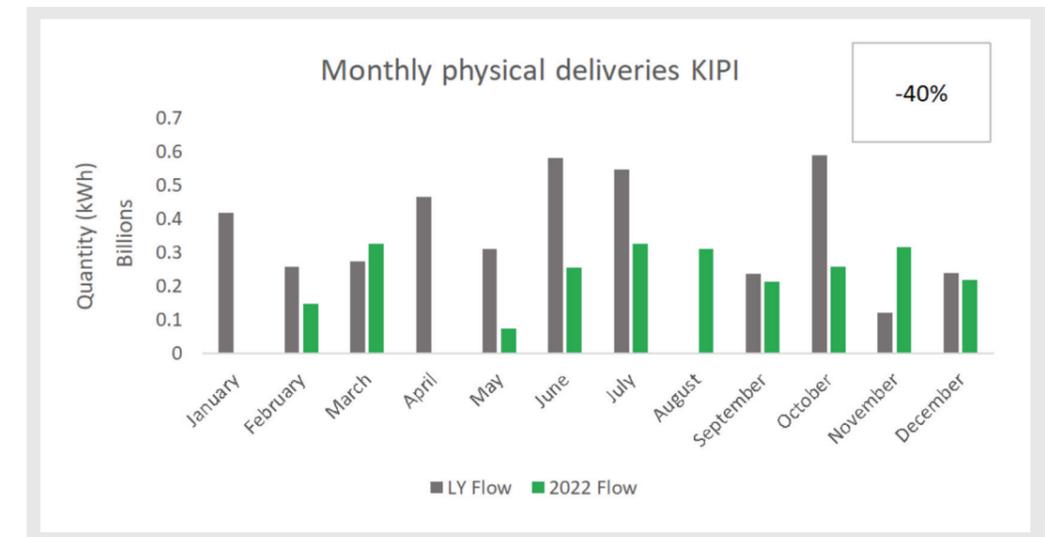
At the same time, at the Entry Point of Sidirokastr0, physical deliveries dropped by 68%, as a result of the sharp increase in exports, since pipeline gas - due to enter Greece at the Sidirokastr0 Entry Point - was virtually re-exported in Bulgaria and other upstream markets, having been swapped with the additional LNG quantities received at the Revithoussa Terminal which were consumed in Greece.



The Nea Mesimvria Entry Point, connecting NNGTS with TAP, acted as a pillar security of supply, as proven by the constant physical deliveries of gas from TAP to the NNGTS, despite a 8% drop in physical deliveries vs. 2021 due to the start-up of commercial operation of IGB pipeline in October 2022 and the transmission of gas quantities to Bulgarian Network directly from TAP into IGB. The Nea Mesimvria Point connects - via TAP - the Greek market with the Italian market and the Italian Underground Gas Storages (UGSs). This interconnection has enabled Greece to activate Action D3 of the Preventive Action Plan (PAP) which relates to the storage of gas quantities in Italian UGSs and their redelivery (via virtual reverse flow) via TAP and Nea Mesimvria Entry Point to the Greek Market.

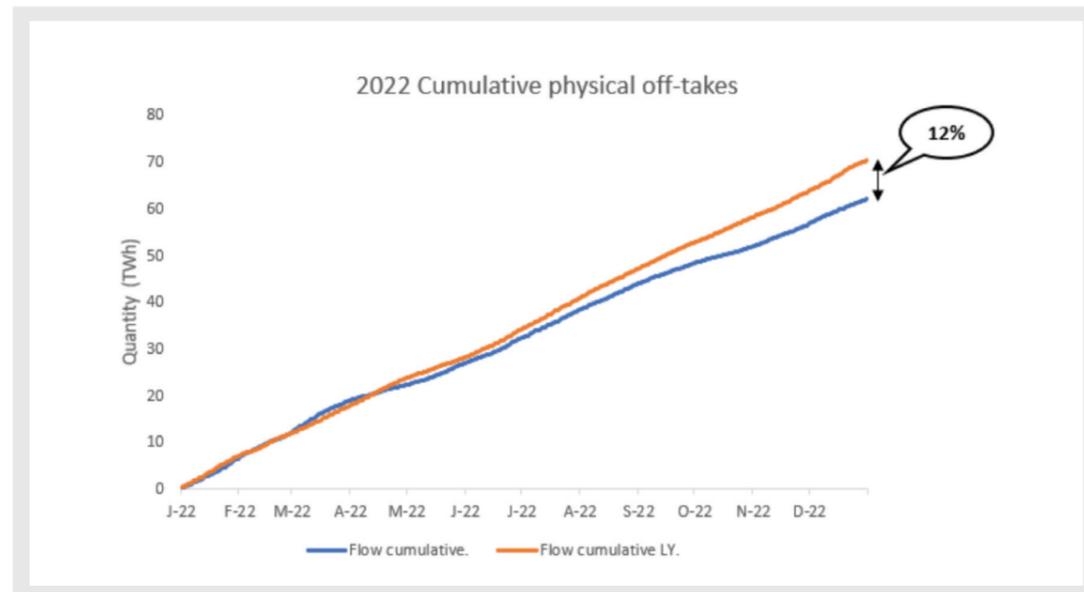


Finally, the physical deliveries from Kipi Entry Point have decreased by 40%, after the expiration of the long-term contract held by the Users for the delivery of quantities through this Point.



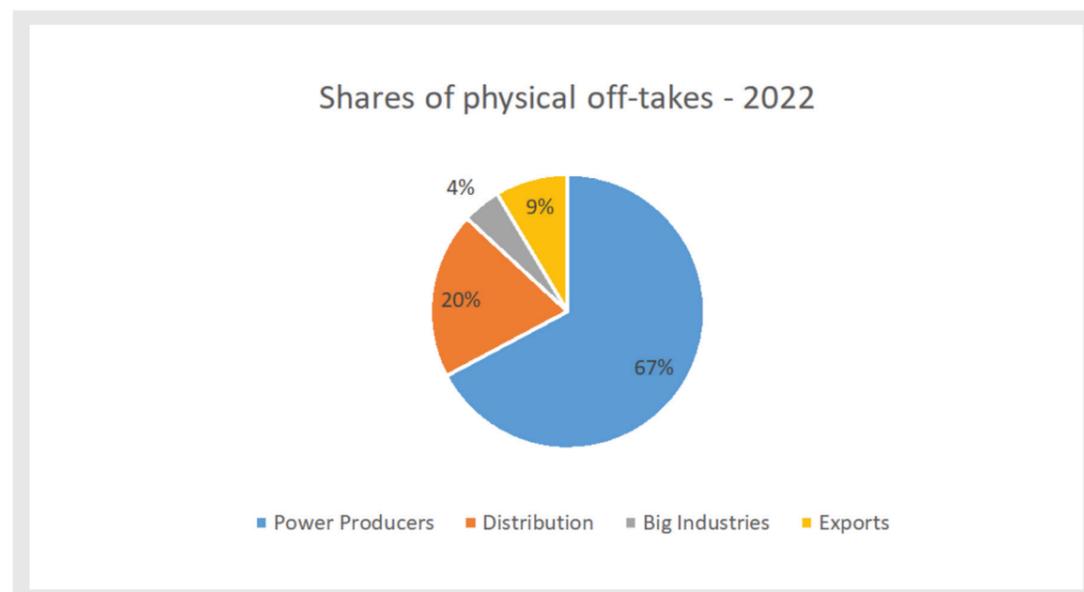
Notwithstanding a significant increase of exports toward Bulgaria and the neighboring countries, the Physical offtakes from Transmission Network's Exit Points during the reference period (FY2022) have decreased by 12% compared to the previous year (62 TWh³ in 2022 compared to 70TWh in 2021), mainly due to lower demand by all categories of domestic off-takers.

KEY EVENTS OF 2022



Cumulative physical off-takes

The split of the above referred physical offtake amongst the main consumers' categories (Electricity Producers, Big Industries, Distribution Networks and Exports) is reported in the chart below.



KEY EVENTS OF 2022

The overall commercial impact⁴ of the above has been largely positive for DESFA with an increase of total demand for capacity booking in the NNGTS in comparison to previous year.

Domestic demand showed a decrease of approximately 19% compared to 2021, mainly due to power generation and industrial customers. In fact, power generation was affected by multiple factors: the decrease of electricity demand, the retention of share of lignite fueled units in the energy mix, and the fluctuations in electricity imports and exports throughout the year, while the gas demand for domestic consumption (other than power generation), was mainly affected by the sky-rocketing prices of natural gas as well as the demand elasticity by end-consumers. The only category that substantially increased compared to last year is the demand for exports, which has increased by 289%, due to the need for alternative gas sources in neighboring countries affected by disruption of Russian gas supply. Export has been largely performed through commercial/virtual exports of pipeline gas which was planned to be imported via the Sidirokastro Entry Point and which has been re-exported in Bulgaria and swapped with additional LNG Cargoes in Revithoussa used to serve the Greek market, therefore not contributing to physical offtakes from the network.

In the short run, the Greek gas demand will be affected by the extension of operation of old lignite-fueled units up to 2025, and the utilization of alternative, more economic, primary energy sources in industry - where possible.

The details of the above-mentioned commercial evolutions are further analyzed in the relevant paragraph "Demand overview and Virtual Trading Point Transaction" of Chapter 7 below.

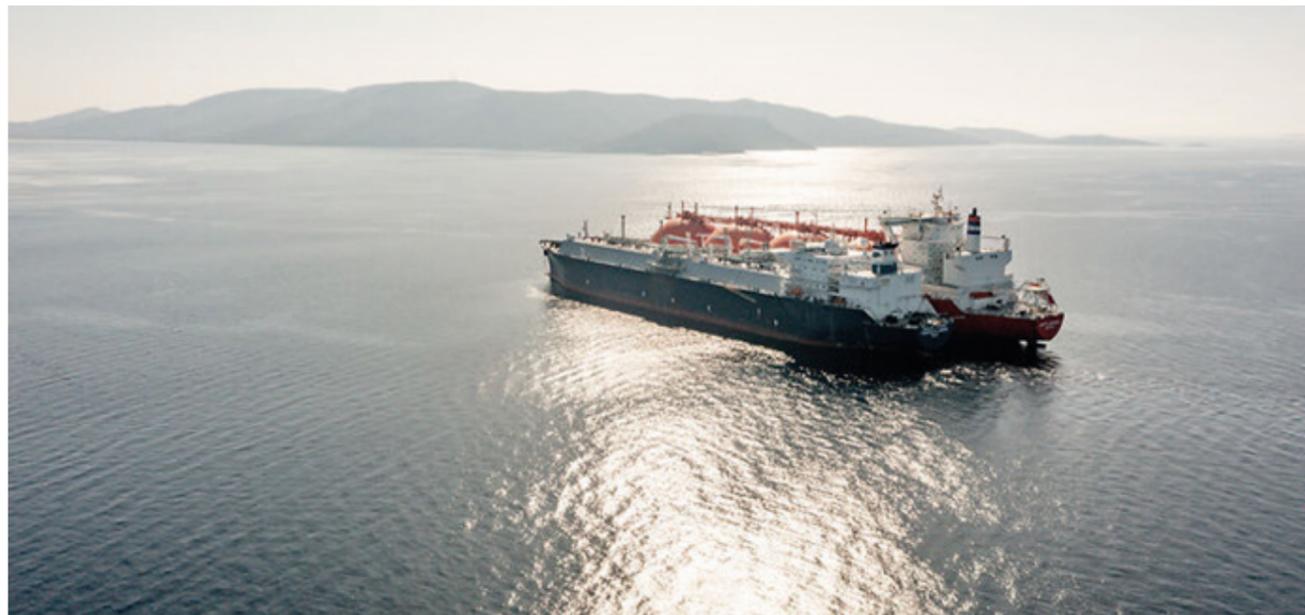
4. Note on the definition of Physical and Commercial deliveries

B. DESFA response to the Energy Crisis

To respond to the challenges created by the gas Crisis, DESFA put in place a plan to maximize the use of existing gas infrastructure, e.g. the capacity of the Entry Points not affected by the potential interruption of Russian gas, specifically LNG imports from Revithoussa and pipe gas imports from Nea Messimvria, that delivers gas physically from Azerbaijan and virtually from Italy. This Plan involved the following actions:

Revithoussa

- › Increase of the LNG gasification rate from 201.000 MWh/d to 225.000 MWh/d to ensure the domestic needs for Natural Gas and gas supply of neighboring countries.
- › Increase of storage capacity to 370.000m³ of LNG, with the installation of a Floating Storage Unit in record time, in June 2022. The first Ship-to-Ship operation for the unloading of LNG quantities to the FSU was performed with success in November 2022. This was the first time that the specific procedure was carried out in Greek territorial waters.
- › Increase of the percentage of use of Revithoussa via the unloading of an increasing number of ships, up to the level of the storage capacity of the installation, classifying Revithoussa as the main infrastructure for the import of NG in the country.



The unloading of the first LNG cargo marking the start of the operation of the FSU

- Physical deliveries refer to the actual physical transfer of natural gas from one location to another. In the case of NNGTS, this can involve the transportation of gas through pipelines.

-Commercial deliveries, on the other hand, refer to the contractual arrangements that govern the transfer of natural gas that may involve physical as well as virtual means of transportation.

Nea Messimvria

- › The capacity of the Entry Point increased approximately twice than last year (from 53.000 MWh/d to 117.000 MWh/d), as the M/R Station is designed for 3bcm/y - if these quantities are available from the market.
- › The revision of Regulation 1938/2017 introduces the obligation to EU Member States with no storage facilities of their own, to store quantities of Natural Gas in Underground Storage Infrastructures of neighboring countries (i.e. Italy and Bulgaria for the case of Greece) of up to 15% of the annual consumption of the previous year (2021). For Greece this corresponds to 10,5 TWh/y.
- › In order to fulfill the above obligation, DESFA implemented the solution of 'Virtual Storage' of quantities intended for the Greek market, in the UGSs of Italy, through TAP, thus maximizing the use of Nea Messimvria Entry Point up to the maximum capacity of the Station, i.e. 117.000 MWh/d.
- › The Greek market, through the storage of quantities of NG, ensured its readiness for both periods of normal operation and of emergencies (interruption of Russian gas).

From the beginning of the Energy Crisis, DESFA also had an active role in all European and national regulatory initiatives. In particular, since the 24th of February 2022 - the starting day of Russia's war against Ukraine - when the Regional Coordination System for Gas (ReCo System for Gas) was activated, European TSOs have regular alignment to monitor the gas market trends, gas flows patterns, usage of underground gas storage facilities, and to exchange information about any potential risks for the security of gas supply. Overall, throughout the year, DESFA supported RAE and the Ministry of Environment & Energy, on a regular basis by providing operational and gas system expertise, knowledge, and information relevant to the security of gas supply. Further, together with other Greek and international Stakeholders (IPTO, EC, TSOs, ENTOG, JRC, etc.), DESFA has proven a key stakeholder in shaping the framework for dealing with emergencies. In this respect, the Company participated in several exercises testing the gas system's resilience and readiness to face relevant supply disruptions and testing the application of security of supply measures. In addition, DESFA contributed significantly to the implementation of the Actions of the Preventive Action Plan⁵ elaborated by RAE, as well as to the Revision of the Emergency Plan⁶, which contains the measures to be taken to remove or mitigate the impact of a potential disruption of gas supply.

5. The PAP contains the measures needed to remove or mitigate the risks that may affect the security of gas supply in the country, including the effects of energy efficiency and demand-side measures.

6. The Emergency Plan prioritizes the specific measures to be taken to remove or mitigate the impact of a disruption of gas supply, as these measures are anticipated in the PAP. The EP is activated upon occurrence of Crisis situations which might affect the smooth operation of the Natural Gas Greek market and/or security of supply

C. Other impacts of the Energy Crisis on DESFA Business

Inflation

In 2021-2022, inflation has increased significantly, far above expectations, in Europe (from 3,5% in 2021 to 9,8% in 2022), and also in Greece (from 0,6% in 2021 to 9,2% in 2022)⁷. This has been heavily driven by the energy prices evolution described above, although this trend already started as a result of the COVID-19 pandemic and its world-wide post-pandemic supply chain shocks. As a result, DESFA has experienced price increase in several areas, primarily being CAPEX.

The impact on CAPEX cost changes from inflation pressure is observed in all aspects of (existing and future) Construction Projects starting with the Procurement phase due to the significant increase in the raw material prices, Engineering and Site Works as a result of increases of energy costs (fuel oil and electricity) and labor costs. The recent and ongoing health, energy and geopolitical crisis has also led to further complications in the transportation and logistics chains, which contribute directly to Projects budget and affect the completion schedules.

The Producer Price Index (PPI)⁸, which calculates the inflation by tracking the changes in wholesale prices for producers, illustrates this context with peaks at around 50% in the middle of 2022 (attributable to the large price increases in construction steel). In terms of materials, aluminum and copper showed an increase of above 100% of pre-crisis price levels in certain periods, cement +30%, cables up to 200%, asphalt +120%, and insulating materials up to 3 times the pre-crisis price levels. Electricity prices peaked at +80% with labor costs increasing by 25 - 30%, completing the picture of the increased cost levels in the CAPEX of Construction projects.

It is important to note that the price impact on OPEX-CAPEX spending is expected to continue in the next years through increased acquisition prices.

Interest rates

The European Central Bank (ECB), as well as the Federal Reserve System (FED), as a reaction to the continuous rise of inflation, have decided in the past year in line with their respective monetary policies and inflationary targets, to increase the reference interest rates on multiple instances. The most recent ECB decision was on 16 March 2023 and confirmed a continuity of the will to control inflation levels by a further consecutive increase of the Main Refinancing Operations (MRO) to the level of 3,5%, from 2,5% at the end of 2022, and 0% in 2019.

7. Source: Inflation rate, average consumer prices: <https://www.imf.org>

8. Source for Monthly average rates of PPI in Greece: [Investing.com](https://www.investing.com)

As a result of the continued 2022 reference rate increases, Euribor has increased since 2021 from past mid-term levels of -0,5% to a level just below 3% end of 2022⁹. This increase has had a very limited impact in 2022 but will have a significant impact on the cost of debt in the medium-term, due to the increased funding needs for the Ten Year Development Plan (TYDP) investments.

D. Cyberattack

On 14 August 2022, DESFA suffered a Ransomware Attack, detected by loss of connection to several systems and instances of encrypted files in the storage of their Virtual infrastructure with a confirmed impact on the availability of some systems and possible leakage of a few directories and files. As a result, the Company initiated an Incident Response activity to:

- › identify the root cause and the methods that compromised the business perimeter
- › analyze access and subsequent exfiltration of critical information to the Company
- › identify possible remediation actions to be implemented in the short/medium terms

The Company managed to ensure and continue the operation of the NNGS in a safe and reliable way. The management of the NNGS continued to operate smoothly and DESFA continued to supply natural gas to all Entry and Exit Points of the country safely and adequately.

At the same time, to protect customers and partners, the Company proactively deactivated most of the IT services and started a gradual recovering plan to bring IT systems back to normal operation; the available fallback procedures were implemented successfully for all commercial operations (e.g. capacity, re/nomination, matching with adjacent TSOs, Trades, Allocations, LNG re/scheduling, billing).

Throughout the Incident Response DESFA developed an extensive collaboration with all the relevant authorities and organizations and continued to work closely with the Ministry of Digital Governance, the Hellenic Data Protection Authority, the Cyber Crime Unit of the Hellenic Police, the Hellenic National Defense General Staff, as well as with the Ministry for the Environment and Energy and RAE, to resolve this and minimize any possible impact.

The Cyberattack prompted the Company to intensify its already ongoing efforts regarding the strengthening of proactive and preventive security measures, accelerating the implementation process of the Business and Digital Transformation plan (see paragraph 9b. ICT Security) by integrating it with various activities aimed at improving corporate security posture and cyber resilience capabilities.

9. Euribor chart - graphs with historical Euribor 6 months rates ([euribor-rates.eu](https://www.euribor-rates.eu))

STRATEGY
& DEVELOPMENT

5

A. Strategic priorities

DESFA operates in the framework of the Greek and European regulation, providing its commercial and technical services for the efficient operation and development of the energy market of Greece, with a vision of strengthening the central role of Greece in the SEE region and promoting a progressively decarbonized economy, where natural gas plays and will continue to play an important role providing flexibility and stability to a growing share of renewable energy sources.

Long Term Sustainable **Business development** has been a pillar of DESFA's strategy for 2022, reflected in the below priorities:

- › The execution of the Development Plan of the NNGS 2022-2031, implementing key projects to reinforce the existing network, to reach new areas & create new entry/exit capacities, to enable progressive phase out from coal in power generation and consolidate Greece as a Southeastern Hub for natural gas and LNG.
- › The further development of the Small-Scale LNG (SSLNG) market in Greece, through the construction of the truck loading station and the new SSLNG jetty in Revithoussa for small vessels reloading, as well as through strategic cooperation for the development of SSLNG in ports. SSLNG applications will allow natural gas to reach new markets, such as the maritime sector and off-the-grid users
- › Development of a Hydrogen (H2) Action Plan to support the long-term strategy towards the 2050 decarbonization goals
- › The undertaking of necessary actions for the acceleration of the development of the biometane industry in Greece
- › The continuous successful O&M of the Greek Section of TAP and of the KIPIC Regassification Terminal in Kuwait
- › The further expansion of regulated services through the provision of new services for Users, new products, new possibilities
- › The development of Virtual Liquefaction and Virtual Pipeline concept through basic principles to be discussed with the market
- › Development of the approach and methodology of the Net Zero master plan

and enabled through:

- › the ongoing business & digital transformation
- › the definition of the new incentive based regulatory framework
- › the finalization of financial optimization with new commercial loans to cover needs of 5 years capex plan and working capital
- › the continuous research and application for opportunities to receive financial support under national and EU programs
- › the continuous identification of the needs of the system for a successful transition to net zero with continuous emission reduction actions

B. Regulatory developments

The Regulatory Authority for Energy within the framework of its responsibilities, monitors and regulates the exercise of DESFA's activities through the regulatory framework that governs the transmission and LNG activity. Approximately 95% of DESFA's activities are regulated through RAE's Decisions.

Incentive based Regulation

In June 2022 DESFA submitted its proposal for the Tariff Regulation Review to RAE, which was issued for public consultation on August 4th, together with RAE's main proposal. The Regulator re-issued a revised version of the Tariff Regulation for a short consultation on December 9th, 2022. RAE approved the Tariff Regulation Framework in February 2023.

Year 2023 was approved by RAE in accordance with Art. 119 Law 4951/2022, as a one-year regulatory period. The 2023 tariffs were calculated by DESFA reflecting the currently applicable Tariff Regulation based on updated regulatory parameters and approved by RAE by virtue of Decision 498/2022.

Ten Year Development Plan

In October 2021, DESFA issued for public consultation the draft Development Plan 2022-2031. Following the public consultation DESFA submitted its proposal to RAE in November 2021 whilst final submission followed in early January 2022. The proposed, at that stage, 2022-2031 Ten Year Development Plan included strategic projects for the development of the network and the expansion of the natural gas market in areas, where gas network does not currently exist.



A total of 62 projects had been proposed by DESFA, with CAPEX of approximately €830 million (53% increase from the 2021-2030 TYDP), including the expansion of the high-pressure pipeline to Ioannina, the M/R Stations for the connection with Veroia and Naousa, as well as projects related to new IT implementations that are crucial for the uninterrupted and agile support of the market and for the upgrade of DESFA's project's management system. It shall be highlighted that, as part of its commitment to energy transition, DESFA has already proceeded with updating the design of all projects in order to be able to accommodate a specific percentage of blends or even be 100% H2 ready. RAE approved in August the NNGS Development Plan 2022-2031 (Official Government Gazette (O.G.G B 4545/29.8.2022, B 5047/27.9.2022)), including projects of approximately €819 million, excluding the expansion to Ioannina due to the lack of the relevant regulatory framework and including the new CAPEX for the Compressor Station (CS) Komotini with a total budget of €99 million.

As a result of the gas crisis the relevance of the NNGTS to ensure transit of LNG imports toward neighboring countries has increased significantly. The position of Greece in the south part of Europe, with the new interconnections with SEE countries along with Revithoussa and the new planned LNG terminal, is expected to lead to a growth of demand for exports. The level of exports realized during 2022 is expected to continue or even increase. In the long run, it is expected that Greece will continue to play an important role to the EU efforts to reduce dependence on Russian fossil fuels and to enhance its role as a reliable gateway for gas into SEE.

This change of pattern of gas flows has increased the need for **networks enhancement** through projects that will enhance the ability of the Greek gas System to transmit gas quantities (mainly LNG) from Greece towards the northern neighboring countries. Simultaneously, these investments will have a role in the energy transition as all the new pipelines will be designed and built to ensure full H2 readiness.

Such investments have been identified by DESFA and included in its strategy and relevant development plans.

DRAFT DEVELOPMENT PLAN OF THE NATIONAL NATURAL GAS SYSTEM 2023 - 2032



In this context, acknowledging the importance of ensuring that the LNG quantities which will be re-gasified in the FSRU under construction in Alexandroupolis, will be able to be exported to Bulgaria via ICGB, DESFA identified technical solutions and proceeded with the Final Investment Decision (FID) of projects to ensure the operation of the Interconnection Point with IGB from 01.01.2024. The main milestone of 2022 was the FID in November of the project of a large-scale CS of Komotini, which will assure in the long-run the possibility of exporting up to 5 bcm/y from Alexandroupolis FSRU to ICGB.

In order to address the needs driven by the growing role of the NNGTS as transit link between the Greek LNG import terminals and the transmission network of adjacent countries, thus acting as physical hub for the region, DESFA has recently proposed further upgrades in the NNGTS, through new projects included in the draft TYDP 2023-2032 (such as the “Duplication of the Karperi-Komotini High Pressure Pipeline” and the “Duplication of the High Pressure Pipeline of Patima - Livadia”).

SSLNG:

Truck Loading, Virtual Pipeline Model and Virtual Liquefaction

The gasification of new off-the-grid regions in Greece has been a public policy objective for the last few years, to improve economic conditions in those areas and fulfill sustainability objectives. Within 2022 DESFA finalized the regulatory framework for the Truck Loading Service (TLS), a new service that will enable remote users to use LNG for a first time, delivered via Trucks loaded at Revithoussa Terminal. The completion of the TL station was achieved in July and the relevant amendments in the Network Code as well as the Framework Agreement of the TLS, were approved by RAE in August 2022.

Following RAE's temporary decision (633/2021) on the “Development of Remote Distribution Network using Compressed/Liquefied Natural Gas”, presenting the regulatory objectives and introducing the Virtual Pipeline concept, both for CNG and LNG supply chains, DESFA submitted to RAE, at the end of 2022, for their consideration, a proposal for the development of a virtual pipeline model, based also on international experience, in a way that public policy and regulatory objectives set by RAE are fulfilled in the most efficient and complete manner, following also the completion and operation of the truck loading/SSLNG facilities at the Revithoussa LNG terminal.

Similarly, DESFA also developed and submitted to RAE, for their consideration, a concept paper on the Virtual Liquefaction (VL) service that could be offered at the LNG terminal of Revithoussa with the aim to promote the development of and competition in the SSLNG market.

Virtual Liquefaction would allow the virtual transformation of NG in the transmission system into LNG in the tanks of an LNG regasification plant, and can be offered as a service to LNG/TLS/SSLNG Users, which can purchase offsetting gas at the exchange/ VTP and transferring it to the LNG terminal through a VL operation.

Wholesale market development

The creation of a Greek gas hub with regional perspective has been a consistent strategic objective of the Greek governments for many years, given the favorable fundamental conditions for establishing Greece as a reference transportation and trading center for the region and the strategic, geopolitical and economic benefits to the country and all the corporations involved in the venture, through gas market integration and increased cross-border trading.

In full alignment with this concept, DESFA has consistently and persistently worked for several years to establish a marketplace that creates reliable price signals and where gas would flow in any direction according to these price signals (a hub). This requires both the physical gas infrastructure and the trading gas infrastructure to operate seamlessly.

Further from developing the physical infrastructure, DESFA actively participated in developing the trading infrastructure too, through its role as TSO, but also through its participation in the Hellenic Energy Exchange (HenEx).

After more than a year of intense preparations, the Gas Trading Platform was inaugurated by HEnEx and DESFA on the 21st March 2022, establishing a spot market for gas in Greece.

This new tool allows for more trading opportunities, in a transparent and fully safe way (through clearing), as well as for the development of reliable short-term price indices.

At the same time, the balancing operations of DESFA were fully transferred to the platform, in a fully market-based way, increasing efficiency and supporting market liquidity.

DESFA considers the development of a spot natural gas market as a first step. We expect along with HEnEx the expansion of the tool in different directions, through the introduction of new products in the spot market and risk-management tools and derivatives. Furthermore, in the framework of the decarbonization of the energy sector pursued by 2050, where we envisage a market for new gases (H₂, biomethane), successful trading mechanisms of the natural gas market will have to be used also in these new gases' market.

Market tests

During 2022, DESFA performed a Market Test process for the interconnection project between Greece and North Macedonia. The Market Test was structured in one, binding, phase and the binding bids window was open from July 2022 until the end of September 2022. The assessment of the binding bids was concluded in October 2022. The outcome of the Market Test was positive. The respective agreements (ARCA agreements) with the participants of the Market Test were also concluded before the end of the year.

In parallel, DESFA, in cooperation with TAP and Snam Rete Gas, initiated the binding phase of a Market Test process for the expansion of TAP pipeline. For DESFA, this process includes possible capacity expansion at Nea Messimvria IP. The binding bids submission window opened and was completed in January 2023.

Finally, DESFA has also drafted the outline for a wider Market Test process that will include the whole NNGTS. The main points of this process were presented to the market participants during a Shipper’s Day event, in November 2022. The Market Test will be structured in two phases, where a first non-binding phase will be followed by a second binding phase. The non-binding phase started with the upload on DESFA’s website of a Call of Interest for non-binding requests, later in March 2023.

C. Our commitment to the energy transition

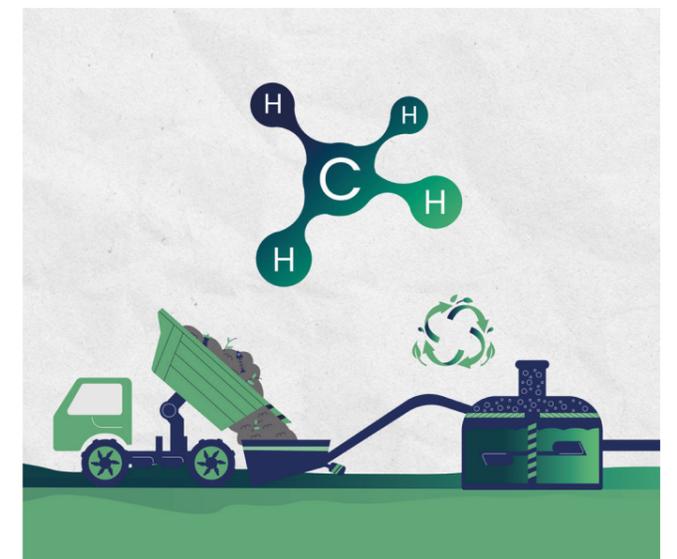
The European Commission’s proposal to cut Greenhouse Gas (GHG) Emissions by at least 55% by 2030, sets Europe on a responsible path to becoming climate neutral by 2050, while promoting immediate actions and transition policies. A legislative framework is being developed, through relevant proposals, for EU gas market decarbonization involving renewable and low carbon gases, including biomethane and hydrogen, as well as achievement of net-zero emissions.

At the same time, the recent events have further led the European Commission to introduce the REPowerEU plan to increase the resilience of the EU-wide energy system based on two pillars, one of which replacing Russian gas supplies among others via larger volumes of biomethane, and renewable hydrogen production and imports.

In this setting, over the past year, and with the view of its long-term strategy towards the 2050 decarbonization goals, DESFA identified its positioning within the promotion of development and penetration of green gases to enable energy transition in Greece. As green gases will progressively replace natural gas in the country’s energy mix, DESFA will play a pivotal role for the transportation and storage services also for such gases.

Biomethane

Biomethane is a promising solution in meeting the challenge of transitioning to a green energy system at affordable cost while maintaining high energy security. DESFA, committed to its strategic goal to explore solutions that combine environmentally friendly and state-of-the-art solutions that mitigate its carbon and methane emissions footprint, has established a dedicated team with the scope to develop a pilot biomethane production plant for its own consumption needs, namely for covering part of its operational gas needs.



Considering that the framework for the conversion of biogas to biomethane is at its nascent stages in Greece, DESFA performed the following actions:

- › Examined the existing Legal/Regulatory framework, assessed potential roles for the Company and identified technical/permitting provisions necessary for the introduction of biomethane in the Greek legislative framework. Based on the results of the study, DESFA submitted in August 2022 to the Ministry of Environment and Energy, a Position Paper, including i) proposals for an incentive framework, based on the experience from the biogas business, as well as other European practices, ii) the above mentioned study, iii) proposal for Gas Quality Specifications to account for biomethane injection into the network.
- › DESFA also entered into a cooperation agreement with leading waste management and biogas development companies, Polyeco and Ergoplanning, respectively, in order to run a financial and technical feasibility Study for the development of a pilot biomethane plant. In line with the results of the Study, the Company shall undertake a series of actions in 2023 to facilitate the maturity of the Pilot Project towards an FID.

Green Hydrogen

H2 Master Plan

Within 2022, DESFA elaborated an H2 Master Plan as the next step of its long-term strategy and as a mean to define an actionable roadmap on the transition towards hydrogen. This is an actionable plan with a particular focus on the 2030-2035 horizon, and with parallel streams of activities for the Hydrogen blending solution and for the development of pure Hydrogen projects, including, among others, an overview of the required infrastructure for transporting H2, DESFA way to play / roadmap, and next steps towards the development of the H2 market in EU and Greece.

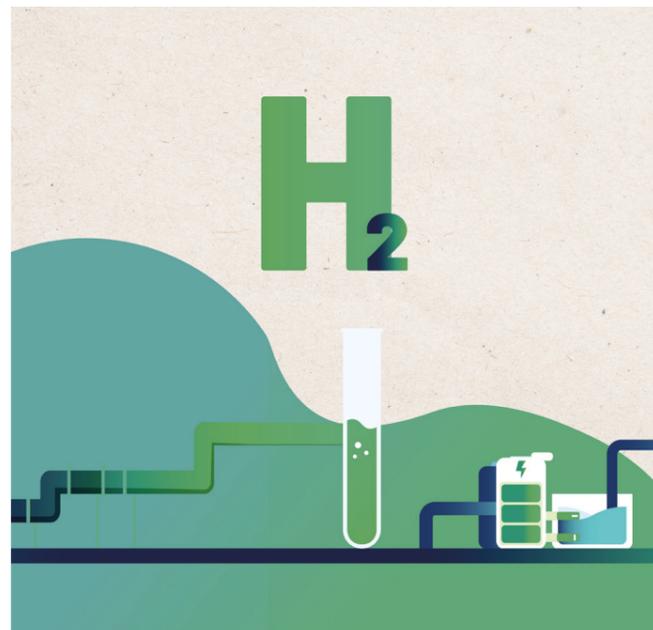
DESFA Action Plan envisages that development of the H2 market in Greece will occur in phases; from pilot projects and valleys to connected hubs and ultimately to a complete H2 network. Blending H2 within the existing gas infrastructure is expected to be the first step to kickstart the market and to prepare DESFA's system towards the new Gas Package requirements. At the same time, and as the green H2 production increases, DESFA plans to develop or repurpose dedicated infrastructures to allow the pure hydrogen transportation not only within Greece but also to other countries, as an integral part of the European Hydrogen Backbone.

It should be noted that DESFA is already cooperating with major energy companies for the completion of at least two feasibility studies regarding the injection of hydrogen in the current gas transmission system (blending).

H2 Readiness

During 2022, DESFA completed an H2 Readiness Assessment of the existing Gas Network for H2 blends up to 10%. The scope of this analysis was to carry out a detailed assessment of DESFA NNGTS in order to evaluate its capability to transport H2 blended with NG, and to provide a technical description of which changes on the as-is DESFA system will be needed to accommodate it.

The pipeline network project documentation was assessed by perfor-



mance of engineering evaluations and via collaboration with vendors of the different system components.

The study deliverables included a comprehensive Assessment Report with distinctive recommendations of the as-is situation to accommodate H2 blends, categorized in the main elements that comprise the transmission system and a detailed Cost Estimate report for the implementation of such actions on certain components, indicating either required modification/replacement or further verification.

IPCEI proposal

DESFA submitted a project proposal for the call of Important Projects of Common European Interest (IPCEI) on H2, under the Regional Hubs and Their Links (RHATL) wave. The proposal foresees the construction of a regional, open-access, high-pressure hydrogen network along Greece, connecting supply with demand throughout the country. It will extend from the southern part of Greece, up to the Interconnection location with IGB and possibly even further, to Kavala area where storage facilities and some H2 intensive industries are located. Its approximate length will be 540km, with around 220km long branches. Through its interconnections, this H2 network will start the SE part of the European Hydrogen Backbone.

PCI proposal

DESFA, in coordination with Bulgartransgaz, the Bulgarian TSO, submitted two proposals to be evaluated as Projects of Common Interest (PCI). The first project foresees the preparation of the current transportation system to receive hydrogen blends ("SmartSwitch project, Greek part") up to 10% and corresponds to all necessary upgrades of the existing gas system, while the second refers to a new 100% H2 pipeline, in parallel to the existing network, for the transportation of clean H2, "H2 Dedicated pipeline".

Participations

DESFA continues participating in:

- › The European Hydrogen Backbone (EHB) initiative, a group of now 23 European gas infrastructure companies, working together to plan a pan-European dedicated hydrogen transport infrastructure. Through the following events and publications in 2022, EHB developed into a pan-European voice for the hydrogen economy:
 - › Study on five potential H2 supply corridors to meet Europe’s accelerated 2030 H2 goals. DESFA is part of Corridor E, transporting renewable H2 from S & SE Europe towards Central Europe.
 - › Updated Infrastructure Maps including latest feasibility estimates and planned H2 inter-connections
 - › EHB day, a conference workshop, exploring the future of European H2 infrastructure. The EHB initiative presented their two most recent publications; the updated EHB-vision infrastructure maps as well as their findings on the five envisaged corridors that could be emerging in Europe, which would connect H2 supply with demand as well as decarbonize local industry

- › Gas for Climate (GfC) initiative, a group of eleven leading European gas transport companies and three renewable gas industry associations, working to analyse and create awareness about the role of renewable and low carbon gas in the future decarbonized energy system. DESFA contributed to the preparation of the following:
 - › A study on key elements needed to facilitate H2 imports from non-EU countries including assessment of operating models for H2 storage.
 - › A 10-step implementation manual supporting Member States in planning and achieving national biomethane targets.
 - › An updated biomethane production potentials study for EU Member States, assessing the feasibility of the 35 bcm REPowerEU target for 2030 and providing outlook to 2050.

DESFA continued participating in the works of associations like ENTSOG, GIE, Hydrogen Europe, contributing to the preparation of position papers and documents that support the role of the gas infrastructure and of the gas TSOs for the energy transition towards a decarbonized economy.

H2 conference

On July 4th, 2022, DESFA and the University of Piraeus organized jointly a conference dedicated to hydrogen, under the title “Building up the Greek Hydrogen Value Chain”. It was the first hydrogen dedicated event in Greece, bringing together key stakeholders of the energy market, and counting the attendance of more than 150 participants.

With recent developments calling for the acceleration of the transition to a more sustainable energy future, distinguished speakers from the Greek and European energy industry, financial and technical institutions, national authorities and academia discussed the role of H2 in the future energy mix of Greece, analyzing all aspects for the creation of an effective H2 value chain, including H2 projects in the Greek market, existing and future technology, development of H2 infrastructure, as well as the economic viability and financing opportunities for H2 projects. Participants engaged in a constructive dialogue regarding the next steps for scaling up the Greek H2 market, on the way to a more sustainable energy future.

The CCUS initiative

Most integrated assessment models for climate conclude that Energy Efficiency (EE) and green/low carbon energy levers will not be sufficient to meet Paris Climate Agreement goals. Countries and organizations will need to find additional solutions to bridge the gap. Carbon Capture Utilization & Storage (CCUS) solutions are recognized to have a relevant role to drive the transition, complementing hydrogen economy and enabling a gradual shift from fossil fuels.

Due to an increasing interest in CCUS solutions in Greece, DESFA decided to explore possible opportunities of involvement in this new potential business, which has many communalities with the Natural Gas regassification, transportation and storage sector. If developed, such solutions will contribute to the achievement of the targets of decarbonization of Greece and the EU.

Within 2022, DESFA performed a study on the topic investigating the potential size of this new business in Greece, and having concluded upon a sizeable business opportunity, defining an attractive value proposition for CCUS aggregation, with the involvement of key stakeholders. Furthermore, the study proposes a roadmap of actions for setting up a consortium with the aim to further assess the feasibility to develop a single point of accountability in the CCUS value chain in Greece. This consortium would benefit from the economies of scale while at the same time act as “end-to-end orchestrator” in the aggregation, transportation, and storage of the captured CO2.

PCI Proposal

Further to the above, DESFA in cooperation with Energean, submitted to the 6th PCI list, a project proposal regarding the value chain of CCUS. It is envisaged Prinos CO2 Storage Project to represent the first CO2 storage hub at industrial/commercial scale in the Mediterranean. The project aims to serve CO2 produced by local sources and remote sources from those hard-to-abate emitters. DESFA's project contribution includes the construction of a dedicated CO2 pipeline connecting emitters from the region of Attica (more specifically industries from the refining and cement sectors that are located close to Elefsina and Corinth and are considered hard-to-abate). This pipeline will aggregate the volumes in a port close to Elefsina, where the CO2 will be liquefied and temporarily stored in a dedicated facility, until its loading to CO2 carriers that will transport it via sea to Prinos Storage facilities.

The Net-Zero path & Carbon Footprint

Reduction of the GHG Emissions has become a critical topic for DESFA amid the recent years. This is stimulated, firstly, by the demands of the existing European & National legislation (EU 2021/1119 & National Climate Law 4936/2022) which is foreseeing a 2030 climate target of at least 55% GHG reduction and a Net Zero until 2050, but also by the Company's own environmental policy which is aiming towards a decarbonized future.

For this reason, DESFA launched its Net Zero Project, which includes a Net Zero Master Plan methodology for the quantification of emissions, identification of tools and actions leading to emissions reduction, and the development of a monitoring system. DESFA utilized historical operation data to develop an emission calculation model and to set the baseline. Then the Company identified specific actions to follow based on its review of best available practices on emission reduction and techniques.

Carbon Footprint

For the 12th consecutive year, HSSEQ Team investigated DESFA's carbon footprint as a quantity of CO2 equivalent per quantity of transported Natural Gas, and disclosed the relevant Carbon Footprint Report. In line with the National Climate Law & ISO 14064-1, the analysis of GHG emissions for the year 2022, includes the direct emissions resulting from equipment and facilities owned or controlled by DESFA, as well as the indirect emissions from electricity consumed within Company's facilities. In the context of continuous improvement of the Carbon Footprint calculation methodology and in order to be aligned with the GHG Protocol, emissions from DESFA's value chain were also calculated.

For the year 2022, DESFA's GHG emissions decreased compared to 2021 and to the previous five-year average, respectively, achieving the Company's targets. In the context of the Net Zero Master Plan, the annual calculation of DESFA's Carbon Footprint will demonstrate each year's performance towards Net Zero.

D. Network development projects

In 2022, several important projects were completed:

- › The **LNG Truck Loading Station in Revithoussa**. The station offers a flexible solution for the road transport of significant amounts of energy, simulating a virtual pipeline, to off-grid areas and users, through the loading of specially designed LNG trucks. This is the first such facility in SEE, making Greece a refueling and distribution hub for the wider region, while at the same time contributing to the strengthening of security of supply, providing the possibility of refueling also in neighboring Balkan countries, which do not have large-scale LNG infrastructure.
The project is co-financed from the PA 2014-2020 co-funding program with 57,42%.
The project is the first step towards the creation of an integrated ssLNG supply chain in Greece, as DESFA is also planning to build a ssLNG jetty that will also allow the refueling of ships using LNG as fuel, as well as the supply of LNG to satellite stations.
- › **Upgrade of the Supervision Control and Data Acquisition System (SCADA)** for the main and backup dispatching Centers. The new system provides DESFA with new tools for managing graphic images, database, system alarms, historical data, etc. Also, it enhances the utilization of the system's capabilities (user friendliness, better display of parameters, ease of designing new graphic images, etc.), improves the management of NNGTS within the European and Greek regulatory framework, and ensures the Telepresence and remote control of NNGTS and its extensions for the next decade. The project is co-financed from the PA 2014-2020 co-funding program with 51,35%.
- › The **Upgrade of Physical Protection of DESFA facilities / Physical Security Control Center**. NNGS facilities are considered as European critical infrastructure. The Project includes the upgrade of the physical security of all DESFA infrastructure due to the rapid development of the technological applications in the sector and the establishment of a Physical Security Control Center covering the requirements of the Directive 2008/114/EC concerning critical infrastructure security, which was incorporated into the Greek law with Presidential Decree 39/2011. The aim is to prevent, mitigate and eliminate risk threats (examples include theft, sabotage, terrorism, accidents, and natural phenomena).

- › Several **Metering and Regulating Stations** to supply new areas with natural gas and ensure new users' potential access. The Stations reduce and regulate the downstream pressure, measure the quantity of energy transferred from the natural gas transmission system to the medium pressure networks or to consumers connected directly to the transmission system and add a distinctive odour to the natural gas for prompt detection of any gas leakage. More specific,
 - › **Kavala MR Station** to supply the city of Kavala and the nearby cities of Palaio and Eleftheroupoli,
 - › **Livadia MR Station** to supply domestic, commercial, and industrial customers in the greater area of Livadia, and
 - › **Tripoli MR Station** to supply the city of Tripoli.
- › **Interconnection of IGB with the NNGS in Komotini.** A branch connection of 28" was constructed at Komotini Scrapper Station's area for the interconnection between IGB with NNGS facilitating the gas diversification in Bulgaria, Greece & Western Balkans. The project included a modification of the existing 36" pipeline and the installation of a 28" Valve Station, including a 4" by-pass configuration. The completion of the works was achieved in May 2022.
- › **The Construction of the temporary Metering Regulating (M/R) city gate station at the area of Megalopolis, was completed early January 2022.**

During 2022, there was important progress in several **projects of compressor stations (CS):**

- › The **CS in Ambelia.** The project will improve NNGS efficiency and ensure hydraulic stability, as it will progressively increase the technical capacity of the NNGS station at the southern part of Greece, which concentrates the larger part of the demand. During 2022, the project completed most of the Detailed Engineering, as well as critical supply orders (Gas Turbine, Gas Compressors). The project is co-financed from the PA 2014-2020 co-funding program with 50,5%.
- › The **Booster CS in Nea Messimvria.** The project will enable full bi-directional flow in the interconnection between NNGS and TAP and will increase efficiency and effective operation of the NNGS. The EPC contract was signed on July 4th, 2022. The project is under the detailed design phase. Gas Compressors' order was placed in the end of 2022 as it is a long delivery critical item.

- › The **Upgrade of Nea Messimvria CS:** The project is considered necessary, since it will help to withdraw the gas flow congestion from North to South and it will increase and secure the physical reverse flow (South to North) technical capacity, while it will improve the NNGS efficiency and ensure smooth operation. The main equipment Turbo-compressor arrived at construction site in March 2022 and the construction works for the building are completed. In March 2022, the Ministry evaluated the Technical Bulletin for the co-funding of the project and approved its funding from the PA 2014-2020 with a percentage of 46,9%.
- › The **LNG Terminal Boil-off Gas (BOG) CS.** In line with DESFA's environmental aspiration, this project helps to decrease LNG losses, thus reducing emissions by installing a new CS for the produced boil-off gases to increase the pressure and inject them to the NNGS. The EPC contract is ongoing. Also, the Ministry has approved project financing by the PA 2014-2020 with 60%.
- › **Komotini CS.** The project aims at increasing the pressure of the gas in the branch of Eastern/Central Greece (Kipi-Karperi), to address the changing dynamics of the Greek and the regional gas market due to operation of IGB and the new FSRU Terminal in Alexandroupolis, as well as the increased interest for LNG flows from the Greek NGTS to the SE European region. The project during 2022 was under maturity/ permitting/ land acquisition/ tendering and finally construction phase. In November DESFA's BoD approved the Final Investment Decision and the awards for the Supply and EPC Contracts. The Ministry of Energy approved the Renewal of Environmental Terms in December.
- › Moreover, an **intermediate temporary technical solution** was proposed, and approved by RAE in 2022, in order to be able to transport NG from the FSRU Alexandroupolis to the IGB with a minimum delivery pressure of 60 barg in Komotini, until the operation of the CS. The technical solution includes the implementation of the following projects:
 - › Regulating station Komotini for flow/pressure control of NNGTS in either side of LVS Komotini
 - › Connection of the new Power Plant of Thermoelectriki up to the NNGTS West of LVS Komotini (pipeline from the M-station up to the 24" network)
 - › Construction of LVS and Hot-tapping connection for the new Power Plant of Thermoelectriki, West of LVS Komotini

During 2022, DESFA has also undertaken several **connection projects for applicant users:**

- › The **connection of the Thermoelectriki Power plant to the NNGTS**. The EPC for Connection with TERNA Power Plant to the NNGTS was signed on November 4th, 2022. The project is under detailed design.
- › The **connection with the FSRU of Alexandroupolis**. The EPC contract was signed on November 16th, 2022.
- › The **connection of FSRU of Dioryga Gas with NNGS**. The Connection Project includes a new Metering/Regulating (M/R) Station where the natural gas pipeline that Dioryga Gas plans to construct will end up. This new M/R Station will be located near the existing M/R Stations for the supply of MOTOR OIL HELLAS (MOH) refinery and the Korinthos Power S.A. Power Plant, in the area of Agioi Theodoroi in Corinthia. The project maturity has been completed. The amendment of decision of approval of environmental terms was issued on October 4th, 2022, and the Application File for the Installation License was submitted to the Ministry of Environment and Energy for approval on the 21st of November.

Furthermore, in 2022, DESFA proceeded in the implementation phase for the “**High pressure pipeline to West Macedonia**” project, which is of major importance, as it will supply the district heating installations for several cities, and other consumption in the region through the interconnection with other projects. The project concerns the extension of the existing NGTS via a new pipeline branch up to the region of West Macedonia and will support the decarbonization policy introduced by the Hellenic Republic. The pipeline will be constructed to be compatible for H2 transportation up to 100%. Therefore, in combination with H2 production projects in the area, it will initiate actions for H2 adaptation. The project during 2022 was under permitting/ land acquisition/ tendering/ pipes supply and finally entered the construction phase. The approval of Environmental Terms was issued in May. The Installation Act was issued in June. Contract Award of Steel Pipes Supply was signed in January and two orders for Steel Pipes took place in 2022. EPC Contract was signed in November and a Memorandum of Understanding with relevant archeological authorities was signed at the end of 2022.

Moreover, DESFA is actively involved in the **opening of the ssLNG market**, with significant environmental benefits. In this context, in 2022 DESFA initiated the following ssLNG projects:

- › Temporary supply of Aspros through ssLNG
- › Temporary supply of Naousa through ssLNG Installations
- › Supply of Kalamata through ssLNG Installations

With these investments, DESFA will undertake responsibility for the installation of a complete ssLNG Station, including storage, regasification, heating, metering, regulating and remote-control facilities. The implementation will be realized with modular small size tanks and gasifiers, which are easy to be relocated, thus maximizing possible synergies, and minimizing relevant cost.

E. New Businesses & participations

The Alexandroupolis FRSU

In January 2022 DESFA as Shareholder supported the FID of the project “Development, construction, financing and operation of a floating storage regasification unit for LNG and onshore and offshore installations off the coast of Alexandroupolis, Northern Greece” by Gastrade (the “Alexandroupolis FSRU”).

The Alexandroupolis FSRU is a project of strategic importance for Greece and SEE as it creates a new energy gateway, offers diversification of sources and routes of supply to Greece, Bulgaria, Romania, Serbia, North Macedonia and the wider region, enhancing the security of supply and the energy liquidity in the area and promoting competition to the benefit of the end users. The Project comprises the FSRU and the permanent infrastructure (mooring system, pipeline, etc.) which connects the FSRU to the NGTS. The FSRU will be stationed approximately 17.6 km SW of the town of Alexandroupolis at an offshore distance of approximately 5.4 n.m. (10 km) from the nearest shore and will have an LNG storage capacity of 153,500m³, a nominal regasification and send-out capacity of 5.5 bcm/year and a peak technical regasification and send-out capacity 8.3 bcm/year. The commercial operation of the Alexandroupolis FSRU is expected by the end of 2023.

“South Kavala” Natural Gas Reservoir

DESFA together with GEK TERNA established the DESFA - GEK TERNA Consortium (51%-49%) and participated in the tender process run by the Hellenic Republic Asset Development Fund (HRADF) for the award of a Concession Agreement for the Use, Development and Operation of an Underground Storage in the “South Kavala” Natural Gas Reservoir and were prequalified back in March 2020 to proceed to the next phase of the tender.

HRADF launched the second phase of the tender in January 2022 through the formal request for submission of binding offers. The offers submission deadline was postponed for Q1 2023, amidst the challenges in the global energy market following the Russian Ukrainian crisis and the concerns raised around the project’s viability and its investors’ attractiveness following the issuance of the UGS Tariff Regulation (453/2022 decision). DESFA as leader of the Consortium monitored closely the process and expressed its commitment to support the project’s success by providing constructive feedback where appropriate and highlighting the project’s strategic importance for the country, as it is the only proven potential gas storage facility in Greece that became even more relevant following the implementation of national storage obligations.

**OPERATING PERFORMANCE
OF BUSINESS ACTIVITIES**

6

OPERATING PERFORMANCE OF BUSINESS ACTIVITIES

According to the legal framework currently in force, DESFA is providing services, under regulated, pre-defined terms, conditions and tariffs, which are approved by RAE (i.e. regulated services) and non-regulated services under terms, conditions and tariffs which are agreed with its clients.

Moreover, DESFA is carrying out profit neutral activities pertaining to the balancing of the NNGTS and the Security of Supply of the Greek Gas Market.

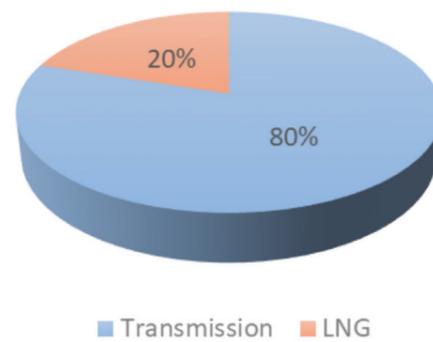
A. Regulated activities

The regulated activities include the use of the National Natural Gas System, as well as the ancillary and additional services as provided for in the Network Code including the balancing of the NNGTS.

Use of the NNGS: Transportation System & LNG Facility

Main Regulated services include the provision of Third-Party Access to the Greek NNGTS and the Revithoussa LNG facility, and are the main source of DESFA's revenues.

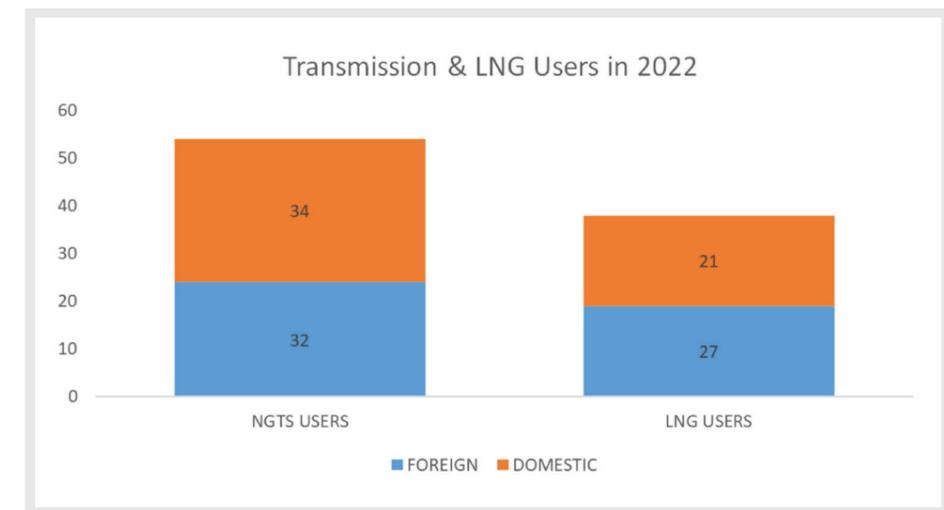
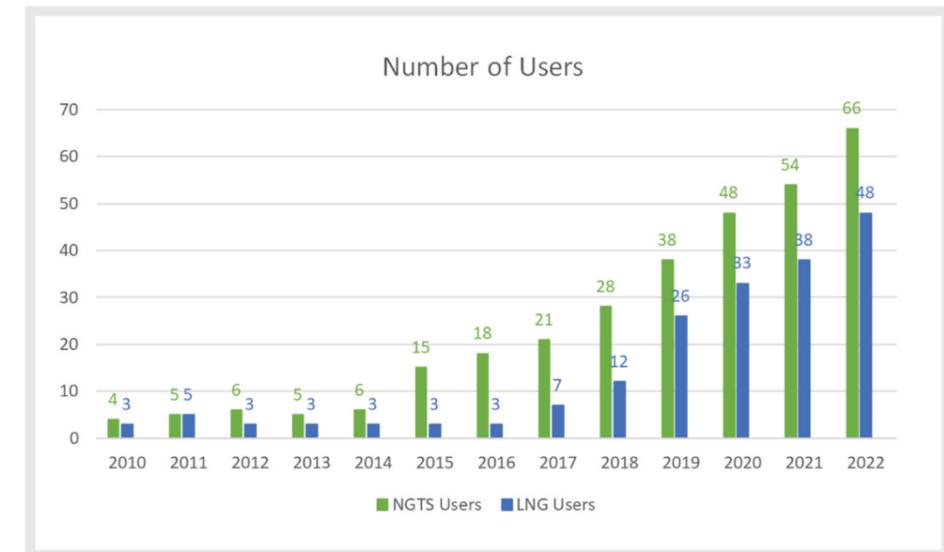
TRANSMISSION & LNG SERVICES REVENUES YEAR 2022



OPERATING PERFORMANCE OF BUSINESS ACTIVITIES

Evolution of Regulated Services Users

In 2022, DESFA expanded the provision of Regulated Services (Natural Gas Transmission and LNG Regasification) to a significant number of new Users, many of them being foreign (EU) companies, as can be seen in the following graphs.



OPERATING PERFORMANCE OF BUSINESS ACTIVITIES

Market Volumes Overview and Virtual Trading Point Transactions

An overview of the quantities that were allocated¹⁰ at NNGTS Entries & Exits in 2022 is shown in the following graph. Key highlights include:

- Domestic Demand decreased by approx. 19% vs 2021, driven mainly by decreased consumption for industrial consumers and for power production.
- Exports to Bulgaria increased significantly vs 2021, (+289%) as curtailment of Russian gas deliveries to Bulgaria turned Greece into one of its main supply sources.
- NG Imports from pipeline Entry Points were overall decreased, due to reduction on imports from Bulgaria and Turkey. However, imports from TAP to the Entry Point "Nea Mesimvria" increased significantly (+18%).
- LNG imports were more than doubled compared to 2021, due to shippers seeking diversification from Russian gas and LNG's competitive prices vs pipeline gas, which was mostly priced using the TTF hub index, that was rather volatile during 2022.

In addition, the table below summarizes the key data regarding trades that took place at the Virtual Trading Point in 2022. It includes both OTC transactions between shippers and anonymous trades that took place on the newly established Natural Gas Trading Platform:

VTP Trade Data 2022 [TWh]	
Total Market Volume (Imports to the NNGTS)	86,16
OTC (Bilateral) Trades at the VTP	56,88
Trades at the Trading Platform	2,89
Total VTP Trades	59,77
Churn Ratio (VTP Trades / Market Volume)	69%

Overview of quantities allocation at NNGTS Entries & Exits in 2022

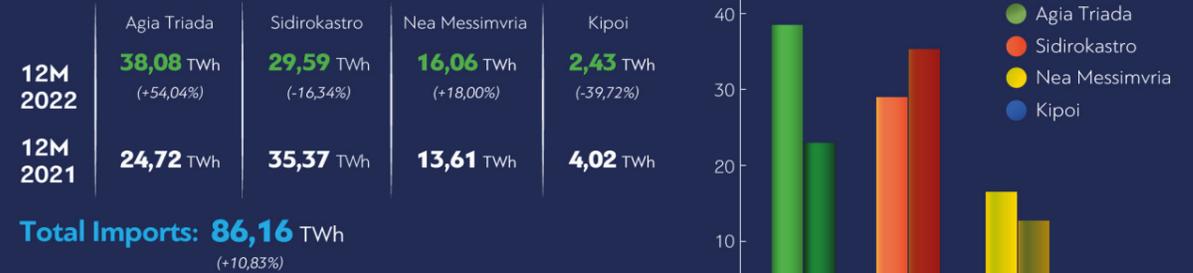


10. Note: Allocated quantities is commercial data that may differ from physical flows for points used both for imports and exports

NATURAL GAS DATA 2022



NATURAL GAS ENTRY POINTS



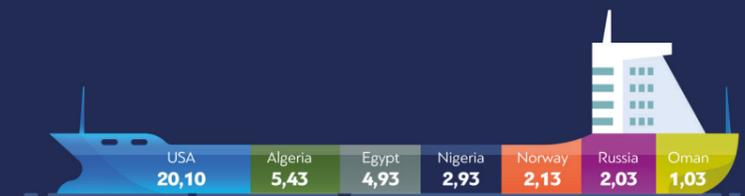
CUSTOMER CATEGORIES



LNG VESSELS

Total number of Vessels: 78 / +122,86%

COUNTRY	TWh (12M 2022)	Variation (12M 2021)
USA	20,10	+63,55%
Algeria	5,43	+0,54%
Egypt	4,93	+337,39%
Nigeria	2,93	-
Norway	2,13	-
Russia	2,03	-
Oman	1,03	-
TOTAL	39,19	+59,91%



Countries from which quantities of more than 1 TWh were imported.

Other sources of revenues under regulated activities

Sale of Electricity

DESFA invoices revenue for the sale to DAPEEP of electricity produced at the CHP unit of the LNG facility on the island of Revithoussa. In 2022, the sales of electricity were significantly lower than in 2021, due to the rare operation of the CHP unit.

Balancing and Operational Gas of NNGTS (profit neutral activities)

Revenues and expenses resulting from this activity are set off without resulting in any gain or loss for the Operator.

The procurement of operational gas for those activities is made following an international tender procedure, as well as through the balancing platform (until 20.03.2022) and subsequently the NG Trading Platform. Approximately 94% (in terms of volume) of the total balancing gas purchases in 2022 were conducted on the Balancing Platform and Trading Platform (vs 92% in 2021), while the rest via use of Balancing Services (injection of regasified LNG for balancing purposes from Revithoussa).

Security of Supply in the Natural Gas Market (profit neutral activities)

The Security of Supply (SoS) Levy is paid by the natural gas consumers, in order to finance measures safeguarding the Security of Supply of the country and ultimately the uninterrupted supply of natural gas to the protected customers (i.e. households and critical facilities, like hospitals, schools) in case of emergency situations.

DESFA is responsible for managing the SoS Account and for keeping a registry of interruptible big industrial customers connected to the NNGTS. The movements and balance of the said account are published on DESFA's website and a relevant report is prepared and submitted to RAE on a quarterly basis. From this account, DESFA will compensate the beneficiaries, as provided for in the Preventive Action Plan. The revenues and costs of the said activity, which are recorded separately, did not significantly affect the Company's financial results in 2022, since the unit amount of the SoS levy for each category of natural gas consumption was zero.

Additional Services included in regulated revenues and expenses

With RAE's letter O-62313 / 13.10.2015 entitled "Guidelines for accounting separation of natural gas companies", revenues (and expenses) of certain activities are considered as income (and costs) of regulated activities for Transportation and use of LNG Facility, respectively, as indicatively for the Transmission System: gas odorization services, services at border metering stations and for LNG Facility, such as nitrogen infusion and cooling-down services for LNG ships. RAE issued in May 2019, the 4th Amendment of the Tariff Regulation separating the abovementioned services in two categories: a) the Non-Transmission Services, which are the regulated services other than transmission services and other than services regulated by Regulation (EU) No 312/2014, related to the transmission system and b) the Additional LNG Services, which are the services related to the LNG Facility.

B. Non-regulated commercial activities

DESFA continued its commitment to provide non-regulated services to its customers in 2022. These activities mainly include provision of technical services to third companies, such as technical support services to gas distribution companies, technical review of studies for internal installations of gas, O&M services to medium and low-pressure systems and to LNG Terminals, IT services, polyethylene welders' certification, and other consulting services. Over the past year, income from Commercial Additional and Non-Regulated services has significantly increased by 65% (vs 2021), which is mainly attributable to DESFA's operation and maintenance of the LNG Terminal in Al-Zour. This increase is indicative of DESFA's growth in the non-regulated services provision, diversifying its revenues streams and customers.

O&M of the LNG terminal Station of Al Zour, Kuwait

DESFA was awarded the O&M of the LNGI Terminal in Al-Zour in 2020. The familiarization phase of the project commenced on the 24th of May 2021 and ended on the 30th of April 2022. From the 1st of May 2022, the 1st year of the O&M Phase of the project started. DESFA has undertaken full responsibility of the O&M of the LNGI Terminal in Al-Zour and despite the project's complicated nature and unforeseen challenges encountered, the Company has managed to operate the terminal in a technically efficient way.

DESFA managed to successfully mobilize almost 150 employees, while selecting the most suitable candidates who satisfy KIPIC's requirements and managed to achieve excellent score on the KPIs agreed with KIPIC, achieving operational excellence of the LNGI terminal.

DESFA's team in Kuwait has received 125 LNG ships since the start-up* of the LNGI terminal's operation, with total LNG quantity transferred equal to 18.301.480m³. The total gas send-out since start-up is equal to 390.442BBTU.



	2022	Since Start up	
Ships	91	125	
LNG Import	12.805.173	18.301.480	m ³
Gas Send-out	281.947	390.442	BBTU

LNGI terminal in Al-Zour Operational data

* From Start-up until December 2022

In the future, DESFA will continue to seek opportunities to develop its non-regulated activities with the aim of increasing their profitability through economies of scale, boost its brand reputation, strengthen DESFA's competitiveness and embrace innovation in peripheral sectors, while considering the public and the energy sector benefits as a whole.

C. Other Important Commercial Activities

Day-to-day Commercial Operations

In 2022, DESFA actively supported and facilitated User activity. Specifically:

- › Provided support, training, and clarifications to potential Users, especially from foreign countries, regarding the regulatory framework.
- › Managed primary and secondary NG Transport and LNG market.
- › Managed the users' nominations/re-nominations, confirmed quantities, VTP transactions, indicative allocations, data-exchange with adjacent TSOs and Distribution System Operators (DSOs) via Electronic Information System (EIS).
- › Traded gas in the trading platform (HEnEx) for the buy or sell balancing gas, when necessary.
- › Conducted two market tests for the expansion of the NNGTS, for incremental capacity at Nea Mesimvria IP and for the implementation of the Greek Side of the Greece-North Macedonia Interconnector, both of which were successfully concluded leading to the signature of relevant connection agreements.
- › Two connection agreements were signed for the connection of an FSRU and a CCGT to the NNGTS.
- › Issued reports to the ministries, RAE, custom offices, Hellenic Statistical Authority.

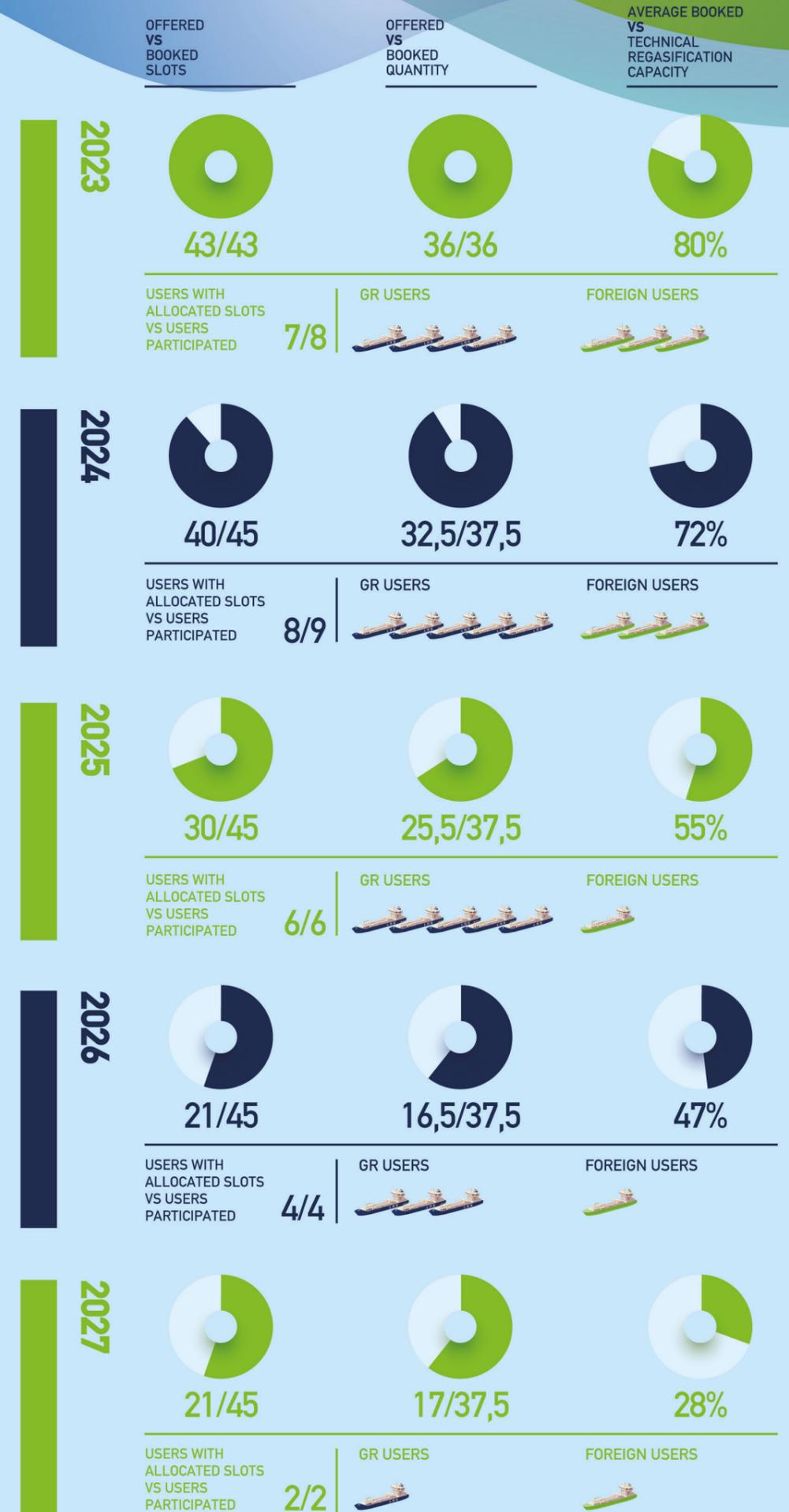
OPERATING PERFORMANCE OF BUSINESS ACTIVITIES

Projects of Specific Interest

DESFA's Commercial Activities also engaged in several projects of specific interest involving the following

- After the end of the LNG Auctions for Years 2023-2027, LNG unloading slots were allocated for all the auctioned years (2023-2027).
 - Almost the total of capacity offered via competing auctions between the Nea Mesimvria IP and the Kipi Entry (Greek-Turkish border) and 24% of capacity offered as conditional (of type "bFZK", meaning Conditionally Freely Allocable Capacity) for the Nea Mesimvria IP, were allocated, thus commercially resolving system bottlenecks.
- The Natural Gas Trading Platform operated by HEnEx went live in March 2022. Full integration with DESFA's commercial systems was established to timely exchange trading data, and all required tests, scenarios and dry runs were conducted in time for launch, along with the formal procedure to register DESFA as a participant for balancing gas trading purposes.
- Following the assignment of the role of Forecasting Party for the NNGTS Balancing Zone to DESFA by RAE, the selection process for awarding the system development was completed in November 2022. Collaboration with DSOs is also ongoing to develop, and test required interfaces between their IT platforms and the Forecasting Party system.
- Following the provisions of the Preventive Action Plan for 2022 as approved by RAE, DESFA drafted two standard contracts with the purpose of a) reimbursing obliged suppliers for storing gas in neighboring countries' Underground Storage Facilities during the winter period and b) reimbursing obliged power producers for keeping seasonal safety LNG reserves in Revithoussa (taking advantage of the expanded storage capacity due to the chartering of the FSU). The cost of both contracts is foreseen to be covered from the Security of Supply Levy.

DESFA LNG AUCTIONS



**FINANCIAL
PERFORMANCE**

7

Key figures & Analysis

DESFA's operating profit of 2022 increased by €26,3 million compared to 2021

- Revenues increased by €75,6 million, mainly due to the increase of Regulated Revenues by €69,2 mainly to a) the imbalance position of shippers (balancing), b) the operational needs of the network (self-consumption and losses), c) higher export bookings to Bulgaria, d) FSU leasing & bunkering, e) new treatment (pass-through) of Energy costs since July 1, 2022. Non-Regulated Revenues increased by €6,4 million, mainly due to KIPIC project services, as the O&M contract with KIPIC started at the end of May-21. Other income has miscellaneous items, including connection fees and reversals of provisions for litigations.
- Total cost of sales and operating expenses increased by €82,3 million, attributed mainly to: a) Electricity costs (due to the higher prices per kWh than 2021) and b) Own Consumption Natural Gas Losses (due to higher gas prices in 2022). Other expenses have miscellaneous items, including costs for litigations.
- By 2022 the Company entered to Interest rate swap agreements in order to hedge a portion of the new variable interest debt which its impact is reflected under Other comprehensive income.

Amounts in thousand €	1/1/2022 -31/12/2022	1/1/2021 -31/12/2021
Revenue	278.337	202.697
Cost of Sales	(192.678)	(117.605)
Gross profit	85.659	85.092
Other income	44.681	11.857
	130.339	96.949
Administrative expenses	(21.315)	(18.573)
Distribution expenses	(1.284)	(945)
Other expenses	(6.283)	(2.181)
Amortization of fixed asset grants	11.211	11.159
Operating profit	112.667	86.410
Finance costs - net	(6.416)	(6.803)
Profit before income tax	106.252	79.607
Income tax expense	(24.645)	(16.472)
Profit for the year	81.607	63.135
Other comprehensive income		
Profits/Losses from Cash flow Hedging	8.700	0
Actuarial (loss)/profit on retirement benefit obligations	516	(282)
Deferred tax relating to these items	(2.027)	63
Other comprehensive (loss)/income for the year, net of tax	7.188	(219)
Total comprehensive income for the year	88.795	62.916

The balance sheet of the Company on 31st December 2022, is presented below:

Amounts in thousand €	31/12/2022	31/12/2021
ASSETS		
Non-current assets		
Tangible assets	1.198.479	1.136.216
Intangible assets	17.372	13.581
Investments in associates	14.968	14.938
Financial assets at fair value through profit or loss	350	350
Other non-current assets	8.267	320
Financial assets at fair value through other comprehensive income	9.231	0
Total non-current assets	1.248.666	1.165.404
Current assets		
Inventories	31.607	20.395
Trade and other receivables	91.236	60.310
Income tax asset	0	2.304
Cash and cash equivalents	201.357	102.724
Financial assets at fair value through profit or loss	117	0
Financial assets at fair value through other comprehensive income	0	0
Total current assets	324.316	185.733
TOTAL ASSETS	1.572.983	1.351.137

EQUITY AND LIABILITIES
Equity

Share capital	491.265	564.069
Reserves	52.046	41.111
Retained earnings	300.109	222.250
Total equity	843.420	827.430
Non-current liabilities		
Employee benefit obligations	3.440	3.993
Borrowings	231.025	126.042
Lease liabilities	7.144	5.660
Provisions	1.918	18.860
State grants	215.343	219.086
Other non-current liabilities	148	145
Deferred tax liabilities	37.375	26.754
Total non-current liabilities	496.393	400.540
Current liabilities		
Trade and other payables	195.547	95.065
Borrowings	13.445	14.278
Lease liabilities	1.365	1.009
Derivatives Liabilities	633	0
State grants	11.134	11.205
Current income tax liabilities	8.221	0
Other taxes payable	2.825	1.609
Total current liabilities	233.170	123.167
TOTAL EQUITY AND LIABILITIES	1.572.983	1.351.137

FINANCIAL PERFORMANCE

Particular balance sheet evolutions are:

- › Inventories have been higher in 2022 due to the gas price increase,
- › a capital reduction has been executed in 2022,
- › the higher level of trade payables reflects a high amount of cash user guarantees and
- › a first drawdown of €120 Million has been made from the Common Bond Loan signed in 2021 with the 4 Greek systemic banks.

The corresponding key financial ratios are:

Ratios		2022	2021
Gearing ratio	= (Total debt)/ (Total debt + total equity)	22,47%	14,50%
Return on Equity	= (Profit After Tax)/ (Total Equity)	9,68%	7,63%
Return on Assets	= (Profit After Tax)/ (Total Assets)	5,19%	4,67%
Liquidity ratio	= (Current Assets)/ (Current liabilities)	1,39	1,51

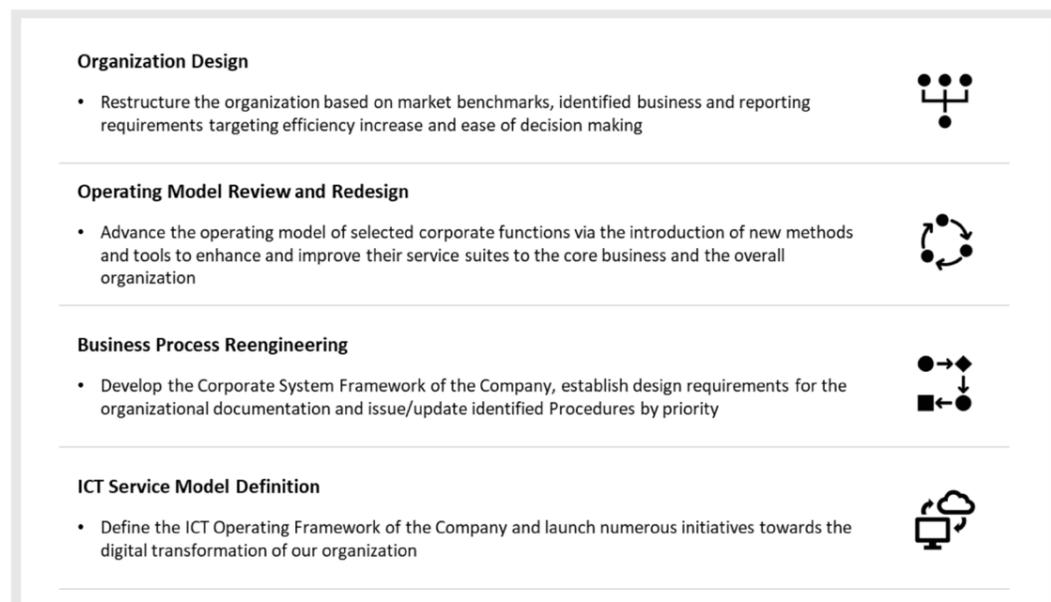


OPERATING MODEL

8

A. Business & Digital Transformation Plan

DESFA continued investing in modernizing its operating environment through business and digital transformation projects that focused both on its corporate and selected business functions. The 2022 Business Transformation plan was designed with the aim of developing the continuous improvement of the Company, focusing on the following key objectives:



Within the above pillars, more than fifteen (15) business transformation initiatives have been implemented within 2022, aiming to the improvement of the business processes, the business model, the internal control and risk management system and the culture of the Company. Some of the most important ones involved the procurement procedures redesign including focus on vendor prequalification practices, the establishment of a Treasury Policy, the continuous population of DESFA's Corporate System Framework (incl. policies, procedures and operating frameworks that define the new ways of working across the Company), along with initiatives that aim to ensure DESFA's operating model compliance and adaptation to international quality standards (i.e. Code of Ethics, Whistleblowing and Anticorruption Policies, GDPR procedures, etc.).

In addition, numerous **digital transformation initiatives** in multiple areas such as Operations, HR, Finance, Commercial, Information and Communication Technologies (ICT) and others have been completed in order to:

- Automate the Company's core Operations' processes to increase efficiency and productivity of the Company
- Provide a robust operational, managerial, and executive reporting for Supply Chain planning and performance
- Work in a secure and resilient environment ensuring data security and desired outcome from the business functions
- Establish a new ICT Governance to enhance the efficiency and responsiveness to business needs and expectations

In particular, the following milestones were achieved:

<p>In Managing Business</p> <ul style="list-style-type: none"> New Procurement Planning System The new Commercial System was designed, and the Vendors Selection process initiated The new ES system implementation was designed and initiated 	<p>In Managing Data</p> <ul style="list-style-type: none"> New Vendors Invoice Management System was designed and implemented Cyber Security Assessment initiative was designed and implemented in accordance with the new circumstances The new Enterprise System Bus was selected and implemented
<p>In Managing Assets</p> <p>Frontier I Program was initiated and implemented in full integration across all aspects:</p> <ul style="list-style-type: none"> New Asset Document System (OpenText) New Linear Asset Management System (SAP) New Workforce Management System (GeoCall) New Permit to Work System (Sphera) New Systems Integration (SAP Cloud Integration) 	<p>In Enterprise Intelligence and Communication</p> <ul style="list-style-type: none"> Supply Chain performance monitoring system was designed and implemented The new Web Site implementation was initiated (design phase as the first)

Digital Transformation milestones

B. ICT Security

With the increasing reliance on digital technologies in all business processes, ICT security has become an increasingly important issue in running critical infrastructures, as proved by the Cyberattack suffered by DESFA in August 2022. There are several reasons why ICT security is crucial for the operations of the NG TSO:

- › Protecting against cyber-attacks which can result in disruptions to gas operations, financial losses, and damage to infrastructure. Cybersecurity threats can come from a range of sources, including nation-states, criminal organizations, and hackers.
- › Ensuring compliance with international and national regulations including the *EU Directive on Security of Network and Information Systems (NIS Directive)*¹¹. Compliance with these regulations is necessary to ensure the safe and reliable operations of the TSO.
- › Protecting sensitive data that are collected and stored running the business, including customer information, financial data, and operational data. This data must be protected from unauthorized access and theft.
- › Ensuring business continuity to avoid disruptions to critical infrastructure operations that can have severe consequences. IT security measures must be implemented to ensure business continuity in the event of a cyber-attack or other disruption.

To achieve the above, DESFA started in 2020 an investment plan that shall be completed in 2023. The investment, developed in the frame of the Business and Digital Transformation program, has been split in two streams

- › The assessment, performed in 2021, and the implementation of identified improvements of the DESFA ICT Business Continuity capabilities, started in 2022 and to be completed in 2023 due to the pervasive modification of the technological architecture.
- › The assessment and redesign of the DESFA enterprise Cybersecurity posture, completed in 2022, the update of the Information Security Management System, designed in 2022 and planned to be implemented in 2023, and the technological hardening of the Information Technology (IT) and Operation Technology (OT) security environments, started in September 2022 and planned to be completed by September 2023.

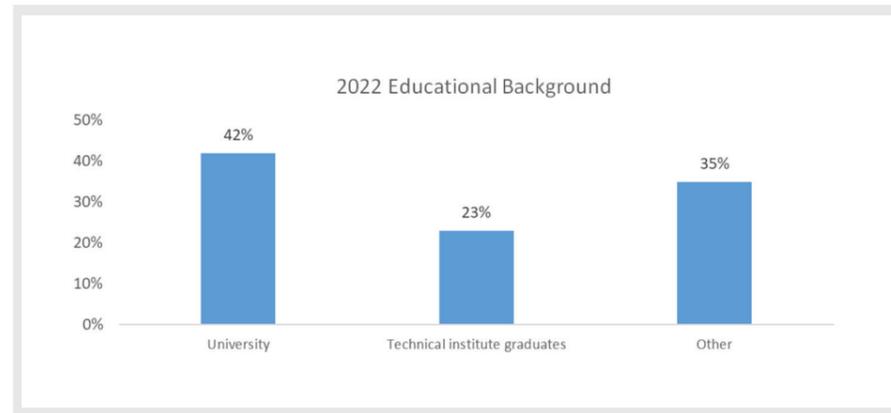
The goal of the investment plan is to improve the DESFA Cyber Resilience as capacity to anticipate, withstand, recover from, and adapt to adverse conditions, stresses, attacks, or compromises on systems that use or are enabled by cyber resources. The objective is pursued with actions intended to modify the IT and, partially, the OT technological architecture, the IT and Information Security operating processes and the related organizations, specifically applying Security-by-Design and Security-by-Default methodologies and modifying the OT/IT environments interconnection according to the Enterprise-Control System Integration (ISA-95) standards.

With the completion of the investment DESFA plans to implement information security framework and submit an application for the ISO 27001 requirements. Moreover, Desfa will also implement a Business Continuity Management System according to the international standard ISO/IEC 22301:2019.

11. Note: On 16 January 2023, the Directive (EU) 2022/2555 (known as NIS2) entered into force replacing Directive (EU) 2016/1148 (NIS Directive). NIS2 improves the existing cyber security status and governance across EU. The Member States have 21 months in order to transpose NIS2 to their national legislative framework.

C. People management & development

By the year-end of 2022, the Company employed a total of 563 people of various educational backgrounds, representing a wide variety of task-relevant knowledge and skills while remained committed in providing equal opportunities to employees regardless of gender, religion, or other aspects. The representation of women in managerial positions reached 30% of the Company's total positions.



DESFA continued investing in its people in 2022 through significant achievements and initiatives, including the establishment of the new Performance Management System, deployment of Leadership Trainings and Coaching, Mentoring Program, the Culture Transformation Initiative, as well as the design of the “2-year Training Plan”, ready to be launched in the beginning of 2023.

DESFA's new Collective Labor Agreement (CLA), that was agreed with the Union and signed in 2021, is in place and is of high significance for the Company both in terms of the value of the Employee Relations for the Management and the direction towards a performance-driven culture across the organization. Moreover, to deal with the rapid increase of inflation, the Company taking into consideration the unfavorable and extraordinary economic situation of 2022 at an international level, following productive discussion with the union, decided to grant a one-off amount to support the employees during 2022.

During 2022, DESFA embarked on the journey of Culture Transformation in the context of the broader Transformation Plan of the Company. DESFA focuses on identifying the optimal culture for its own business model and tackling the multiple levels of cultural challenges in order for the culture to support the Company's long-term strategy and vision. Culture design and its principles, through the involvement of the Management Team, is diffused to the next level following the top-down movement and gradually becoming the Company's “modus operandi”.

The establishment of the new Performance Management System is another important step to promote a sense of fair evaluation based on specific designed principles of alignment with DESFA's goals, values, strategy and correspond to the culture of the organization. The competencies of the framework were derived from Company's values, formulating a clear performance management process which adopts and enhances a culture of continuous feedback, leading further on to the employee development plan, which in turn links the Company's objectives with the development goals of the employees based on their strengths and resulting to the support of the performance management framework in various aspects such as the employee motivation.

Leadership development is perceived as a competitive advantage since team performance is a structural element of success. DESFA empowers continuously the Management Team, through Leadership Team Coaching workshops, in subject matters such as collaboration and team effectiveness but also supports managers who lead people with executive development trainings focused on leadership/coaching.

In 2022 and for the first time, an Employee Engagement Survey was implemented across the Company aiming at capturing the employees' angle on various subject matters and these results will be used as a driver for future actions and initiatives.

The Company's employee relations are excellent. The Management respects the aspirations of DESFA employees and is working towards the development of their talents for the better performance of the organization. The dialogue between the two is open and productive, based on common enterprise values and objectives.

D. Quality, Health, Physical Security, Safety and Environmental framework

Quality, Health, Safety and Environmental Management Systems

DESFA, based on Company policies and in line with the Code of Ethics, considers peoples' health, safety, environmental protection, public safety and quality of services, as priority objectives for its sustainable development and is committed to their achievement by adopting and continuously improving a Quality, Health & Safety and Environmental (QHSE) Management System.

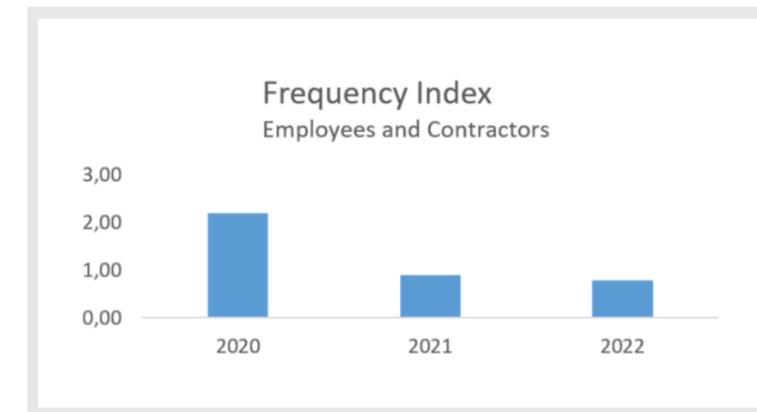
DESFA QHSE policy is the cornerstone of all Certified Management Systems implemented in the Company. Since 2007 DESFA has developed and certified systems for Quality Management per ISO 9001, Environmental Management per ISO 14001, and Health & Safety Management per ISO 45001, covering all facilities and activities and managed as one Integrated Management System. Additionally, an accredited per ISO 17025 laboratory for the purpose of equipment certification and field measurements is in operation.

The Integrated Management System is supported by several Procedures, Frameworks and Operating Instructions, handled by an electronic system and with the collaboration with QHSE representatives in all facilities and a network of external partners.

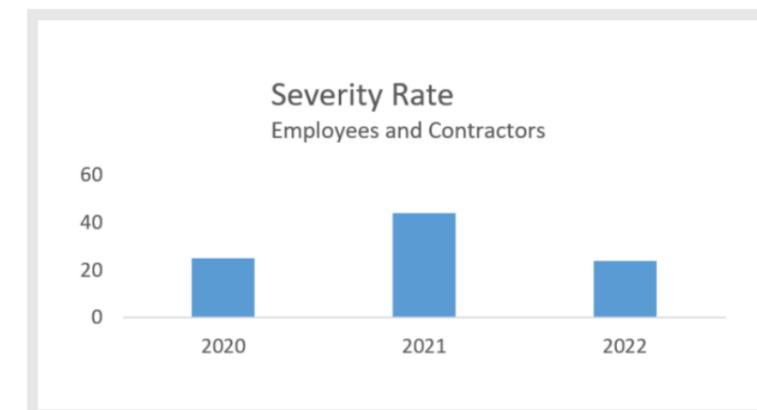
QHSE Monitoring and Performance

Continuous Improvement is the one constant of the QHSSE Integrated Management System, but "You cannot improve what you do not measure." And this is the reason why a mechanism is in place to gather all necessary data for the formulation and calculation of specifically selected KPIs. Based on these KPIs, goals are set to measure the adequacy and effectiveness of the QHSSE Integrated Management System.

The most common KPI regarding Health & Safety is the frequency index, representing the number of accidents at work per 1million person hours. In 2022 there was one accident, categorized as a slip & trip, resulting in absence of at least one day, the same as in 2021, the increased personnel hours recorded for our staff and our contractors led to a drop in the relevant index from 0.9 to 0.8.



In DESFA we also monitor another dimension of accidents providing a more holistic approach to accident monitoring, the Severity rate (Average number of days lost per accident at work), which in 2022 is 24, reduced compared to 2021 index (44).



Regarding the Environmental performance, DESFA publishes annually the Carbon Footprint Report that includes all aspects and relevant KPIs.

All facilities issue monthly QHSSE Reports, while a group of auditors frequently visits worksites and relevant findings are monitored. Exercises are scheduled and executed frequently, on all Company facilities based on defined scenarios. Each exercise is assessed, and all useful lessons are recorded and communicated. QHSSE training is provided in a competence-building framework and based on the QHSSE Competence Management System, aiming to enhance the QHSSE culture and help new recruits familiarize with our processes. During 2022 this system was certified by an independent certification body. Additional monitoring mechanisms include the performance of inspections and audits, the investigation and root-cause analysis of all incidents and accidents and the performance of tool-box-talks before the commencement of all field activities. All the above are reviewed at the quarterly Management review according to the requirement of the International Standards.

In order to increase awareness in HSE issues, DESFA plans and carries out a series of activities, some annual - such as the HSE Day (in 2022 the day was celebrated with HSE-oriented initiatives in all DESFA facilities with the involvement of more than 100 employees) and the HSE Championship (personnel submission of ideas for creating a safer workplace and a greener daily life, and the overall development of a corporate culture on HSE issues), and some targeted - such as the certification of staff in each facility to provide first aid amongst others (in 2022 the “Certified First Aid Providers” training initiative was organized across all Company premises with the participation of 69 employees, who will be now staffing the first aid teams in their facilities).

DESFA’s QHSE performance is of the highest standards in Greece. This is showcased by its participation in relevant Competitions. Since 2013, DESFA has received more than 35 Awards for its performance and innovation by HSE stakeholders in the following categories: Energy Sector, Emissions, Awareness, Preparedness, Personnel Participation, Competency Management, Waste Management, HSE Initiatives etc. In addition, in 2022 DESFA achieved the “OGMP Yearly Gold Standard”.

Impact of COVID-19 on DESFA’s business

The COVID-19 pandemic continued during 2022 and DESFA undertook several measures to protect its employees and ensure the continuity of the business.

DESFA maintained the teleworking status for employees, the QHSE support hotline was in operation and sharing of information on any updates on the official instructions regarding social distance, work from home and third-party access were frequent. All actions were included in the

Emergency Response Plan developed in 2020 and updated in accordance to the evolution of the situation. Especially for the personnel of the critical functions such as unloading storage and re-gasification of LNG, dispatching NG, compressing of NG and transportation, specific guidelines and measures were devised. The situation was monitored, and actions were taken on a need-to-do basis. By the end of the year, a normalization, with the lifting of almost all measures imposed by the Government, occurred.

Emissions Trading System

DESFA participates in the European GHG Emissions Monitoring and Management System (ETS). For this purpose, during 2022 the Company:

- › Monitored on a daily basis the relative parameters for calculating CO₂ for each source stream and emission source and submitted to the Ministry of Environment and Energy a Verified Emissions Report, a relative Declaration of Activity Data, and an Improvement Report for each installation.
- › Successfully underwent the Annual Emissions Verification Inspections for the LNG Terminal and the Compressor Unit in New Mesimvria by an independent verification body, maintaining the classification in compliance class A at the European Emissions Register.
- › Proceeded with the purchase of emission allowances to meet the legislative requirements. The weighted average of the purchase price of emission allowances was €76,17/EUA, 5,9% lower than the average price of the year. In terms of own CO₂ emissions, in order to manage the price fluctuation, DESFA will continue to apply the approved emission allowances purchase policy to ensure acceptance by RAE of the relative costs.

Physical Security

DESFA has set itself the goal of mitigating existing threats to an acceptable level and protecting people, property, and physical assets from any man-made malicious action. The main facilities are monitored electronically with modern Closed-Circuit Television (CCTV) systems controlled and monitored locally and centrally in the newly created Physical Security Control Center, always complying with the General Data Protection Regulation (GDPR).

Continuous training and confirmation of the Physical Security Personnel’s adequacy ensure the effectiveness of the Physical Security management system. The above’s compliance and efficacy are monitored and regularly measured through Key Performance Indicators.

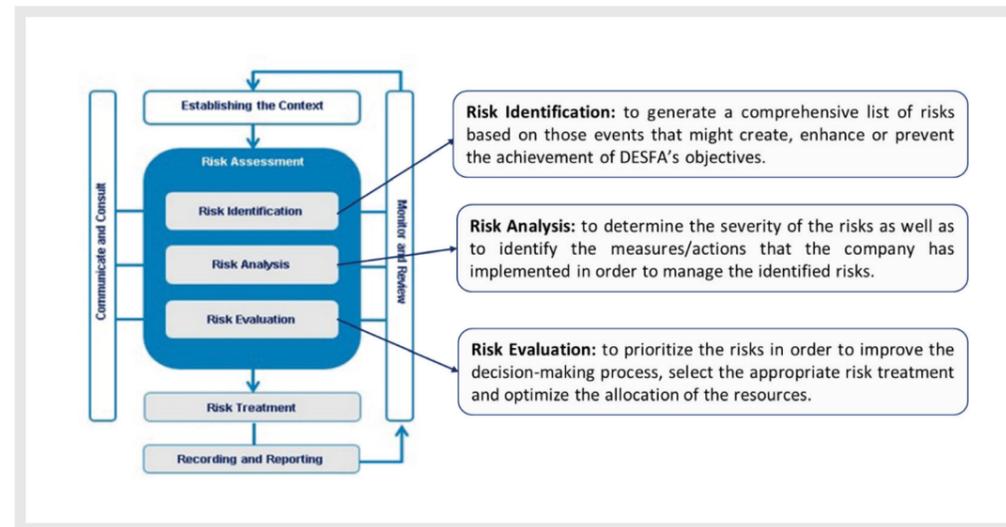
**INTERNAL CONTROL
& RISK MANAGEMENT SYSTEM**

9

The Corporate System Framework contributes to the definition and implementation of the Internal Control and Risk Management System, which consists of Enterprise Risk Management, Compliance and Internal Audit.

A. Enterprise Risk Management Framework

DESFA has set up the Enterprise Risk Management (ERM) unit, for the management of corporate risks. In 2022, the ERM unit formed a single function together with Ethics & Compliance, with a view to have a holistic approach to managing risk and monitoring the control environment.



DESFA's ERM and Risk Assessment Framework

The ERM function implements an ERM methodology aligned with the international best practices (i.e. COSO ERM framework, ISO 31000:2018 "Risk Management – Guidelines").

In 2022, ERM function, as part of its internal advisory role, provided continuous support to DESFA management in several areas, including an analysis of DESFA risks & opportunities driven by the Ukraine crisis, the response toward the Cyberattack and development of "DESFA Cybersecurity & IT risk assessment", and the identification of climate risks & opportunities impact assessment related to the NetZero Project.

B. Risk Elements & Management of Risks

Market risk factors

The evolution of demand and the Russia/Ukraine crisis

In recent years, a series of extraordinary events, along with the - hard to predict - market's response on them, make demand forecasting increasingly difficult. After the outbreak of COVID-19 pandemic and by the time of return to "normal conditions", the Russian invasion to Ukraine generated sharp increase in energy prices and significant volatility in energy markets. Both consequences had a significant impact on the evolution of gas demand in Greece, with the demand for exports showing significant increase and the demand for domestic consumption an overall decrease.

At the same time, the EU introduced urgent measures (Regulation on a voluntary reduction of natural gas demand by 15% and REPowerEU Plan) in response to the crisis and towards a faster green transition. This urgency to transform Europe's energy system by ending the EU's dependence on Russian fossil fuels and at the same time tackling the climate crisis, is forming a great uncertainty in the planning of the Greek energy sector and of the natural gas demand for the years ahead.

Based on the current state of crisis, no risk of operations' disruption exists, and the Company has adequate liquidity to continue its operation in the FY 2023. Moreover, RAE, with their Decision 63/2022, approved DESFA's proposal regarding the offering of Additional capacity in one or more NNGTS Entry Points in case of crisis level 2 or 3, as a measure of mitigating the consequences of natural gas imports curtailments or disruption, through another NNGTS Entry Point. Also, through the implementation in 2022 of the temporary increase of Revithoussa LNG terminal storage capacity, DESFA significantly increased the terminal's annual throughput further enhancing its position when it comes to security of supply.

Fuel prices

European gas prices have shown a great increase over the past two years, also affecting the Greek wholesale gas market. The Average gas import price in Greece has increased significantly, while the impact of this increase is highly evident in the drop of big industry category consumption. According to the Gas Short-Term Price Outlook of S&P, gas prices in Europe are expected to stay in the region of 60-70 €/MWh with high notable seasonal volatility. Permanence of high price levels might impact the domestic demand on a midterm basis.

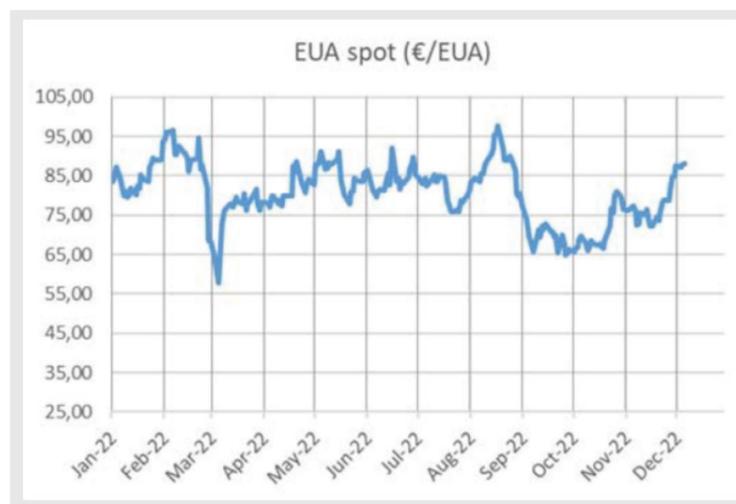
CO2 prices

The average annual price of Emissions Allowances for 2022 was €80.92/EUA, an increase of 52% compared to the average price for 2021 (€53,19/EUA), due to the increased use of solid fuels for power generation due to the energy crisis, which increased the demand for emission allowances. International analyses predict a lower average price for 2023 (70 - 80 €/EUA). However, the last two years have shown that it is rather difficult to predict prices in the energy market.

According to the brokers' technical analysis of the CO2 exchange market and the historical data, the 2023 price is to some extent influenced by the evolution of the winter (in terms of weather conditions) and the production intensity of RES. Additionally, the price of natural gas and the Ukraine crisis seem to have less impact on the market in the short term during 2023.

In order to manage any fluctuations of the price of emission allowances, DESFA will continue to apply the approved emission allowances purchase policy to meet the legislative requirements and ensure acceptance by RAE of the related costs.

The chart below shows the fluctuation of EUA prices in the spot market for 2022.



Risk of the development of Macroeconomic Parameters

Financial risk

Interest rate risk: Interest rate risk arises from interest rate increases in the long-term and short-term variable rate borrowings. On 31.12.2022, long-term borrowings were both on a fixed and variable rate basis. To mitigate the exposure from the interest risk increase, the Company is either issuing/contracting debt on fixed term basis or using market standard financial instruments, like Interest Rate Swaps (IRS). On 31.12.2022 the fixed rate part of the Company's total debt portfolio was 87,8% (216m/246m), in line with its internal strategy.

Foreign exchange risk: In general, most of the Company's assets and liabilities are denominated in Euros, while almost all transactions of the Company are also performed in Euros. In 2022, the Company did face some currency risk, as a result of the FSU related contractual obligations denominated in USD. This risk was fully covered (100%) with a combination of Spot USD transactions, as well as some market standard financial instruments, like USD Forwards. Also, since the Company is progressively expanding its services outside the EU zone, policies are being developed to monitor the exposure and take action in accordance with internal policy.

Banking risk: Due to the large number of deposits (€201,4 million as of 31.12.2022 without the SoS account), the Company is exposed to counterparty risk (vis-à-vis the financial institutions with which the deposits are held), specifically the risk of an eventual capital deficiency of banks, where the deposits are held. This risk is addressed by spreading deposits to all banking institutions in Greece that have completed their recapitalization and have an acceptable level of financial reliability (systemic banks).

Loan risk: The debt risk of the Company is low. The Company's gearing ratio, i.e., the ratio of total loans to the sum of total loans and total equity, on 31.12.2022, was equal to 22,5% (compared to 14,5% in the end of 2021).

Credit risk

The credit risk of the Company is low. The clients' payments are made to the Company on agreed credit terms of the corresponding invoices within the next month. The Company's payments to suppliers are generally 45 days after the issuance of the respective invoice, except for the gas procurement for balancing purposes and the procurement of operational gas, which follow the respective deadlines similar to those that DESFA imposes to its clients. Generally, collection risks on the Company's receivables have been low, except for specific disputed historical invoices, which were disputed by the counterparties and are under legal procedures.

Liquidity Risk

The liquidity risk is kept at low levels through the availability of sufficient cash and credit limits. To ensure this, there is a respective provision in the Tariff Regulation (par. 6 of article 4 of Tariff Regulation) and in the Regulation on Cash Reserves Administration Policy of the Company. The cash retained by DESFA exceeds this requirement.

Regarding the handling of the Security of Supply Account, the Company, in cooperation with RAE, has introduced the appropriate safeguards to prevent any liquidity risk related to this activity (despite the significant increase in size of actions in the 2022 Preventive Action Plan).

Other risks that are related to the activity or industry that the Company is developing

Regulatory risk

Regulatory risk for DESFA is linked to the potential intercepting and steering of the policy and regulation making process in a way that may not be fully aligned DESFA's and gas market's interests. Specifically, RAE decisions, European and national regulations and, more generally, any change in the regulatory framework of the energy sector, could have a significant impact on the Company's operations, results, financial stability, and potentially new business areas. In addition, considering the specific regulated nature of DESFA's business and the context in which it operates, changes to the regulatory framework regarding the criteria for determining tariffs are of particular significance.

In order to mitigate this risk, DESFA maintains a proactive engagement and a continuous and constructive dialogue with the Regulator and all other relevant stakeholders both at national and international level to closely monitor the decisions and participate in the regulation-making process.

Project Execution risk

Project risk is any event that has the potential to endanger a project's outcome, as authorized in the Ten-Year Development Plan.

Over the last years DESFA's personnel has managed and successfully completed a significant number of highly complex and large-scale projects at a European level. DESFA is in close cooperation, communication, and engagement with competent authorities and relevant stakeholders, and all TYDP projects are monitored and reported to RAE on a budget and time basis, following DESFA's robust Project Management processes that are based on the PMBOK¹² and PMI standards

Cybersecurity risk

Cybersecurity risk in DESFA is linked to exposure to malicious willful actions, control systems' violation with data hostage incident, destruction or non-availability of information systems which may lead to failure to protect the integrity of the electronic information system and data. To mitigate Cybersecurity risk DESFA has intensified its efforts for strengthening of proactive and preventive security measures (including Business and Digital Transformation program investments), with a view to further improve corporate security posture and cyber resilience capabilities.

Accident risk

DESFA has set a goal for zero accidents. To reach that goal the Company has several measures in-place to decrease the risk of accidents. Starting from the design phase where it adopts strict safety standards, DESFA is complying with specifications during construction, and applies preventive inspection and monitoring. During operation, Health & Safety specialists frequently visit each facility and personnel training and awareness raising actions are regularly organized. Health & Safety risk assessments are performed and reviewed frequently and for critical or high-risk activities.

As part of DESFA's HSE awareness process and aiming to reduce the risk of accidents, DESFA also runs a list of initiatives, aiming to promote HSE oriented initiatives and way of thinking.

12. PMBOK - Project Management Body of Knowledge, the internationally recognized standard by Project Management Institute (PMI)

Risk related to suppliers and the rules of cooperation between them

The cooperation rules with DESFA's key suppliers are defined by bilateral agreements and are in line with the regulatory framework applicable to DESFA. There are no overdue payments to the Suppliers or any breaches in relation to the contracts signed.

There are also no Suppliers whose termination of cooperation would jeopardize the operation of the Company and the Company maintains an adequate stock of materials for cases of temporary delays by the Suppliers.

DESFA minimizes the risk and/or potential damage in cases of gas stock loss, due to natural disasters or other causes (terrorist acts, unintended actions by third parties) through insurance contracts.

C. Compliance

In 2022, DESFA built on the progress made during 2021, to further improve the internal control environment, leveraging also on the Compliance review of procedures/operating instructions.

First, recognizing the importance of training and awareness in the cultural transformation of the Company and its people, DESFA delivered trainings in the Company's Code of Ethics, Anticorruption Policy, and Whistleblowing Policy to all personnel. In addition, the "Compliance Awareness" initiatives were initiated, regarding changes to the legislation affecting the relevant business units. Further during the year, the Anticorruption Model of the Company was developed. Then, in the context of third-party management, DESFA adopted a Compliance Due Diligence tool (risk-based questionnaires), to be used with vendors, clients, business partners and finally beneficiaries of sponsorships and donations. Another digital tool was developed for more effective gifts reporting and monitoring.

In the Data Protection stream, 2022 marked the year when the Data Protection Framework was finalized. In addition, significant steps were taken towards effective third-party management vis-à-vis data protection, partly due to the delivery of the Data Processors Evaluation Questionnaire to be integrated in the procurement processes. Through the year, DESFA also worked towards digitalization of data processing monitoring and management of requests by individuals related to their personal data, through the OneTrust platform, which was configured and adapted to DESFA needs with a view to full onboarding in 2023. Finally, DESFA delivered live training on Data Protection and Information Security to all DESFA personnel, trying to keep awareness high and to shed light to the concepts and principles of the GDPR and their applicability in the working context.

D. Internal Audit

In addition to the above, in 2022 DESFA also strengthened its internal audit capabilities, and carried out extensive risk-based audits to monitor the effectiveness and efficiency of the internal control system and processes according to the methodology included in the Internal Audit Charter. The activities included the development and execution of the Audit Plan.

The activities were carried out by ensuring that the conditions of independence and autonomy are preserved, as well as the due professional diligence, objectivity, and competence, according to the International Standards for the Professional Implementation of Internal Audit (IIA Standards) and the IIA Code of Ethics.

ESG
ACROSS DESFA

10

A. ESG Strategy

ESG Reporting

Following upon the establishment of DESFA's ESG Strategy in 2021, the Company aimed to create the basis for an ESG Report, according to the international standards¹³ for non-financial reporting, presenting information regarding the management approach and the performance on material sustainability topics relevant to DESFA business activities. This document is intended to act as a reference and a template for the drafting of the DESFA ESG Report 2022.

In 2022, an ESG survey was conducted among DESFA's internal and external stakeholders, to map and understand the actual and potential, positive and negative impacts of the Company's activities on the environment, society, the economy and governance. Since this assessment 23 material issues have been identified for which a materiality analysis was performed to identify the actual and potential, positive and negative impacts. The table below presents a grouping of those impacts based on their nature.

Material topics		
Pillar	Material Topics	UN SDGs
ENVIRONMENT	GHG emissions	13, 14, 15, 17, 25
ENVIRONMENT	Climate adaptation, resilience, and transition/ Innovation	13, 14, 15, 17, 25, 7, 8, 9, 10, 11, 12
SOCIETY	Employment practices / Freedom of association and collective bargaining	1, 5, 8, 10, 17, 23
SOCIETY	Occupational health and safety / Asset integrity and critical incident management	3, 8, 11, 13, 17, 23
SOCIETY	Local communities / Land rights	1, 3, 4, 5, 8, 10, 11, 17, 23
GOVERNANCE	Business Conduct	1, 4, 8, 10, 12, 17, 23
	Economic impacts	1, 3, 4, 5, 8, 10, 11, 17, 23
	Privacy	13

Following these procedures, the template ESG report was approved by the BOD in December 2022.

13. Note: GRI Standards 2021 and GRI 11 Oil & Gas Sector 2021; Athens Stock Exchange ESG Reporting Guide 2022; SASB Standard «Oil and Gas - Midstream 2018»; Climate-related Financial Disclosures (TCFD); Sustainable Development Goals of the United Nations (UN SDGs)

Sustainability Policy

In October 2022, the BoD approved DESFA's Sustainability Policy, which encapsulates the basic pillars of the Company's ESG strategy, expresses the corporate identity and communicates the approach to sustainability and the ESG commitments and actions of the Company. DESFA considers sustainability as a guiding principle for defining strategic and operating choices, and a valuable tool for responding beyond what is required by the regulatory framework.

Environment approach

DESFA's commitment to the Environment is reflected by the implementation of an Environmental Management System, covering all activities and facilities, based on ISO 14001:2015 international standard and communicating to stakeholders a QHSE Policy.

DESFA adopts a holistic approach concerning the Environment, committing itself not only to combat climate change, but also to adopt the best practices for the conservation and enhancement of the areas where it operates with its infrastructure, mitigating the environmental impacts of its operations, and of the involved stakeholders along the value chain. This is also reflected in the Company's targets concerning the reduction of CH4 emissions, energy efficiency, new business development on green gases and innovation, waste management and recycling.

Social approach

Further to the above, DESFA identifies employees, local communities, customers, and suppliers as key stakeholders and aims at contributing to the social and economic development of local communities, by means of sustainable social action models. The Company commits itself to promote projects that further promote growth and prosperity, with an emphasis on local communities and vulnerable population groups, as well as on the development of the territory, where DESFA performs its activities and develops its plans. The aim is always to provide the highest quality of services to the customers, achieving maximum satisfaction, while managing the gas network in a reliable and socially responsible manner.

Governance approach

Essential importance is given to the proper Governance of the Company, with special attention to ethics, compliance, service reliability, and efficiency, as well as the development of a risk management system, which will ensure the business continuity of the Company. DESFA considers market trends, the regulatory updates, and the strategic plans of its shareholders keeping its policy updated with a long-term perspective.

B. Corporate Social Responsibility (CSR) Program

DESFA has carried out a series of initiatives, through sponsorship, donations and volunteering to positively affect the local communities we work with, to fight climate change and to provide equal opportunities to people in alignment with the guidelines of the corporate ESG strategy and the principles of the Company’s Donations & Sponsorships procedure. Placing the topic of volunteering in the heart of our corporate culture, in 2022 DESFA ran a series of actions, providing the chance to employees to offer their skills and time and participate in meaningful actions that create a major impact in the lives of people in need and the fight against climate change.



Last year, initiatives were focused on refugees, food poverty, social and environmental care, innovation, sports and culture, giving also emphasis on initiatives related to Ukraine.

Food poverty

DESFA provided food supplies to the Social Grocery of Salamina and continued its valued collaboration with the NGO “The Love Van”, with a series of cooking for homeless people in the center of Athens, where 120 volunteers offered approximately 1.600 portions of food, dedicating 300 hours of volunteering throughout the year.

Social and Environmental care

DESFA continued the support to the Smile of a Child and Hellenic Children’s Village in Filiro, while we also advocated for organizations that focus on children with special needs. Also, the Company supported the educational needs of schools and municipal organizations through the donation of refurbished desktop computers. Additionally, giving emphasis on the enhancement of its ties with local communities, the Company supported local authorities in Farsala and Elefsina with the purchase of equipment necessary for their operational needs.

Further, volunteers participated in an expedition of the NGO +plefsi in the islands of Ereikousa, Othoni and Mathraki, supporting the provision of medical services to isolated people in need, while donating necessary medical supplies and participating in the two beach cleanings. Then, in collaboration with the NGOs We4All and Save Your Hood, DESFA carried out tree plantings and beach clean-ups and with We4All ran in 8 schools the environmental programs “Green Future” and “Green Hope” that included environmental education and awareness to young students along with a tree planting activity. The above activities raised DESFA level to “Earth Protector” in 2022 from a “Guardian” in 2021. These actions resulted to 33,000 kg of CO2 absorption and 175,500 kg of O2 that were released through the year.

In autumn of 2022, DESFA, in collaboration with National Kapodistrian University of Athens, implemented an educational program to develop skills related to forest protection and forest fire fighting, with the participation of approximately 60 participants.

Innovation

Aiming to support and promote the concept of innovation, DESFA supported financially The Inventors, an Academy of Robotics and Innovation, by providing educational material to be used in innovative teaching models, connecting knowledge with hands-on activities.

Sports

DESFA, last year, chose to support sporting initiatives that promote equal opportunities, inclusion and wellbeing to people with disabilities, such as the organization of Special Olympics Hellas in Loutraki, and initiatives promoting local communities and economies, such as the organization of the 9th Rally Greece Offroad in the area of Argos Orestiko and the Lepanto Formula Kite European Championships in Nafpaktos.

Culture

DESFA supported cultural activities that are close to its core business and identity, indicatively including the celebration of the National Day of Italy organized by the Embassy of Italy, promoting the business bonds between the two countries, as well as the celebration of the 90th anniversary of the Greek Guiding Association, which encourages young people to personal development, social participation, life in nature and ecological consciousness.

Focus on Ukraine

In the beginning of the year, as we witnessed the sudden outbreak of the war in Ukraine, it triggered our intention to support the people of Ukraine, dedicating a part of our donations budget and our efforts towards this end throughout the year.

DESFA provided financial support to the Hellenic Red Cross, aiming to support the humanitarian work and needs of the Ukrainian Red Cross. Support was also provided to the joint initiative undertaken by the Pharmacists of the World and the Municipality of Thessaloniki, on the supply of medical and pharmaceutical equipment, hygiene products, food supplies and personal equipment to Ukraine. Added to these, DESFA joined efforts with UNHCR (United Nations High Commissioner for Refugees) in Greece to run an internal voluntary campaign and raise funds to support the organization's work regarding the refugees of Ukraine. The financial contribution of the Company's employees was doubled by DESFA raising a significant amount to support refugees. DESFA also supported twice the TSO of Ukraine (GTSOU) by purchasing and donating, electrical generators as well as primary necessity items (first aid kits, protective masks, filters) and other technical equipment (walkie talkies).

Awards

In 2022 DESFA has been awarded with the SILVER AWARD for its participation at the Corporate Responsibility Index (CRI) 2021-2022.

**EXPECTED EVOLUTION
OF THE COMPANY**

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Key Strategic Pillars

DESFA implements its strategy based on a number of key strategic pillars. The key strategic pillars focus on the strengthening of the Company’s core regulated business, the commitment to foster energy transition, and the exploration of targeted business development opportunities. Digital transformation and cultural change are key enablers, while the Company is continuously working to build a consistent contemporary Sustainability Strategy, addressing ESG factors.



Strengthening Regulated Business

The energy crisis has brought the security of supply at the top of priorities of the energy market policy, together with sustainability and affordability, and has also highlighted the critical role of gas infrastructure in enhancing the security of supply, also on a cross-border basis. The role of gas, either fossil or renewable, will remain important in the specific environment, where security of supply and sustainable infrastructure will have an equal footing in the route to the full decarbonization of the energy mix.

Within this context, DESFA will need to safeguard the expansion of its core business while ensuring the development of future proof assets which will also serve the market in the energy transition era. To this end, DESFA has proposed a rigorous TYDP for the period 2023-2032, which, among others, will provide access to gas for new areas in Greece, will expand the export capacity of the NGTS, but will also allow the connection of new import facilities and new gas fired power plants, which have asked access to the NGTS. It includes projects that will improve the efficient digital operation of the Company and introduce innovative solutions for the renewable gases’ era. Starting from the landmark expansion project to West Macedonia, all pipelines DESFA constructs from this point onward are H2-ready, i.e. capable of transporting pure hydrogen, anticipating the gradual development of the corresponding backbone in the EU and the SEE region.

Energy Transition

DESFA, following ongoing developments at EU level on the role of the TSO in the H2 value chain, keeps working on the assessment of the H2 readiness of its existing network, for possible transportation of blends of natural gas and pure H2, but also works on plans to develop a pure H2 high pressure network, which formulate part of the European Hydrogen Backbone. To this end, DESFA has already submitted to ENTSOG two relevant projects, with the view to obtain future access to European financing for the support of such development. Also, the Company is currently working with the Greek industry on the launching of pilot blending projects, while closely follow the development of the necessary legal & regulatory framework at both national and EU level.

In parallel, DESFA works on the development of the biomethane industry in Greece, working with industrial partners for the launching of a Bio Methane Pilot Project, while also supporting the efforts of the State to develop the corresponding legal framework, along the lines of best European experience and practice.

In addition, acknowledging the importance of an integrated CO2 capture, transportation, and storage solution for Greece, as a necessity towards the realization of the ambitious climate goals set at EU level, DESFA is working on its role in the CCUS value chain, elaborating, together with partners, on ways which will allow the transportation of CO2 from its point of capture from industrial emitters to a permanent storage facility.

Last but not least, DESFA supports the development of R&D and innovation projects in Greece, which pave the way for significant investments in energy transition and shape the future role of DESFA in it. An initial list of such projects has already been included in the proposed TYDP 2023-2032 and includes a Pyrolysis project, the connection of NNGTS with West Macedonia H2 Valleys and the process & Dry Seal Recompression System. Other similar projects will follow.

Business Development Opportunities

Based on its own competencies and expertise, DESFA actively pursues to consolidate its portfolio of non-regulated O&M services in Greece and in selected countries abroad to establish its role as a reliable operating partner. Engagement into new non-regulated services for DESFA will be selective and focused on strengthening its presence in adjacent markets to where the Company already operates, or where synergies with its existing operations in Greece can develop.

EXPECTED EVOLUTION OF THE COMPANY

Digital Transformation & ESG strategy

In order to face the big challenges ahead and move forward, DESFA will need to operate with Efficiency, Digitalization & Innovation, and always with a focus on Culture and Sustainability.

Market Volatility triggers reaction and fast adjustment to new realities. DESFA transforms its way of working, to operate in a more agile and effective way. To become more efficient, the Company plans to substantially integrate the new Incentive Based Regulation into its core business. This new Scheme, introduces performance and efficiency related incentives, touching upon all critical areas of DESFA's operation and asset development delivery, offering opportunities for internal optimization to achieve the targets set and retain the potential financial upside.

In addition, technically innovative solutions and pioneering commercial products and tools will be key drivers towards core business expansion, while innovative business models & financing will foster the Energy Transition process.

DESFA considers sustainability as a guiding principle for defining strategic and operating choices, while ESG factors constitute a valuable tool for creating shared value and making the Company respond beyond what is required by the regulatory framework. DESFA is working along these lines on the development of a consistent & contemporary Sustainability Strategy, addressing ESG factors.

Research & Development

As reflected on the key strategic pillars of DESFA mentioned above, the Company works on the development of R&D and innovation projects in the country, shaping its future role in the era of energy transition. New projects related to modernization, maintenance & innovation and R&D have been included in the proposed TYDP 2023-2032. Further, in the context of the readiness for H2, DESFA is participating in HORIZON and other Innovation projects.

Further, DESFA supports the modernization and innovation of its **internal activities** and processes, and is transforming and continuously integrating new technologies aiming to create opportunities for financial and operational efficiency. Emerging sophisticated technologies are evolving in numerous services of the business field of the Company, such as inspection, maintenance, pipeline integrity, engineering & construction, and others.

EXPECTED EVOLUTION OF THE COMPANY

The Company aims to further cultivate an innovation culture that supports and incrementally delivers added value via sharing best practices, process optimization and full utilization of technology. It is currently in the process of evaluation and implementation of several important technological innovations. Such examples include the Development of Gas Demand Forecast System, the Cathodic Protection System Upgrade, and the Geohazards management upgrade Project. Currently, DESFA Departments as per their area of expertise, assess the potential technologies and provide recommendations for implementation.



In this context, DESFA established in October 2022 the **“Innovation Lab”**, an open cross-functional collaboration platform for the continuous identification and evaluation of innovative practices and tools, the adoption of technological solutions as well as the identification of relevant project initiatives. The Company is working on the collaboration with universities / public research centers/ and start-ups of the Greek ecosystem, to exchange existing expertise and theoretical background in technological initiatives

**EVENTS OCCURRING
AFTER THE REPORTING
PERIOD**

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EVENTS OCCURRING AFTER THE REPORTING PERIOD

As a first item, in 2023, a new law (L.5037/2023) concerning the Security of Supply (“SOS”) Account has been introduced. This account can be temporary funded by DESFA resources up to a total amount of € 135 m in order to result in a sufficient credit balance for the payment of the beneficiaries of the Actions of the 2022 Preventive Action Plan. The funds can be gradually transferred to the SOS Account after the request from RAE and the acceptance by DESFA and will be originating from:

- › DESFA will lend to the SOS Account the cash inflow (revenue collected) from auction premia of 2022 and of the period until September of 2023, and up to a total amount of € 65m. DESFA will receive a defined interest for that funding, borne entirely by the Security of Supply Account
- › DESFA will engage in a specific SOS account commercial bank credit line, up to a total amount of € 80 m including financial costs. The relative financial cost of DESFA. of the said borrowing is entirely borne by the Supply Security Account.
- › DESFA will receive a compensation amounting to a percentage of 0.5%, on the transferred funds, payable in the month of December of each year commencing from the year 2023 up to and including the year 2027. The said compensation shall be also charged to the Security of Supply Account.

The above financing amounts as well as those of the relevant foreseen charges (interest, financing costs and compensation) are returned to DESFA following a decision by RAE which adjusts the Security of Supply Levy in order to obtain a sufficient positive balance in this account. The return shall be performed gradually, on an annual basis, within the next 5 years and by the end of the year 2027 at the latest.

EVENTS OCCURRING AFTER THE REPORTING PERIOD

As a second information item, DESFA is currently, based on a specific request from RAE, analyzing the opportunity and possibilities to transfer (“carve out”) its non-regulated activities as well as its participations in Gastrade and Henex to a new legal entity, within 2023 in line with relevant prevailing European (TSO) practices also applied by DESFA’s shareholders.

Besides the above, there are no events that could have a material impact on the Company’s financial structure or operations that have occurred since 1/1/2023 up to the date of issue of these financial statements.

Halandri, 5th May, 2023

Under the mandate of the BoD

Konstantinos Kosmadakis

Chairman of the BoD

Panagiotis Tambourlos

Member of the BoD



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