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2019 ANNUAL FINANCIAL REPORT

(from 01.01.2019 to 31.12.2019)

In accordance with International Financial Reporting Standards

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1. DECLARATIONS BY DIRECTORS

WE DECLARE THAT

1. To the best of our knowledge, the accompanying annual Financial Statements of the Group and the Company, which have been prepared in accordance with the applicable International Financial Reporting Standards, present truly and fairly the assets and liabilities, the equity as at 31.12.2019 and the results of fiscal year 2019 of “HELLENIC ENERGY EXCHANGE S.A.” and of the undertakings included in the consolidation taken as a whole.
2. To the best of our knowledge, the accompanying report of the Board of Directors for fiscal year 2019 presents truly and fairly the course, performance and position of the Company “HELLENIC ENERGY EXCHANGE S.A.” and of the undertakings included in the consolidation taken as a whole, including the description of main risks and uncertainties they are faced with.
3. To the best of our knowledge, the accompanying Financial Statements for fiscal year 2019 are those that were approved by the Board of Directors of “HELLENIC ENERGY EXCHANGE SOCIÉTÉ ANONYME” on 01/07/2020 and have been posted on the Internet at www.enexgroup.gr.

Athens, 01 July 2020

**THE
CHAIRMAN OF THE BOARD**

**THE
CHIEF EXECUTIVE OFFICER**

**THE
MEMBER OF THE BOARD**

**2. MANAGEMENT REPORT OF THE BOARD OF DIRECTORS
FOR FISCAL YEAR
from 01.01.2019 to 31.12.2019**

The Board of Directors of HELLENIC ENERGY EXCHANGE (HEnEx or the Company) presents its Report on the annual separate and consolidated financial statements for the period ended 31.12.2019 pursuant to Law 4548/2018.

The annual separate and consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards adopted by the European Union.

Review of HEnEx S.A. activities for 2019

1. Day-Ahead Scheduling (DAS)

As part of the Day-Ahead Scheduling, HEnEx carried out the following:

- HEnEx continued the orderly operation of the Day-Ahead Scheduling (DAS) – until the commencement of operation of the Day-Ahead Market – and the unhindered performance of the relevant Clearing, Settlement and Financial Risk Management activities of the DAS transactions, protecting the company from default of participants and improving its external image (increasing both the transparency in its payments and the information provided to participants).
- As part of the implementation of DAS tie-break rules for the quantities offered by RES units having the obligation to participate in the DAS and after provisional acceptance of the relevant upgrade delivered by the contractor, HEnEx performed the relevant Site Acceptance Tests (SAT) and sent a list of comments and remarks. HEnEx completed the entry in the Register of Participants of RES and CHP production licence holders having the obligation to participate in the DAS (Sliding FiP Contracts for Differences, RES with sale contracts that have expired) and RES Aggregators and implemented the provisions of Law 4414/2016 with the fulfilment of the relevant requirements for their participation in the DAS.
- HEnEx completed the technical acceptance testing for the implementation of the measure for the use of an alternative fuel and the establishment of energy limits and enabled the relevant option in the Market Management System (MMS). HEnEx completed the regulatory, operational and technical amendments effected during the financial year 2018 regarding the Energy Transactions Information System and activated the measure for dealing with crisis situations of the National Natural Gas System.

2. Trade reporting based under the REMIT Regulation

In accordance with Regulation (EU) No 1227/2011 (REMIT), HEnEx completed the preparation and submission to ACER of the file for its registration as a Registered Reporting Mechanism (RRM), but due to the temporary suspension of the RRM registration by ACER the process was not completed. In addition, HEnEx continued to report to the Agency for the Cooperation of Energy Regulators (ACER) on behalf of the Greek Energy Market Participants the details of their Day-Ahead Scheduling (DAS) transactions, as well as the details of transactions in non-organized markets relating to bilateral electricity and gas contracts, in cooperation with DAPEEP S.A., which is an RRM.

3. Exchange System for Auctions of Electricity Forward Products with Physical Delivery (SSDPPIE)

HEnEx continued to operate with complete success the “NOME Mechanism” for the primary and secondary market of Electricity Forward Products with Physical Delivery to the DAS, as well as the Supplementary DAS Clearing. In the first six months, HEnEx successfully held two auctions.

Also, HEnEx submitted to RAE an updated recommendation for the amendment (following a recommendation submitted in October 2018) of the provisions of Article 41 of the Exchange Code for Electricity Forward Auctions

(SSDPPIE) with the aim of improving the mechanism of sale through auctions of electricity forward products with physical delivery, which eventually led to amendment of SSDPPIE, with the new provisions taking effect as of March 2019.

On 30 September 2019, pursuant to an Act of Legislative Content, the NOME auction scheduled for 16 October 2019 was cancelled and, in addition, the NOME mechanism established with Article 135 of Law 4389/2016 was abolished.

4. New Electricity Markets – Adaptation to the requirements of the European “target model”

SPOT Market

HEnEx was actively engaged, during 2019, in the reorganization of the Greek electricity market for the implementation of the European Regulatory Framework regarding the “Target Model” for the creation of the Single Internal Market for Electricity and Natural Gas. Specifically:

Day-Ahead Market and Intraday Market

- As part of the project for the planning and implementation of the coupling of the Day-Ahead Markets between Greece and Italy (Italian Borders Working Table – IBWT), HEnEx submitted the relevant Requests for Change (RfC), which was approved by the IBWT Steering Committee, and completed the RfCs that will be submitted (a) to the Single Day-Ahead Coupling (SDAC), and (b) to the Price Coupling of Regions (PCR).
- HEnEx completed the design of the energy trading systems of the Day-Ahead Market and the Intra-Day Market, in cooperation with the Athens Exchange Group, and the integration of the Pan-European Solving Algorithm (EUPHEMIA).
- HEnEx successfully organized two one-day events on the acceptable types of orders in the auctions of the new Day-Ahead Market and Intra-Day Market, with the participation of HEnEx Participants and other stakeholders.
- HEnEx prepared and submitted to the Regulatory Authority for Energy (RAE) Methodologies and Technical Decisions on the Day-Ahead and Intraday Markets Operation Regulation (Spot Trading Rulebook), actively participated in the relevant Public Consultation of RAE and, after editing the texts, resubmitted those to RAE, taking into account the comments of the participants in the Public Consultation.
- As part of the development of the Pan-European Solving Algorithm (EUPHEMIA), HEnEx actively participated in the relevant technical working groups, creating a virtual order book, compatible with the EUPHEMIA specifications.
- HEnEx participated in the preparation and signing of the contracts with Nominated Electricity Market Operators (NEMOs), Transmission System Operators (TSOs) and other entities, and specifically the ANDOA, DAOA and ANCA contracts.
- HEnEx received the modules of the trading information systems of the Day-Ahead Market and the Intra-Day Market from the Athens Exchange Group and continued with the training of the system operators.
- HEnEx organized a one-day event with the participation of HEnEx Participants and other stakeholders for the presentation of the systems. The Participants were then connected with the systems and operational tests were performed for 4 weeks, according to a detailed plan, for the familiarization of the Participants with the systems, followed by dry runs.
- HEnEx cooperated consistently with the departments for development and operation of the information systems of the ADMIE Balancing Market for the planning and implementation of the interface of these systems with the HEnEx systems.

- HEnEx cooperated consistently with the Ministry of Energy, with the participation of ADMIE, in progress reporting and problem solving for the work of implementation of the new markets and in setting binding milestones for the commencement of operation these markets.

Financial Instruments Market

As part of the preparation of the file to be submitted to the Hellenic Capital Market Commission for authorization as a market operator for Energy Derivatives Market, HEnEx completed the first draft of the relevant Rulebook and initiated contacts with potential members of this market, with the aim to provide information and ensure the consensus of the market as to its planning.

Following the decision of the Ministry of Energy to bring forward the commencement of operation the new Energy Derivatives Market before the commencement of operation of the SPOT Market, the priorities of the HEnEx S.A. stretched schedules were revised in order to achieve the new goals.

HEnEx strengthened its cooperation with the Hellenic Capital Market Commission for the settlement of the regulatory matters for the authorization of HEnEx S.A. as an organized market for financial instruments, with the potential Participants and Members of the new market, as well as by approaching New Members that would undertake the role of Special Negotiator.

5. Natural Gas Market and Other Markets

Within the context of its business plan and in accordance with the provisions of Law 4512/2018, HEnEx commenced the study for the extension of its activities to the Natural Gas Market. In this Market, HEnEx aims to become a Trading Platform Operator (TPO). HEnEx issued a Request for Proposal (RFP) for the relevant feasibility study, which also includes a proposal for a market model, as well as an implementation plan. The feasibility study was awarded to Ernst & Young, which, in close cooperation with the Ministry of Energy, RAE and DESFA, as a HEnEx S.A. shareholder, completed the study with very interesting and useful results.

Within the effort for expansion to other markets, HEnEx supported the Expressions of Interest by the Cyprus Stock Exchange (which became a shareholder of HEnEx in December 2018) for undertaking the activities of the Electricity Market Operator for Cyprus.

6. Organizational issues – Licensing

HEnEx additionally worked on the following:

- The reorganization of the processes for the support of the market Participants/Members (Member Support) of its markets.
- The development of other internal processes and policies (Business Continuity Plan, Operational Risk Management Framework, Information Security Policy, Internal Audit Framework, Compliance Policy etc.).
- The announcement of new vacancies for the further staffing of its business units with the aim of successfully achieving its objectives.

HEnEx implemented further changes in its company structure and internal organization for the increased effectiveness of its adjustment to the operating standards of the modern European Energy Exchanges and as part of the preparation of the file for the approval of its Operation Regulation (Rulebook) by RAE.

OBJECTIVES OF HEnEx S.A. FOR 2020

1. Wholesale Electricity Market and Day-Ahead Scheduling (DAS)

Within the existing electricity market, the objectives of HEnEx are the orderly operation of the Day-Ahead Scheduling (DAS) – until the commencement of operation of the Day-Ahead Market – and the unhindered performance of the relevant Clearing, Settlement and Financial Risk Management activities of the DAS transactions, in order to ensure the smooth operation of the market and the minimization of the credit risk of the Participants.

2. Trade reporting under the REMIT Regulation

After the lifting of the suspension of the RRM registration by ACER, for the new applications for Organized Markets, HEnEx S.A. will pursue its RRM Registration. In addition, HEnEx will adapt the software, a licence of which HEnEx has purchased from DAPEEP, which possesses the algorithm, and based on which DAS reporting is carried out at present. This algorithm will be installed by the ATHEX Group in the data centre and will interface with the DAS databases in order to complete the HEnEx S.A. reporting capability.

3. New Energy Markets – Adaptation to the requirements of the European “target model”

Within the reorganization of the Greek electricity market for the implementation of the European Regulatory Framework regarding the “Target Model” for the creation of the Single Internal Market for Electricity and Natural Gas, HEnEx aims at the following:

Day-Ahead Market and Intraday Market

- The submission of the Requests for Change (RfC), as part of the project for the planning and implementation of the coupling of the Day-Ahead Markets between Greece and Italy (Italian Borders Working Table – IBWT), the Multi-Regional Coupling (MRC) and the Price Coupling of Regions (PCR).
- The completion of design and implementation of the energy trading systems of the Day-Ahead Market and the Intra-Day Market in cooperation with the Athens Exchange Group, the functional integration of the PCR systems, the performance of the relevant acceptance tests, the continuous training of the Participants and the performance of dry runs.
- The completion of the national and European contractual framework required for the operation of the Italian Borders Market Coupling.
- The extension of the coupling to the borders between Greece and Bulgaria after the completion of the coupling with Italy, within the IBWT.
- The development of the Pan-European continuous trading platform (XBID), through the relevant working groups.
- The collaboration with RAE for the approval of the Regulation and Technical Decisions required for the completion of the regulatory framework of these markets.
- The active participation in the national and European working groups required to achieve the above.

Energy Financial Market

- According to the provisions of Law 4512/2018, HEnEx will establish a market for Energy Financial Instruments. For this purpose, in collaboration with the ATHEX Group, HEnEx will continue its intensive cooperation with the Hellenic Capital Market Commission for authorization as a market operator for the

operation of Energy Derivatives Markets, will complete the drafting of the required Technical Decisions and will organize information events and workshops with potential Members of this market, with the aim to bring them up to date and to ensure the consensus of the market as to its planning.

- HEnEx will proceed with the completion of the design and implementation of the systems of the Energy Financial Market in cooperation with the ATHEX Group with the aim of commencement of operation of the Energy Financial Market within the first quarter of the year.

4. Greek Natural Gas Market

HEnEx will maintain collaboration and contacts with the relevant authorities (Ministry of Environment, Energy and Climate Change (YPEKA), Regulatory Authority for Energy (RAE), Hellenic Gas Transmission System Operator (DESFA)). The goal of HEnEx, beyond the object of the study, is to achieve the maximum possible agreement with these authorities and, in general, the dissemination in the market of the aim of HEnEx to become a Trading Platform Operator (TPO).

Based on the results of the study, HEnEx will draw up a plan for further actions, which, most probably and depending on the details of the study, will include the preparation and submission of recommendations regarding the regulatory framework, the promotion of the required agreements and the drafting of Trading and Clearing Regulations for the SPOT Markets and Derivatives of the Natural Gas Market. On the basis of the foregoing, the design and development of the relevant Information Systems (Trading and Clearing Platform) will be carried out.

5. Environmental Markets

HEnEx will explore the further extension of its activities also to the Environmental Markets, in accordance with the provisions of Law 4512/2018.

6. Organizational issues – Licensing

In addition, HEnEx aims at:

- The completion, submission and approval of its Operation Regulation (Rulebook) by RAE and the Hellenic Capital Market Commission, in accordance with the relevant provisions of Law 4512/2018.
- The reorganization of the processes for the support of the market Participants/Members, of the processes for their training and certification, and of the other internal processes (Business Continuity Plan, Operational Risk Management Framework, Information Security Policy, Internal Audit Framework, Compliance Policy etc.).
- The further staffing of its business units with the aim of successfully achieving its objectives.

Prospects for 2020 and beyond

The COVID-19 outbreak resulted in the deterioration of the positive investment climate of the first weeks of the new year due to the significant achievements of the Greek economy in 2019.

The rapid spread of the coronavirus (COVID-19) disease, finds the world financial system and business to a large degree unprepared. The world economy is entering a period of uncertainty and instability, the consequences of which are difficult to estimate based on the facts so far. The economic impact will depend on the duration, the intensity and the spread of the disease in Greece and across the world.

The prospects of the Group and the Company – under normal operating conditions - are also shaped by the regulatory changes that are taking place in Europe, and by the overall policies of the European Commission. Also

significant for the prospects of the Group are judged to be the overall developments in the macroeconomic environment internationally.

In these unprecedented conditions, the Company strives to operate effectively in an environment of remote operation, to continue to maintain the smooth functioning of its markets, continue to provide value added services, and utilize its infrastructure by adding new products and services in order to effectively fulfil its role

In general, the excellent organization of the Group, the start and reliable operation of the energy market even in extremely difficult conditions such as at present, the successful business agreements concluded with the Athens Exchange Group, the lack of debt obligations, as well as the liquidity that it possesses, guarantee its survival in the long term, with significant benefits for shareholders, employees and society at large.

Financial Information

The earnings after tax in 2019 amounted to €570,052 for the Group and to €497,150 for the Company.

Financial Performance Indicators (FPIs) and Non-Financial Performance Indicators (NFPis)

Financial indicators worth mentioning are shown below:

	Period from 1.1.2019 to 31.12.2019		Period from 18.6.2018 to 31.12.2018	
1. Current Assets	71,053,115	97%	77,154,572	97%
Total Assets	73,419,912		79,314,553	
2. Fixed Assets	2,286,575	3%	299,389	0%
Total Assets	73,419,912		79,314,553	
3. Equity	5,655,208	8%	5,103,599	7%
Total Accounts Payable	67,764,704		74,210,954	
4. Total obligations	67,764,704	92%	74,210,954	94%
Total liabilities	73,419,912		79,314,553	
5. Equity	5,655,208	8%	5,103,599	6%
Total Liabilities	73,419,912		79,314,553	
6. Equity	5,655,208	247%	5,103,599	1705%
Fixed Assets	2,286,575		299,389	
7. Current Assets	71,053,115	106%	77,154,572	104%
Current Liabilities	67,098,308		74,063,521	
8. Working Capital	3,954,807	6%	3,091,051	4%
Current Assets	71,053,115		77,154,572	
9. Net Earnings Before Taxes	772,753	14%	188,394	4%
Equity	5,655,208		5,103,599	

Environmental issues

The management of the Company has undertaken additional appropriate initiatives for the recycling of consumable materials, such as paper, plastic etc., used in its offices. Apart from these, the business activities of the Company have no direct or indirect effects on the environment.

Work issues

The personnel of the Company consist of staff working under employment contracts or under a remunerated mandate that was transferred with the Electricity Market Division of LAGIE S.A. contributed at the formation of the Company, as well as of staff hired under employment contracts or under a remunerated mandate and as at 31.12.2019 comprised 27 persons in total, while the personnel of the subsidiary EnExClear comprised 7 persons.

Major risks – Uncertainties

Interest rate risk: The Company has not entered into any loans with financial institutions and, therefore, is not exposed to risk of changes in interest rates.

Price risk: The Company is not exposed to price risk, in the sense that the clearing of the transactions it carries out is performed for the same Distribution Day and for all Participants at the same System Marginal Price (SMP), both for claims as well as for liabilities.

Financial Risk of Transactions: The Company, operating as a Transaction Manager in the existing trading systems of Day-Ahead Scheduling and Electricity Forward Auctions has legally undertaken to perform the clearing and the cash settlement of the transactions. In order to reduce the risk of occurrence of cases of transaction deficits, the company applies the relevant provisions of the Codes in force (Power Exchange Code For Electricity (PECE) and Exchange Code for Electricity Forward Auctions (SSDPPIE)) receiving relevant guarantees in the form of Letters of Guarantee and/or Cash Collateral, monitoring the changes in the Position of the participants in the transactions and imposing advance payments towards the final amounts receivable. For the exceptional cases of occurrence of DAS transaction deficits, the Company applies the relevant provisions of articles 90 and 61 of the PECE, according to which any temporary deficit is allocated proportionally to the producers while any final deficit is allocated to the participating Load Representatives. Furthermore, any transaction deficit in Electricity Forward Auctions does not affect the Company as, according to the provisions of the relevant SSDPPIE, the Company is required to pay to the Sellers only the amounts that have been collected, applying, in accordance with the relevant provisions of the SSDPPIE, additional measures on the liable Eligible Suppliers and Forward Holders with regard to their participation in the Exchange System for Electricity Forward Products.

Liquidity risk: The Company was exposed to liquidity risk due to the time difference between the payment of VAT for the Energy Exchange to the Greek State and the collection of VAT from the Participants liable, according to the relevant provisions of the PECE, and for this reason the company submitted a relevant recommendation to the Regulatory Authority for Energy for the collection of VAT from the Participants on the 15th calendar day of each month instead of the 26th day.

Risk of uninsured fixed assets: There is no such risk as the Company owns no property.

Foreign exchange risk: There is no such risk as all the Company's transactions are in euros.

Activities in Research and Development

There are no such activities in the Company.

Treasury shares

None.

Branch offices

Apart from the head office at 110 Athinon Avenue in Athens, there are no branch offices.

Board of Directors

At the Unsolicited General Meeting of 08.03.2019, a new eleven-member Board of Directors was elected, which was formed as a body at its meeting No. 10/08.03.2019 as follows:

1. Athanasios Savvakis, Chairman
2. Michail Filippou, Chief Executive Officer
3. Aristeidis Tasoulis, Director
4. Konstantinos Mavromatos, Director
5. Gerasimos Avlonitis, Director
6. Dimitrios Karaiskakis, Director
7. Hannes Takacs, Director
8. Marinos Christodoulidis, Director
9. Dimitrios Papantonis, Director
10. Ioannis Vougiouklakis, Director
11. Vaia Karathodorou, Director

At the Unsolicited General Meeting of 03.10.2019, a new eleven-member Board of Directors was elected, which was formed as a body at its meeting No. 19/03.10.2019 as follows:

1. Athanasios Savvakis, Chairman
2. Georgios Ioannou, Chief Executive Officer
3. Ioannis Vougiouklakis, Director
4. Vasilios Karagiannis, Director
5. Iraklis Skoteinos, Director
6. George Polites, Director
7. Dimitrios Karaiskakis, Director
8. Hannes Takacs, Director
9. Marinos Christodoulidis, Director
10. Gerasimos Avlonitis, Director
11. Ioannis Emiris, Director

Foreign currency

The Company does not have cash & cash equivalents in foreign currency.

Transactions with associated parties

Transactions with associated parties are as follows:

	Group		Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Remuneration of executives and members of the BoD	806,445	306,301	724,255	306,301

The parent Company HEnEx took a provision of €748,221 to cover operating expenses of the subsidiary EnExClear. The amount is shown as an obligation of the parent Company HEnEx in the Statement of Financial Position on 31.12.2019. In addition, EnExClear shows an additional claim on HEnEx of €26,400.

Later events

Decision 36/2020 by RAE [Regulatory Authority for Energy] approved, in accordance with par. 1 of article 9 of law 4425/2016 and par.1 of article 117C of law 4001/2011 as in force, the operation of HenEx S.A. as an Energy Market and the management and operation of the Day Ahead market and the Intraday Market.

In addition, the Board of Directors of the Hellenic Capital Market Commission, at its meeting (872/4.3.2020) decided:

- a) to grant a license to manage an organized market to HenEx S.A. in accordance with law 4514/2018.
- b) To grant a license to operate an organized market to the HenEx S.A. Energy Derivatives Market and approved its Rulebook of Operation.

The Energy Exchange began operating its Energy Market on 26 March 2020 by carrying out the first trade for day ahead physical delivery, at an average marginal price of €46.357. In particular, the first trade (Base April 20) was between DEI (PPC) and Elpedison, and it also inaugurated PPC's role as market maker. The first trade is an important step for the future, taking into consideration that it will take time for the Greek ecosystem to obtain experience and know-how.

In addition, HenEx was certified by ACE as an RRM for the data reporting under REMIT.

The rapid spread of the coronavirus (COVID-19) disease, finds the world financial system and business to a large degree unprepared. The world economy is entering a period of uncertainty and instability, the consequences of which are difficult to estimate based on the facts so far. The economic impact will depend on the duration, the intensity and the spread of the disease in Greece and across the world.

At the same time, the critical period that we are facing and the financial impact of the pandemic have brought about major changes in our work routine. Companies are now required to operate under complex and adverse conditions, while ensuring a safe and effective environment for both their staff as well as their clients and partners. In this context, the Hellenic Energy Exchange Group has implemented a series of preventive measures, supporting from the start the national initiative and following the recommendations of those responsible for taking specific measures to contain the spread of the virus, to the extent that there is no material uncertainty regarding the continued operation of the Group in the short-term.

Additional significant factors that contribute to this conclusion is the fact that the Group has a strong financial position, without external borrowing, and sufficient liquidity in order to meet its obligations. The strong capital adequacy of the Group is consistent with the appetite for risk taking to the extent that it enables the reliable, secure and seamless operation of the capital market. In addition, the Group may adjust its investment plan by considering delaying or even postponing investments depending on current developments.

However, there is a high degree of uncertainty in the long-term concerning the duration, the intensity and the spread of the disease. As a result, an estimation of the macroeconomic conditions at the global level and by extension of the financial consequences at the Group level in the long-term cannot be reliably and reasonably determined at this stage.

There is no event that has a significant effect in the results of the Group and the Company which has taken place or was completed after 31.12.2019, the date of the 2019 annual financial statements and up until the approval of the annual financial statements by the Board of Directors of the Company on 01.07.2020.

Athens, 01 July 2020

THE BOARD OF DIRECTORS

3. INDEPENDENT AUDITORS' REPORT

Independent Auditor's Report

To the Shareholders of HELLENIC ENERGY EXCHANGE S.A.

Report on the Audit of the Separate and Consolidated Financial Statements

Opinion

We have audited the accompanying separate and consolidated financial statements of HELLENIC ENERGY EXCHANGE S.A. (the Company), which comprise the separate and consolidated statement of financial position as at 31 December 2019, the separate and consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying separate and consolidated financial statements present fairly, in all material respects, the financial position of HELLENIC ENERGY EXCHANGE S.A. and its subsidiaries (the Group) as at 31 December 2019, their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as incorporated into the Greek Legislation. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the separate and consolidated Financial Statements" section of our report. We are independent of the Company and its consolidated subsidiaries throughout our appointment in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), as incorporated into the Greek Legislation and the ethical requirements that are relevant to the audit of the separate and consolidated financial statements in Greece, and we have fulfilled our other ethical responsibilities in accordance with the requirements of the current legislation and the above-mentioned IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Separate and Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the separate and consolidated financial statements in accordance with IFRSs, as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate and consolidated financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Separate and Consolidated Financial Statements

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

As part of an audit in accordance with ISAs as incorporated into the Greek Legislation, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate and consolidated financial statements, including the disclosures, and whether the separate and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the separate and consolidated financial statements. We are responsible for the direction, supervision and performance of the company and of its subsidiaries audit. We remain solely responsible for our audit opinion.

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

Report on other Legal and Regulatory Requirements

Taking into consideration that management is responsible for the preparation of the Board of Directors' Report, according to the provisions of paragraph 5 of article 2 (part B') of L. 4336/2015, we note that:

- a) In our opinion the Board of Directors' Report has been prepared in accordance with the applicable legal requirements of the article 150 of L. 4548/2018 and its content corresponds with the accompanying separate and consolidated financial statements for the year ended 31/12/2019.
- b) Based on the knowledge we obtained during our audit of HELLENIC ENERGY EXCHANGE S.A. and its environment, we have not identified any material misstatements in the Board of Directors' Report.

Athens, 2 July 2020

NIKOLAOS S. NAKOS

Certified Public Accountant Auditor
Institute of CPA (SOEL) Reg. No. 14071

NIKOLAOS A. SYKAS

Certified Public Accountant Auditor
Institute of CPA (SOEL) Reg. No. 27541

4. 2019 ANNUAL FINANCIAL STATEMENTS

(from 1 January 2019 to 31 December 2019)

In accordance with International Financial Reporting Standards

4.1. Statement of Comprehensive Income

	Note	Group		Company	
		01.01	18.06	01.01	18.06
		31.12.2019	31.12.2018	31.12.2019	31.12.2018
Revenue					
<u>DAS Special Account</u>					
DAS Clearing Charges	5.7	3,469,836,121	2,107,580,765	3,469,836,121	2,107,580,765
DAS clearing returns	5.8	(3,306,883,309)	(1,929,173,418)	(3,306,883,309)	(1,929,173,418)
Forward products	5.9	(162,952,812)	(178,407,347)	(162,952,812)	(178,407,347)
DAS revenue	5.10	4,703,930	2,525,946	4,703,930	2,525,946
NOME fees	5.11	195,631	154,939	195,631	154,939
NEMO fees	5.12	177,367	381	177,367	381
Other services	5.13	600	0	600	0
Total revenue		5,077,528	2,681,266	5,077,528	2,681,266
Expenses					
Personnel remuneration and expenses	5.14	2,032,769	569,996	1,660,324	567,962
Third party fees and expenses	5.15	710,617	407,265	589,898	400,251
Utilities	5.16	6,883	0	6,401	0
Maintenance / IT support	5.17	1,921	454	1,921	454
Other taxes	5.18	271,740	42,857	270,829	42,778
Other operating expenses	5.19	999,724	520,083	1,615,404	532,245
Total operating expenses before ancillary services and depreciation		4,023,654	1,540,655	4,144,776	1,543,690
Earnings Before Interest, Taxes, Depreciation & Amortization (EBITDA)		1,053,874	1,140,612	932,751	1,137,577
Depreciation	5.21	(404,861)	(49,469)	(371,434)	(49,469)
Earnings Before Interest and Taxes (EBIT)		649,012	1,091,143	561,318	1,088,108
Financial expenses	5.23	(24,855)	(1,566)	(21,577)	(1,566)
Amount to be cleared		624,157	1,089,578	539,741	1,086,543
Amount due to be returned to participants		(233,110)	(1,046,542)	(233,110)	(1,046,543)
Fair / Reasonable Profit		391,047	43,035	306,631	40,000
Capital income	5.23	381,706	145,359	369,293	145,359
Earnings Before Taxes (EBT)		772,753	188,394	675,924	185,359
Income Tax	5.31	(228,969)	(131,733)	(187,376)	(129,113)
Deferred tax	5.32	26,268	46,938	8,602	45,258
Earnings After Tax (EAT)		570,052	103,599	497,150	101,504

	Note	Group		Company	
		01.01	18.06	01.01	18.06
		31.12.2019	31.12.2018	31.12.2019	31.12.2018
Earnings after tax (A)		570,052	103,599	497,150	101,504
Other comprehensive income / (losses)					
Valuation profits / (losses) during the period		(24,267)	0	(24,267)	0
Income tax included in other comprehensive income / (losses)		5,825	0	5,825	0
Other comprehensive income / (losses) after taxes (B)		(18,442)	0	(18,442)	0
Total Other Comprehensive Income (A) + (B)		551,610	103,599	478,708	101,504

The notes in chapter 5 form an integral part of the annual financial statements of 31.12.2019.

4.2. Statement of Financial Position

	Notes	Group		Company	
		31.12.2019	31.12.2018	31.12.2019	31.12.2018
ASSETS					
Non-current assets					
Platform under development	5.21	54,000	0	36,600	0
Tangible assets for own use	5.21	283,757	291,537	262,250	291,537
Intangible assets	5.21	1,370,154	7,852	1,370,154	7,852
Right-of-use assets	5.20	578,664	0	510,371	0
Participations & other long-term claims	5.25	1,192	1,813,654	1,001,192	2,813,654
Deferred tax	5.32	79,030	46,938	59,684	45,258
		2,366,797	2,159,981	3,240,251	3,158,301
Current assets					
Clients	5.22	45,478,911	58,360,560	45,478,911	58,360,560
Other claims	5.22	19,891	7,161	18,241	7,161
Claim guarantees	5.24	12,060,022	11,076,031	12,060,022	11,076,031
Cash & cash equivalents	5.23	13,494,291	7,710,820	13,017,376	6,710,820
		71,053,115	77,154,572	70,574,550	76,154,572
TOTAL ASSETS		73,419,912	79,314,553	73,814,801	79,312,873
EQUITY & LIABILITIES					
Equity					
Share Capital	5.26	5,000,000	5,000,000	5,000,000	5,000,000
Reserves	5.26	5,180	0	5,075	0
Retained Earnings	5.26	650,028	103,599	575,136	101,504
		5,655,208	5,103,599	5,580,211	5,101,504
Long-term liabilities					
Staff retirement obligations	5.27	156,822	147,433	85,513	147,433
Lease liabilities	5.20	509,574	0	447,701	0
		666,396	147,433	533,214	147,433
Short-term liabilities					
Suppliers and other liabilities	5.28	53,139,703	61,228,569	53,767,495	61,232,184
Obligations to participants – amount for clearing	5.29	233,110	1,046,542	233,110	1,046,543
Liabilities for collaterals	5.24	12,060,022	11,076,031	12,060,022	11,076,031
Lease liabilities	5.20	73,919	0	66,199	0
Other taxes payable	5.30	1,363,927	551,831	1,407,636	551,918
Income tax payable	5.31	127,690	109,929	89,230	107,309
Social Security organizations	5.33	99,937	50,619	77,684	49,951
		67,098,308	74,063,521	67,701,376	74,063,936
TOTA LIABILITIES		67,764,704	74,210,954	68,234,590	74,211,369
TOTAL EQUITY & LIABILITIES		73,419,912	79,314,553	73,814,801	79,312,873

The notes in chapter 5 form an integral part of the annual financial statements of 31.12.2019.

4.3. Statement of Changes in Equity

GROUP	Share capital	Regular reserve	Retained earnings	Total
Balance on 31.12.2018	0	0	0	0
Deposit of Share Capital	5,000,000	0	0	5,000,000
Earnings for the period	0	0	103,599	103,599
Other comprehensive income after taxes	0	0	0	0
Total comprehensive income after taxes	0	0	103,599	103,599
Total equity on 31.12.2018	5,000,000	0	103,599	5,103,599
Balance on 01.01.2019	5,000,000	0	103,599	5,103,599
Earnings for the period	0	0	570,052	570,052
Other comprehensive income after taxes	0	0	(18,443)	(18,443)
Total comprehensive income after taxes	0	0	551,609	551,609
Earnings distribution to reserves	0	5,180	(5,180)	0
Total equity on 31.12.2019	5,000,000	5,180	650,028	5,655,208

HEnEx	Share capital	Regular reserve	Retained earnings	Total
Balance on 31.12.2018	0	0	0	0
Deposit of Share Capital	5,000,000	0	0	5,000,000
Net earnings for 2018	0	0	101,504	101,504
Total comprehensive income after taxes	0	0	101,504	101,504
Total equity on 31.12.2018	5,000,000	0	101,504	5,101,504
Balance on 01.01.2019	5,000,000	0	101,504	5,101,504
Earnings for the period	0	0	497,150	497,150
Other comprehensive income after taxes	0	0	(18,443)	(18,443)
Total comprehensive income after taxes	0	0	478,707	478,707
Earnings distribution to reserves		5,075	(5,075)	0
Total equity on 31.12.2019	5,000,000	5,075	575,136	5,580,211

The notes in chapter 5 form an integral part of the annual financial statements of 31.12.2019.

4.4. Cash Flow Statement

	Note	Group		HEnEx	
		31.12.2019	31.12.2018	31.12.2019	31.12.2018
Cash flows from operating activities					
Earnings before tax		772,753	188,394	675,924	185,359
Plus / (minus) adjustments for					
Depreciation and impairment of tangible and intangible assets	5.21	404,862	49,468	371,434	49,468
Staff retirement provisions	5.28	(14,878)	147,433	(86,187)	147,433
Interest income	5.23	(381,706)	(145,359)	(369,293)	(145,359)
Interest and related expenses	5.23	24,855	1,566	21,577	1,566
Total		33,133	53,108	(62,469)	53,108
Plus/ (minus) adjustments for changes in working capital					
(Increase) / reduction in receivables		11,869,709	(58,367,721)	12,700,010	(58,367,721)
(Reduction)/Increase in liabilities		(6,245,642)	61,759,747	(6,410,680)	61,762,782
Return to participants		(813,432)	1,046,542	(813,432)	1,046,542
Total adjustments for changes in working capital accounts		4,810,635	4,438,568	5,475,898	4,441,603
Interest payments and related expenses		(24,855)	(1,566)	(21,577)	(1,566)
Total inflows / outflows from operating activities (a)		(211,207)		(205,454)	0
Cash flows from investing activities		5,380,459	4,678,504	5,862,322	4,678,504
Payments for asset purchases					
Interest income	5.23	(107,558)	(299,389)	(61,341)	(299,389)
Payment of participation in PCR		381,706	145,359	369,293	145,359
Payment of participation in ENEXCLEAR		197,835	(1,813,654)	197,835	(1,813,654)
Total inflows / (outflows) from investing activities		0	0	0	(1,000,000)
Payment of share capital		471,983	(1,967,684)	505,787	(2,967,684)
Lease payments		0	5,000,000	0	5,000,000
Total outflows from financing activities		(68,971)	0	(61,553)	0
Net increase/ (decrease) in cash and cash equivalents for the period		(68,971)	5,000,000	(61,553)	5,000,000
Cash and cash equivalents at start of period		5,783,471	7,710,820	6,306,556	6,710,820
Cash and cash equivalents at end of period		7,710,820	0	6,710,820	0

The notes in chapter 5 form an integral part of the annual financial statements of 31.12.2019.



5. NOTES TO THE 2019 ANNUAL FINANCIAL STATEMENTS

5.1. General Information about the Company

With the spin-off of the “Day-Ahead Scheduling” division (hereinafter, the “division”, as outlined below in Section 5.2.) from the Société Anonyme under the name “Operator of Electricity Market S.A.” and the trade name “LAGIE S.A.”, with General Electronic Commercial Registry No. 044658007000, and its contribution, the Société Anonyme under the name “Hellenic Energy Exchange S.A.” and the trade name “HEnEx S.A.” was formed.

The spin-off of the Division and its contribution for the formation of “Hellenic Energy Exchange S.A.” were carried out in accordance with the provisions of Articles 117B, 117C, 117D and 117E of Law 4001/2011, of Articles 68 to 79 of Codified Law 2190/1920 and of Articles 1 to 5 of Law 2166/1933 (A 137), by way of derogation from point (e) of paragraph 1 of Article 1 of this Law and based on all assets of the Parent Company, which operationally were part of the activities of the Division and constituted the contributed Division together with the assets attributed to it, as listed in the Report for the Assessment of the Carrying Value of 30.04.2018 prepared by a Certified Auditor, according to the transformation balance sheet dated 30.09.2017.

In documents in a foreign language and in the transactions of the Company abroad, the Company uses the name “Hellenic Energy Exchange S.A.” and the trade name “HEnEx S.A.”

The Registered Office of the Company is situated in the Municipality of Athens, Attica.

The duration of the Company has been set at fifty (50) years, commencing on the date of filing of the Articles of Association of the Company in the General Electronic Commercial Registry (G.E.M.I.) and expiring on the same date after the end of the period of fifty (50) years.

Share capital: The Share Capital of the Company at its formation was set at five million Euro (€5,000,000.00) divided into fifty thousand (50,000) shares of a nominal value of one hundred Euro (€100) each. The shares of the Company are registered and indivisible and are issued in certificates for one or more shares.

The fiscal year is twelve months, beginning on the first (1st) day of January and ending on the thirty-first (31st) day of December each year. The Company prepares annual financial statements in accordance with the International Accounting Standards and the International Financial Reporting Standards, as applicable at the time.

In the consolidated financial statements of HEnEx the company EnEx Clearing House (EnExClear) is included (with the full consolidation method). The activity and participation of EnExClear are as follows:

Company	EnEx Clearing House S.A. With the trade name EnExClear
Registered office	Athens
Activity	<ol style="list-style-type: none"> The clearing of transactions in the Day-Ahead and Intraday Markets, within the meaning of Article 5 of Law 4425/2016, as well as any other relevant activity in accordance with the provisions of Regulation (EU) 2015/1222 and Law 4425/2016. As to the clearing activities, in accordance with the provisions of paragraphs 1 to 3 of Article 12 of Law 4425/2016, the Company applies accordingly the following: <ul style="list-style-type: none"> the provisions of Law 3301/2004, with respect to any collateral deposited by the participants in the clearing of transactions in the Electricity Markets; the provisions of Law 2789/2000, with respect to the operation of the systems of the Company. The Company may establish, as a safeguard against risk associated with its clearing activities, a default fund, applying accordingly the provisions of Articles 76, paragraphs 1 to 5, and 82 of Law 3606/2007.

4. The Company may in any instance adopt measures and arrangements similar to those laid down by the provisions of Regulation (EU) 648/2012. The relevant measures and arrangements should be set forth in the Clearing Rulebook of the Company.
5. The Company and the Operator of the Hellenic Electricity Transmission System (HETS), where this necessary in order to deal with situations of default or insolvency, immediately notify RAE of such situations and of the measures they have taken to deal with them.
6. To achieve the purposes set forth in this Article of the Articles of Association of the Company, in Law 4425/2016 and in Regulation (EU) 2015/1222, the Company may carry out any supplemental or ancillary action, cooperate with any natural person or legal entity in any way, participate in any undertaking of any business form, having the same or a similar purpose and generally pursuing purposes relevant or ancillary to the activity of the Company, participate in associations of persons in Greece and abroad, establish subsidiaries, provide and/or ensure legal assistance of associated companies, provide support services to associated companies, such as, for example, financial administration and general accounting support, organization and management of quality, IT, marketing, logistics and human resources, provide to associated companies general head office services and personnel, for example under a work contracts or on loan, carry out training activities relating to subjects of energy markets, such as market products and services, clearing and settlement systems and market operation in general, provide consulting services on matters relevant to its activities to other operators or energy exchanges against a fee, and participate in research projects and in EU financed projects, provided that the proper performance of its tasks is not hindered.
7. The Company, in general, carries out any other activity relevant or similar to the above in accordance with the law and in accordance with the applicable Regulations and Codes.

% of direct participation	31.12.2019
HEnEx (Company)	100%
HEnEx GROUP:	100%

The subsidiary company EnExClear was established on 02.11.2018 and until 31.12.2019 it had not commenced operations (see note 5.25).

5.2. Purpose and Scope of Activities

The purpose of the Company is:

The management and operation of Day-Ahead and Intraday Electricity Markets, Natural Gas Markets, Environmental Markets and Energy Financial Markets, as well as any other relevant activity.

The Company may carry out all the activities set forth in Regulation (EU) 2015/1222, besides clearing, provided that this is carried out by the Clearing Entity.

The above mentioned purpose and the activities of the Company include specifically the following:

- a) the establishment of or participation in legal entities with the specific purpose of carrying out activities or operations within its scope of business; and/or

- b) the assignment of tasks or functions relating to its activities to one or more third parties, if the third party is able to perform the relevant function at least equally effectively, with the prior approval of RAE, whenever necessary;
- c) the proper and correct performance of the relevant tasks and functions, so as to ensure in the above mentioned instances (a) and (b) the compliance of any third party with the obligations arising from the law;
- d) The collection from the Participants of fees or other charges for the management and operation of the Electricity Markets and the maintenance of the necessary accounts, in accordance with the specific provisions of the Power Exchange Code For Electricity, of the Exchange Code for Electricity Forward Auctions and of the Market Regulations;
- e) the cooperation with any other energy exchanges or market operators in general, the Operators of the HETS, the HEDN and the AIA for the smooth operation of the Electricity Markets in accordance with the specific provisions of the Power Exchange Code For Electricity, the Energy Exchange Regulation, the Exchange Code for Electricity Forward Auctions, the Balancing Rulebook and the relevant Operation Codes;
- f) the timely provision and in any appropriate manner to the Participants in Electricity Markets of the information necessary for their participation in the markets;
- g) the application of transparent, objective and unbiased standards in the provision of services and the avoidance of any discrimination among Participants in Electricity Markets;
- h) the maintenance of the necessary accounts in accordance with the specific provisions of the Energy Exchange Rulebook;
- i) The participation in associations, organizations or companies, members of which are electricity market operators and electricity exchanges, the purpose of which is to develop and formulate common rules for action contributing, in the context of the EU legislation, to the creation of a single internal electricity market.
- j) the participation in joint operations, in particular with transmission system operators, as well as electricity exchanges and other similar entities, with the aim of creating regional markets within the internal energy market;
- k) the monitoring and inspection of compliance with the rules of operation of the Electricity Markets that the Company operates;
- l) the performance of the Day-Ahead Scheduling and specifically:
 - a. the planning of the injections of electricity into the HETS, as well as of the absorption of electricity from the system, in accordance with the provisions of the Power Exchange Code For Electricity;
 - b. the calculation of the System Marginal Price;
 - c. the management of credit and foreign exchange risk and the clearing of transactions as part of the Day-Ahead Scheduling;
 - d. the maintenance of a special Register of Participants in the Day-Ahead Scheduling and the registration of the Participants, in accordance with the specific provisions of the Power Exchange Code For Electricity;
 - e. the settlement of monetary transactions as part of the Day-Ahead Scheduling, in cooperation with the Operators of the HETS, the HEDN and the AIA;
- m) the implementation of the methodology in accordance with the provisions in Article 23, paragraph 2, section (bb) of Law 4414/2016 regarding the charge to load representatives;
- n) the organization and conduct of auctions for the sale of electricity forward products with physical delivery (NOME auctions), in accordance with the provisions of Law 4389/2016.

- i. The Company may carry out the clearing of transactions in the Day-Ahead and Intraday Markets, in accordance with Article 12 of Law 4425/2016. The Company may establish, in accordance with Article 12 of Law 4425/2016, a legal entity, which will assume the status of a Clearing House. The clearing of transactions in the Electricity Markets mainly involves the following functions:
 - the calculation in a transparent manner of the quantities of sale and purchase of energy and power and of the respective positions, including the calculation of net obligations;
 - the calculation of the monetary value of the Debits and Credits to Participants in Electricity Markets;
 - the assumption and management of credit risk of the transactions within the operation of the Electricity Markets and the settlement of any deficit in these transactions.
- ii. The Company may carry out the settlement of the transactions in the Electricity Markets, in accordance with the provisions in paragraph 3 of Article 12 of Law 4425/2016. The settlement concerns the reconciliation of the financial result of the clearing of the above transactions and the conduct of banking transactions for debiting and crediting the accounts of the Participants, as well as any other relevant work.
- iii. To achieve the purposes set forth in this Article of the Articles of Association of the Company, in Law 4425/2016 and in Regulation (EU) 4001/2011, the Company may carry out any supplemental or ancillary action, cooperate with any natural person or legal entity in any way, participate in any undertaking of any business form, having the same or a similar purpose and generally pursuing purposes relevant or ancillary to the activity of the Company, participate in associations of persons in Greece and abroad, establish subsidiaries, provide and/or ensure legal assistance of associated companies, provide support services to associated companies, such as, for example, financial administration and general accounting support, organization and management of quality, IT, marketing, logistics and human resources, provide to associated companies general head office services and personnel, for example under a work contracts or on loan, carry out training activities relating to subjects of energy markets, such as market products and services, clearing and settlement systems and market operation in general, provide consulting services on matters relevant to its activities to other operators or energy exchanges against a fee, and participate in research projects and in EU financed projects, provided that the proper performance of its tasks is not hindered.
- iv. The Company, in general, carries out any other activity relevant or similar to the above in accordance with the law and in accordance with the applicable Regulations and Codes.

5.3. Basis of Presentation of the Financial Statements

The interim financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB), and in accordance with their relevant interpretations published by the IASB Standards Interpretation Committee, which have been adopted by the European Union and are mandatory for financial years beginning on 1 January 2019. No standards and interpretations of standards have been applied before the date they went into effect.

These financial statements have been prepared on a historical cost basis, as modified by the revaluation at fair value of specific assets (tangible assets and assets available for sale), and according to the going concern principle.

The preparation of the financial statements in accordance with the International Financial Reporting Standards requires the Management of the Group to make significant assumptions and accounting estimates that affect the balances of the Asset and Liability accounts, the disclosure of contingent claims and liabilities as at the date of preparation of the interim Financial Statements, as well as the revenues and expenses presented in the

reporting period. Despite the fact that these estimates are based on the best possible knowledge of the Management as regards the current conditions, actual results may differ eventually from these estimates.

Estimates, judgments and assumptions are continuously evaluated, and are based on actual data and other factors, including anticipation of future events that are to be expected under reasonable conditions.

Going concern

Management examines the main financial data and, on occasion, the fulfilment of medium term budgets, together with the existing loan conditions, if available, in order to arrive at the conclusion that the assumption of going concern is appropriate for use in preparing the annual financial statements of the Group and the Company.

The Companies of the Group are well placed in the local and international energy market and well organized in order to successfully overcome any difficulties they face. The companies of the Group are ready to implement their contingency plans, including the implementation of business continuity measures, in order to ensure operational continuity in accordance with existing legislation.

The Group has taken specific protection measures against the coronavirus pandemic - cancellation of both internal and external events, suspension of professional and personal travel, extensive remote work, virus check for staff, hygiene instructions and care), in accordance with the guidelines of the Greek government and the World Health Organization (WHO). By utilizing our technological superiority and infrastructure, we have created a strong crisis response mechanism, which ensures both seamless business continuity and systems security (including cyber security and data protection systems in a remote work environment).

The safety and well-being of our staff, our customers and the energy exchange community is the primary objective of the Hellenic Energy Exchange Group, and is at the heart of our daily operation. Based on our experience in crisis and risk management, we have implemented various preventive measures that ensure not only the maximum possible protection for all stakeholders, but also continuous operation and long-term sustainability.

5.4. Basic Accounting Principles

The basic accounting principles adopted by the Group and the Company for the preparation of the attached financial statements are as follows.

Basis for consolidation

(a) Subsidiaries

The Consolidated Financial Statements include the Financial Statements of the Group and its subsidiaries. Subsidiaries are all companies (including special purpose vehicles) whose operation the Group controls. The Group controls a company when it is exposed to, or has rights to, various returns of the company due to its participation in it, and has the ability to affect these returns through its authority over the company.

Subsidiaries are fully consolidated from the date that control is transferred to the Group and cease being consolidated from the date that this control no longer exists.

The Group is using the acquisition method to account for business combinations. The acquisition price for a subsidiary is calculated as the total of the fair values of the assets transferred, liabilities assumed and participation titles issued by the Group. The consideration of the transaction also includes the fair value of the assets or liabilities that arise from a contingent consideration agreement.

In a business combination the costs related to the acquisition are expensed. The identifiable assets acquired, the liabilities and contingent liabilities are measured at fair value on the acquisition date. In case of a non-controlling participation, the Group either recognizes it at fair value, or at the equity share value of the company acquired.

If an acquisition takes place in stages, the book value of the assets of the company that is acquired and possessed by the Group on the acquisition date is revalued at fair value. The profit or loss from the revaluation at fair value is recognized in the profit and loss statement.

Each contingent consideration provided by the Group is recognized at fair value on the acquisition date. Subsequent changes in the fair value of the contingent consideration, which is considered an asset or a liability, are recognized either in accordance with IAS 39, in the profit and loss statement, or as a change in other comprehensive income. The contingent consideration that is classified as an asset is not revalued and subsequent arrangements take place in equity.

Goodwill initially recognized in the acquisition cost is the excess amount from the total consideration that was paid and the amount recognized as a non-controlling participation, against the net assets that were acquired and the liabilities assumed. Provided that the fair value of assets is greater than the total consideration, the profit from the transaction is recognized in the Statement of Comprehensive Income.

Following the initial recognition, goodwill is measured at cost minus accumulated impairment losses. For the purposes of an impairment test, goodwill created from company acquisitions is distributed after the acquisition date to each cash generating unit of the Group that is expected to benefit from the acquisition, irrespective on whether the assets or liabilities of the acquired firm are transferred to that unit.

If goodwill is allocated to a cash generating unit and part of the activity of that unit is sold, goodwill associated with that part of the activity is included in the book value when determining profit and loss from the sale. In that case, goodwill sold is calculated based on the relative values of the activity sold and the part of the cash flow generating unit that is maintained.

Any losses are distributed to non-controlling participations, even if the balance becomes negative.

In the Statement of Financial Position of the Company, investments in subsidiaries are shown at the acquisition value less any impairment losses. The acquisition value is adjusted in order to incorporate the changes in the consideration from the changes in the contingent consideration.

The financial statements of the subsidiaries are prepared on the same date and use the same accounting principles as the parent Company. Intra-group transactions, balance and accrued profits/ losses in transactions between the companies of the Group are eliminated.

(b) Changes in the participation in subsidiaries without change in control

Transactions with non-controlling participations that result in control of a subsidiary by the Group being maintained are considered equity transactions, i.e. transactions between owners. The difference between the fair value of the consideration paid and the part of the book value of the net assets of the subsidiary company that has been acquired is also recognized in equity.

(c) Sale of subsidiaries

When the Group ceases to have control, any remaining participation is revalued at fair value, while any differences that arise compared to the book value is recognized in the results. Then the asset is recognized as an associate company, joint venture or financial asset at that fair value.

In addition, relevant amounts previously recognized in other comprehensive income concerning that company, are accounted using the same method that the Group would have used in case the assets or liabilities had been liquidated, i.e. they may be transferred to the results.

(d) Participation in affiliated companies

Affiliates are the companies in which the Group exercises material influence under the provisions of IAS 28 but does not exercise control. In general, material influence arises when the Group holds between 20% and 50% of the voting rights. The existence and influence of potential voting rights that are directly exercisable or convertible is taken into account in the assessment of the exercise of material influence by the Group.

Investments in affiliated companies are valued using the equity method. Investments in affiliated companies are initially recorded in the Statement of Financial Position at cost, which is increased or decreased by the proportion of the Group in the results of the affiliated company after the acquisition date. The Group checks on each reporting date, whether there is an indication that an investment in an affiliate is impaired. If there is such an indication, an impairment test is performed, comparing the recoverable amount of the investment with the book value of the investment. If the book value of the investment exceeds its recoverable value, the book value is reduced to the recoverable value.

Impairment losses recognized in previous fiscal years, may be reversed only if there is a change in the assumptions used to determine the recoverable amount of the investor, since the last time that an impairment loss was recognized. In that case, the book value of the investment is increased to the recoverable amount and the increase is a reversal of the impairment loss.

The share of the Group in the results of the affiliated company is recognized in the consolidated Profit & Loss Statement and the share in the reserves is recognized in the reserves of the Group. The accumulated changes in the reserves / results adjust the book value of the investment in the affiliated company. When the share of the Group in the losses of an affiliated company is equal to, or exceeds the participation amount in it, the Group does not recognize any further losses, unless it has incurred obligations, or made payments on behalf of the affiliated company.

Significant gains and losses from transactions between the affiliated company and the Group are eliminated by the percentage held by the Group in it.

Gains or losses from the sale of stakes in affiliated companies are recognized in the Consolidated Profit & Loss Statement. If there is a loss of substantial influence in an affiliated company, the Group measures at fair value any remaining investment in the affiliated company. The difference between the book value of the investment and the fair value on the date the substantial influence was lost is recognized in the results. The fair value of the company that ceases being affiliated, is considered to be the fair value that was determined when the investment was recognized as a financial asset.

Conversion of foreign currencies**Functional and presentation currency**

The data in the Financial Statements of the companies of the Group are measured in the currency of the financial environment in which each company functions (functional currency). The consolidated Financial Statements are presented in euro, the functional currency of the parent company.

Transactions and balances

Transactions in foreign currency are converted to the functional currency using the exchange rates in effect on the date of the transactions. Profits and losses that arise from the settlement of transactions in foreign currency, as well as from the valuation, at the end of the fiscal year, of the currency assets and liabilities that are expressed in foreign currency, are booked in the Statement of Comprehensive Income. Foreign exchange differences from non-currency assets that are valued at fair value are considered part of the fair value and are therefore booked just like differences in fair value.

Tangible assets

Investments in real estate

Investments in real estate are those assets which are owned either for rental income or for capital gains or both. Plots of land and buildings are the only investments considered investments in real estate.

Investments in real estate are initially measured at cost. Initial cost includes transaction expenses: professional and legal expenses, transfer taxes and other direct costs.

Following the initial measurement, investments in real estate are measured at cost minus accumulated depreciation and any impairments in value.

Transfers to investments in real estate only take place when the purpose of their use changes, as demonstrated with the end of their use, the start of a long term financial lease to third parties or the completion of their construction or development. Transfers from investments in real estate only take place when there is a change in use, as demonstrated by the start of their use by the Group or the start of development with the intent to sell.

For a transfer from investments in real estate that is presented at fair value to owner-occupied property, the cost of the property for subsequent accounting treatment (in accordance with IAS 16), is the acquisition cost minus accumulated depreciation.

Depreciation of investments in real estate (except plots of land which are not depreciated) is calculated using the straight line method for the duration of their useful life, which is estimated at 25 years.

The useful life of investments in real estate and their salvage values are revised annually. When the book value of investments in real estate exceeds their recoverable value, the difference (impairment) is recognized as an expense in the Statement of Comprehensive Income.

Tangible owner-occupied assets

Real estate (plots of land – buildings) belonging to fixed assets are recorded at their adjusted values, during the first application of IFRS, and subsequently at fair value which is based on estimated made by independent estimators, less future building depreciation. Estimations are made regularly in order for the fair value of the adjusted asset not to differ significantly from its accounting value.

Other tangible owner-occupied assets used are recorded in the financial statements at acquisition cost minus accumulated depreciation and any value impairment provisions. The acquisition cost includes all the direct expenses for the acquisition of the assets.

Later expenses are recognized as an increase in the book value of the tangible fixed assets or as a separate asset only if it is probable that future financial benefits will flow to the Group, and the cost can be reliably measured.

The cost of repairs and maintenance is recognized in the Statement of Comprehensive Income when incurred.

Depreciation of other tangible assets (except plots of land which are not depreciated) is calculated using the straight line method during their useful life.

The useful lives of tangible assets are shown below:

	Useful life after 1.1.2014
Buildings and construction	25 years ή 4%
Machinery	5 years ή 20%
Means of transportation	6.25 years ή 16%
Other equipment	5-10 years ή 20-10%

The useful life of tangible assets and their salvage values are revised annually. When the book value of the fixed assets exceeds their recoverable value, the difference (impairment) is recognized as an expense in the Statement of Comprehensive Income.

When tangible assets are retired or sold, the associated cost and the accumulated depreciation are eliminated from the relevant accounts at the time the asset is retired or sold, and the associated profits or losses are recognized in the Statement of Comprehensive Income.

Intangible assets

Intangible assets include software licenses valued at the acquisition cost minus accumulated depreciation and any impairment. Depreciation is calculated using the straight line method during the useful life of these assets, which is budgeted at 5 years.

It is noted that the depreciation rate applied by the Group for development – upgrade expenses of its core systems is 20%.

Impairment of non-financial assets

The Company and the Group examine at each date of the financial statements, whether there are impairment indications for non-financial assets. The book values of assets are revised for any impairment, whenever events or changed circumstances indicate that the book value may not be recoverable. When the book value of an asset exceeds its recoverable value, an impairment loss is recognized in the Statement of Comprehensive Income. The recoverable amount is calculated as the greater of the fair value less sale expenses and value-in-use.

The fair value less sale expenses is the amount that results from the sale of an asset in an independent transaction between informed and willing parties, after subtracting all direct additional sale expenses, while the value-in-use is the present value of the estimated future cash flows that are expected to occur from the continuous use of the asset and its disposal at the end of its useful life. In order to evaluate the impairment, assets are grouped at the lowest level for which there are discrete recognizable cash flows.

Financial instruments

A financial instrument is any contract that simultaneously creates a financial asset for one financial entity and a financial liability or participatory title for another financial entity.

Initial recognition and subsequent measurement of financial assets

Starting on 1 January 2019, financial assets are classified, when initially recognized, and subsequently measured at amortized cost, at fair value through other comprehensive income or at fair value through results. The classification of financial assets when initially recognized is based on the contractual cash flows of the financial assets and the business model within which the financial asset is kept.

Excluding client claims, the Group initially values a financial asset at fair value plus transaction costs, in case of a financial asset that is not valued at fair value through results. Client claims are initially valued at transaction cost as specified by IFRS 15.

In order to classify and value a financial asset (excluding equity securities) at amortized cost or at fair value through other comprehensive income, cash flows that constitute “exclusively principal and interest payments” on the outstanding balance of capital. This assessment is known as SPPI (“Solely Payments of Principal and Interest”) criterion and is made at the level of the individual financial instrument.

Following initial recognition, financial assets are classified in three categories

- At amortized cost
- At fair value through other comprehensive income
- At fair value through results

The Group and the Company do not possess assets that are valued at fair value through results on 31 December 2019.

Financial assets are amortized cost

Financial assets recorded at amortized cost are later valued based on the Effective Interest Rate (EIR) method and are subject to an impairment test of their value. Profits and losses are recognized in the results when the asset ceases to be recognized, modified or impaired.

Financial assets classified at fair value through comprehensive income

At initial recognition, the Group can choose to irrevocably classify participatory investments as participatory titles at fair value through comprehensive income when they fulfil the definition of equity position in accordance with IAS 32 Financial instruments: Presentation, and are not held for trading. Classification takes place for each financial instrument individually.

Profits and losses from these financial assets are never recycled in profits or losses. Dividends are recognized as other revenue in the profit and loss statement when the right to payment has been established, unless the Group benefits from that revenue to recuperate part of the cost of the financial asset, in which case this income is recognized in the statement of comprehensive income. Equity instruments identified at fair value through comprehensive income are not subject to an impairment test.

Impairment of financial assets

The Group and the Company evaluate at each reporting date information concerning whether the value of a financial asset or a group of financial assets has been impaired as follows:

For client claims and contractual assets, the Group and the Company apply the simplified approach to calculate expected credit losses. Therefore, at each reporting date, the Group and the Company measure the loss provision for a financial asset in an amount equal to the expected credit losses for the duration, without monitoring changes in credit risk.

Derecognition of financial assets

A financial asset (or part of a financial asset or part of a group of similar financial assets) is derecognized when:

- The rights to the inflow of cash resources have expired

- The Group or the Company retains the right to the inflow of cash flows from the financial asset, but has also assumed the obligation to pay them to third parties in full, without substantial delay, in the form of a transfer agreement, or
- The Group or the Company has transferred the right to the inflow of cash flows from the asset and at the same time has either (a) essentially transferred all risks and benefits from it, or (b) has not essentially transferred all risks and benefits, but has transferred control of the asset.

When the Group or the Company transfers the cash inflow rights from an asset or concludes a transfer contract, it assesses the extent to which it retains the risks and benefits of ownership of the asset. When the Group neither transfers nor substantially retains all risks and benefits of the asset being transferred and retains control of the asset, then the asset is recognized to the extent that there is continuous participation of the Group in that asset. In that case, the Group also recognizes a related obligation. The transferred asset and the related liability are measured on a basis that reflects the rights and commitments that the Group or the Company have retained.

Initial recognition and subsequent measurement of financial obligations

All financial liabilities are initially valued at fair value less transaction costs in case of loans and payables.

Derecognition of financial obligations

A financial obligation is deleted when the commitment resulting from the obligation is cancelled or expires. When an existing financial obligation is replaced by another one by the same creditor but with substantially different conditions, or the conditions of an existing obligation are substantially altered, this exchange or amendment is treated as a derecognition of the original obligation and a recognition of a new obligation. The difference in the corresponding accounting values is recognized in the income statement.

Offsetting financial claims and obligations

Financial claims and liabilities are offset and the net amount is shown in the statement of financial position only when the Group or the Company has a legal right to do so and intends to offset them on a net basis between them or claim the asset and settle the obligation at the same time. The legal right must not depend on future events and must be able to be enforced in the normal course of the work even in the event of default, insolvency or bankruptcy of the company or counterparty.

Other long term claims

Other long term claims may include rent guarantees, guarantees to utilities (OTE, PPC etc.) and other long term duration amounts. Other long term claims are valued at book value using the real interest rate method.

Clients and other trade receivables

Client receivables are initially recognized at fair value, and subsequently valued at amortized cost using the real interest rate, less any impairment losses. On each financial reporting date, all past due or doubtful debts are evaluated in order to determine whether or not a provision for doubtful debts is required. The balance of the particular provision for doubtful debts is appropriately adjusted on each closing date of the financial statements in order to reflect the possible risks.

It is the policy of the Group almost never to write-off any such claims until all possible legal recourse for their collection has been exhausted. Commercial and other short term client claims and debtors are usually settled by the Group and the Company within 60 days, while if they become past due, no late payment fees are charged to clients.

Cash and cash equivalents

Cash and cash equivalents include cash at hand, sight deposits and short term (up to 3 months) investments, having high liquidity and low risk.

For the purposes of preparing the Statement of Cash Flows, cash assets consist of cash and bank deposits, as well as cash equivalents as described above.

Share Capital

Share capital includes the 50,000 common registered shares of the Company.

The acquisition cost as well as the associated expenses of acquiring treasury stock is, in accordance with IFRS, shown in equity, reducing share capital.

The acquisition cost of treasury stock is shown as reducing Company equity, up until the treasury stock is sold or cancelled.

Current and deferred income tax

Current and deferred tax is calculated based on the Financial Statements in accordance with the tax laws in effect in Greece. Income tax is calculated based on the profits of each company as adjusted in their tax declarations, any additional income tax that is assessed by the tax audits of the tax authorities, and from deferred income taxes based on the enacted tax rates.

Deferred income tax is determined using the liability method and arises from the temporary differences between the book value and the tax basis of the assets and liabilities.

Deferred tax is not recognized when it arises at the initial recognition of an asset or a liability from a transaction that is not a business combination and at the time of the transaction it affects neither the accounting nor the taxable result (profit / loss).

Deferred tax is determined using the tax rates (and tax laws) that have been implemented or effectively implemented until the date of the Financial Statements and are expected to be implemented when the asset in question is recovered or the liability settled.

Deferred tax claims are recognized to the extent that there will be a future tax gain for the offset of the temporary difference that creates the deferred tax claim.

Deferred income tax is determined on the temporary differences that arise from investments in subsidiaries and associated companies, with the exception of the case when reversal of the temporary differences is controlled by the Group and it is probable that the temporary differences will not be reversed in the foreseeable future.

Deferred tax claims and liabilities are offset when there is a legally enforceable right to offset current tax claims and liabilities, and when the deferred tax claims and liabilities concern income tax that is imposed by the same tax authority either to the same taxable entity or to different taxable entities when there is the intention to settle the balances on a net basis.

Employee benefits

Current benefits

Current benefits to employees in cash and in kind are recognized as an expense when they accrue.

Staff retirement obligations

Staff retirement obligations include both defined contributions plans as well as defined benefits plans.

Defined contribution plan

Under the defined contributions plan, the obligation of the company (legal) is limited to the amount agreed to be contributed to the organization (social security fund) which manages the contributions and grants the benefits (pensions, health care etc.).

The accrued cost of the defined contributions schemes is recognized as an expense in the corresponding period.

Defined benefits plan

The defined benefits plan of the Group concerns its legal obligation to pay a lump sum indemnity to each employee upon retirement.

The liability recognized in the Statement of Financial Position for this plan is the present value of the obligation for the defined benefit depending on the accrued right of the employees and in relation to the specific point of time that this benefit is expected to be paid.

The present value of the defined benefit liability is calculated by discounting the future cash outflows with a discount rate equal to the interest rate of long-term, high credit rating corporate bonds that have a duration approximately equal to the pension plan.

The actuarial profits or losses that arise from the adjustments based on historical data are directly recognized in Other Comprehensive Income (note 5.14).

Government grants

Government grants related to the subsidy of tangible assets are recognized when there is reasonable assurance that the grant will be collected and that the Company will comply with the terms and conditions that have been set for payment. When government grants are related to an asset, the fair value is recorded in long term liabilities as deferred revenue and is transferred to the Statement of Comprehensive Income in equal annual instalments based on the expected useful life of the relevant asset that was subsidized. When the grant is related to an expense, it is recognized as revenue in the fiscal year required in order for the grant to correspond on a systematic basis to the expenses it is intended to compensate. Grant depreciation is recorded in “Other Revenue” in the Statement of Comprehensive Income.

Provisions and contingent liabilities

Provisions are recognized when:

- the Company has a current commitment (legal or inferred) as a result of a past event;
- it is likely that an outflow of resources incorporating financial benefits will be required to settle the commitment and it is possible to reliably estimate the amount of the commitment.

Provisions are re-examined on the preparation date of the financial statements and are adjusted so as to reflect the best possible estimates.

If the effect of the time value of money is significant, provisions are recognized on a discounted basis by using an interest rate before taxes that reflects current market estimates about the time value of money and the risks associated with the liability. When provisions are discounted, the increase in the provision due to the passage of time is recognized as a borrowing cost.

Contingent liabilities are not recognized in the financial statements, but are published, unless the possibility of an outflow of resources which incorporate financial benefits is minimal. Contingent claims are not recognized in the financial statements, but are published provided the inflow of economic benefit is likely.

Revenue Recognition

Administrative and operating expenses

The Hellenic Energy Exchange allocates its annual administrative expenses to suppliers and exporters of electricity that participate in the Day Ahead Scheduling. In other words, effectively the Company recuperates all of its administrative expenses plus a fair profit.

These expenses including depreciation are calculated in detail. HEnEx's budget at its present state of operation is sent to and is approved by RAE [Regulatory Authority for Energy].

Contribution Auction fee

According to the empowering provision of paragraph 1 of Article 140 of Law 4389/2016, the Energy Exchange is responsible for the organization and conduct of auctions of electricity forward products with physical delivery. In accordance with the provisions of Article 10 of the Exchange Code for Electricity Forward Auctions (SSDPPIE) (RAE Decision 510/2018, Government Gazette B' 2036/18.06.2018), in order to participate in the SSDPPIE, Eligible Suppliers pay to the Energy Exchange a Contribution Auction Fee calculated annually taking into account the annual cost of the Auctions and the Annual Quantity made available through the Auctions and approved by RAE following the recommendation of the Energy Exchange. Each Eligible Supplier pays an amount proportionate to the Quantity of Forward Products Dispatched to the Eligible Supplier in each Auction.

Interest income

Interest income is recognized on an accrual basis and with the use of the real interest rate. When there is an impairment indication about claims, their book value is reduced to their recoverable amount, which is the present value of the expected future cash flows, discounted by the initial real interest rate. Next, interest is assessed at the same interest rate on the impaired (new book) value.

Dividends

Dividend income is recognized when the right to collect by the shareholders is finalized; that is, on approval by the General Meeting.

Commercial and other liabilities

Supplier balances and other liabilities are recognized at the cost associated with the fair value of the future payment for the purchase of services rendered. Commercial and other short term liabilities are not interest bearing and are usually settled within 60 days by the Group and the Company.

Expenses

Expenses are recognized in the Statement of Comprehensive Income ("Income Statement") on an accrued basis.

Dividend distribution

The distribution of dividends to shareholders is recognized directly to equity, net of any relevant income tax benefit (until the approval of the financial statements), and is recorded as a liability in the financial statements when distribution is approved by the General Meeting of shareholders.

Profits / (losses) per share

Basic profits / (losses) per share are calculated by dividing the net profits / (losses) that correspond to the shareholders of the parent company by the average weighted number of shares that are in circulation during each year, excluding the average of the common stock that was acquired by the Group as treasury stock.

Adjusted profits / (losses) per share are calculated by dividing the net profit that is distributed to Parent company shareholders (after it is adjusted for the effects of all potential shares that dilute participation) by the weighted average number of shares in circulation during the year (adjusted for the effect of all potential shares that dilute participation), excluding the average of the common stock that was acquired by the Group as treasury stock.

Research and development

Expenditures for research activities that take place with the intention of the Group to acquire new technical knowledge and expertise are recognized in the Statement of Comprehensive Income as an expense when they occur. Development activities presuppose the drafting of a study or a plan for the production of new or significantly improved products, services and processes. Development costs are capitalized only when the cost of development can be reliably measured, the product or the process is productive, feasible technically and commercially, future financial benefits are expected, and the Group has the intention, having at the same time sufficient means at its disposal, to complete the development and use or sell the asset.

The capitalization of expenditures includes the cost of direct consulting service expenses, direct work performed and the appropriate share of general expenses. Other development costs are recognized in the Statement of Comprehensive Income as an expense when they occur.

Development costs that have been capitalized are valued at the acquisition cost less accumulated depreciation and accumulated impairment losses and there is no impairment indication.

Subsequent expenditures are capitalized only when they increase the expected future economic benefits that are incorporated in the specific asset to which they refer. All other expenditures, including expenditures for internally created surplus value and trademarks, are recognized in the Statement of Comprehensive Income.

Depreciation is recognized in the Statement of Comprehensive Income using the straight line method for the duration of the useful life of the intangible assets, starting on the date they are available for use. The useful life for the current and the comparative period in the capitalization of development costs is 5 years

The profit or loss that arises from derecognizing an intangible asset is determined as the difference between the net disposal proceeds, if they exist, and the book value of the asset. This profit or loss is recognized in the Statement of Comprehensive Income when the asset is derecognized.

Lease policy

Accounting policy until 31.12.2018

Asset leases by third parties where the Group does not assume all risk and asset ownership benefits are treated as operating, and the lease payments are recognized as an expense in the statement of comprehensive income on a consistent basis during the lease.

Accounting policy from 01.01.2019

In accordance with the new IFRS 16, starting on 1.1.2019 the leases of the group are treated using the modified retroactive approach (notes 5.20).

Determination of fair value

The fair value of a financial asset is the price that someone would obtain from the sale of an asset, or someone would pay for transferring the obligation in a real transaction between market participants on the measurement date. The fair value of financial assets in the financial statements on 30 June 2019 was determined using the best possible estimates by management. When there is no data available, or data from active markets is limited, the fair value valuations are derived from management estimates in accordance with available information.

The Group makes the required disclosures concerning fair value measurement through a three-tier hierarchy:

Tier 1: Traded (non-adjusted) prices in active markets for similar assets or liabilities,

Tier 2: Other techniques for which all inflows that have a significant impact in recorded at fair value are observable, either directly or indirectly,

Tier 3: Techniques that use data that have a significant impact on the recorded fair value and are not based on observable market data.

During the fiscal year there were no transfers between tiers 1 and 2, nor transfers into and out of tier 3 when measuring fair value. In addition, during the same period there was no change in the purpose of any financial asset that would lead to a different classification of that asset.

The amounts with which cash & cash equivalents, claims and short term liabilities are shown in the Statement of Financial Position approach their corresponding fair values due to their short term maturity. As a result, there are no differences between fair values and the corresponding book values of financial assets and liabilities. The Company does not use financial derivative products.

Significant estimates and judgement

The sectors that require a higher degree of judgment and where the assumptions and estimations are significant for the Financial Statements are noted below:

Income tax

Current tax obligations, both for the current as well as for previous fiscal years, are calculated based on the amounts that are expected to be paid to the tax authorities, using the tax rates that have been legislated up until the date of the Statement of Financial Position. Income tax in the income statement includes the tax for the current year, as expected to be declared in the income tax declaration, as well as estimated additional taxes that may be imposed by the tax authorities during the auditing of the unaudited fiscal years. These assumptions take into consideration past experience and an analysis of current facts and circumstances. As such, the final income tax settlement may deviate from the income tax booked in the financial statements.

If the final tax is different than the amount initially recognized, the difference will affect the income tax in the fiscal year the determination of the tax differences takes place.

Provisions for doubtful claims

Management applies the simplified approach of IFRS 9 to estimate expected credit losses, in accordance with which, an impairment loss provision is estimated based on expected credit losses for the duration of the client claims (note 5.22).

The Group and the Company have not formed a provision for doubtful claims. All claims are considered fully receivable.

Useful lives of tangible and intangible assets - Valuation

Management makes certain estimates concerning the useful life of depreciable assets. These remaining useful lives are periodically re-examined in order to estimate whether they continue to be appropriate. In addition, management evaluates market conditions in the real estate market and makes estimates regarding their valuation.

Defined benefits plans

The cost of the benefits for defined benefits plans is calculated using actuarial estimates, which in turn use assumptions about the discount rates, the rate of salary increases, and mortality rates. Due to the long term nature of these plans, these assumptions are subject to significant uncertainty, and are revaluated on each reporting date.

Management strives to estimate in the best possible manner these parameters on every reporting date when this provision is revised.

Impairment check for participations

The Company carries out an impairment check of its participations when there are impairment indications. In order to perform an impairment check, a determination of the value-in-use of the subsidiaries takes place. The determination of the value in-use requires that the future cash flows of each subsidiary be estimated and the appropriate discount rate chosen, based on which the present value of the above future flows is determined.

Deferred tax claims

Deferred tax claims are recognized for all deductible temporary differences and tax losses carried forward to the extent that it is probable that taxable profits will be available in the future to be used against those deductible temporary differences and tax losses carried forward. Important estimates by management are required in order to ascertain the size of the deferred tax claim that may be recognized, based on the possible time and size of future taxable profits in conjunction with the tax planning of the entity.

Contingent liabilities

The existence of contingent liabilities requires that management constantly make assumptions and value judgments regarding the possibility that future events may or may not occur, as well as the effect that these events could have on the activity of the Group (note 5.37).

Based on historical data, the analysis of the average duration that a company remains listed on the exchange compared to all listed companies, as well as its experience, the management of the Group determines the estimated average duration of a listing on the exchange, during which it will continue to provide its services. Obviously, this assessment contains an element of uncertainty in relation with the length of the listing, as it takes into consideration factors which cannot be affected by the Group. The assessment of the length of time that the services will be provided by the Athens Exchange is regularly adjusted, in order to be as close to reality as possible.

Capitalization of development expenses

Development costs are capitalized only when the cost of development can be reliably measured, the product or the process is productive, feasible technically and commercially, future financial benefits are expected, and the Group has the intention, having at the same time sufficient means at its disposal, to complete development and use or sell the asset.

The capitalization of expenses includes strictly the cost of direct expenses, direct work and the appropriate share of general expenses. Development costs that have been capitalized are valued at the acquisition cost minus accumulated depreciation and accumulated impairment losses. Later expenses are capitalized only when they increase the expected future economic benefits that are incorporated in the specific asset to which they refer. They are depreciated in 5 years (20%).

New standards, amendments to standards and interpretations

New standards, amendments to standards and interpretations: Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning on or after 1 January 2019. The Group's evaluation of the effect of these new standards, amendments to standards and interpretations is as follows:

Standards and Interpretations effective for the current fiscal year

IFRS 16 "Leases"

IFRS 16 has been issued in January 2016 and supersedes IAS 17. The objective of the standard is to ensure the lessees and lessors provide relevant information in a manner that faithfully represents those transactions. IFRS 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. The effect of this standard on the Group is described in note 5.20.

IFRS 9 (Amendments) "Prepayment Features with Negative Compensation"

The amendments allow companies to measure particular prepayable financial assets with so-called negative compensation at amortized cost or at fair value through other comprehensive income if a specified condition is met instead of at fair value through profit or loss.

IAS 28 (Amendments) "Long term interests in associates and joint ventures"

The amendments clarify that companies account for long-term interests in an associate or joint venture, to which the equity method is not applied, using IFRS 9.

IFRIC 23 "Uncertainty over income tax treatments"

The interpretation explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. IFRIC 23 applies to all aspects of income tax accounting where there is such uncertainty, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates.

IAS 19 (Amendments) "Plan amendment, curtailment or settlement"

The amendments specify how companies determine pension expenses when changes to a defined benefit pension plan occur.

Annual Improvements to IFRS (2015 – 2017 Cycle)

The amendments set out below include changes to four IFRSs.

IFRS 3 “Business combinations”

The amendments clarify that a company remeasures its previously held interest in a joint operation when it obtains control of the business.

IFRS 11 “Joint arrangements”

The amendments clarify that a company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.

IAS 12 “Income taxes”

The amendments clarify that a company accounts for all income tax consequences of dividend payments in the same way.

IAS 23 “Borrowing costs”

The amendments clarify that a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

Standards and Interpretations effective for subsequent periods

IFRS 3 (Amendments) “Definition of a business” (effective for annual periods beginning on or after 1 January 2020)

The amended definition emphasizes that the output of a business is to provide goods and services to customers, whereas the previous definition focused on returns in the form of dividends, lower costs or other economic benefits to investors and others. The amendments have not yet been endorsed by the EU.

IAS 1 and IAS 8 (Amendments) “Definition of material” (effective for annual periods beginning on or after 1 January 2020)

The amendments clarify the definition of material and how it should be applied by including in the definition guidance which until now was featured elsewhere in IFRS. In addition, the explanations accompanying the definition have been improved. Finally, the amendments ensure that the definition of material is consistent across all IFRS.

IFRS 9, IAS 39 and IFRS 7 (Amendments) ‘Interest rate benchmark reform’ (effective for annual periods beginning on or after 1 January 2020)

The amendments modify some specific hedge accounting requirements to provide relief from potential effects of the uncertainty caused by the IBOR reform. In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties.

IAS 1 (Amendment) ‘Classification of liabilities as current or non-current’ (effective for annual periods beginning on or after 1 January 2022)

The amendment clarifies that liabilities are classified as either current or non-current depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or

events after the reporting date. The amendment also clarifies what IAS 1 means when it refers to the ‘settlement’ of a liability. The amendment has not yet been endorsed by the EU.

Rounding

Any differences between the amounts in the financial statements and the corresponding amounts in the notes are due to rounding.

5.5. Comparative period

The Company was established on 18.06.2018 and the first fiscal year ended on 31.12.2018; therefore, there are no comparative results for the first half of 2018. Consequently, throughout the financial report, comparative figures shown for the revenue and expense accounts include the period from 18.06.2018 to 31.12.2018.

5.6. Risk Management

Interest rate risk: The Company has not entered into any loans with financial institutions and, therefore, is not exposed to risk of changes in interest rates.

Price risk: The Company is not exposed to price risk, in the sense that the clearing of the transactions it carries out is performed for the same Distribution Day and for all Participants at the same System Marginal Price (SMP), both for claims as well as for liabilities.

Financial Risk of Transactions: The Company, operating as a Transaction Manager in the existing trading systems of Day-Ahead Scheduling and Electricity Forward Auctions has legally undertaken to perform the clearing and the cash settlement of the transactions. In order to reduce the risk of occurrence of cases of transaction deficits, the Company applies the relevant provisions of the Codes in force (Power Exchange Code For Electricity (PECE) and Exchange Code for Electricity Forward Auctions (SSDPPIE)) receiving relevant guarantees in the form of Letters of Guarantee and/or Cash Collateral, monitoring the changes in the Position of the participants in the transactions and imposing advance payments towards the final amounts receivable. For the exceptional cases of occurrence of DAS transaction deficits, the Company applies the relevant provisions of articles 90 and 61 of the PECE, according to which any temporary deficit is allocated proportionally to the producers while any final deficit is allocated to the participating Load Representatives. Furthermore, any transaction deficit in Electricity Forward Auctions does not affect the company as, according to the provisions of the relevant SSDPPIE, the company is required to pay to the Sellers only the amounts that have been collected, applying, in accordance with the relevant provisions of the SSDPPIE, additional measures on the liable Eligible Suppliers and Forward Holders with regard to their participation in the Exchange System for Electricity Forward Products.

Liquidity risk: The Company was exposed to liquidity risk due to the time difference between the payment of VAT for the Energy Exchange to the Greek State and the collection of VAT from the Participants liable, according to the relevant provisions of the PECE, and for this reason the company submitted a relevant recommendation to the Regulatory Authority for Energy for the collection of VAT from the Participants on the 15th calendar day of each month instead of the 26th day.

Risk of uninsured fixed assets: There is no such risk as the Company owns no property.

Foreign exchange risk: There is no such risk as all the Company’s transactions are in euros.

5.7. DAS Clearing Charges

The value of Day-Ahead Scheduling (DAS) clearing in the twelve months of 2019 is broken down as follows:

	Group		Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
DAS supply value	3,282,841,837	1,881,514,983	3,282,841,837	1,881,514,983
DAS exports value	186,994,284	226,065,782	186,994,284	226,065,782
	3,469,836,121	2,107,580,765	3,469,836,121	2,107,580,765

DAS supply value relates to the value of the cleared quantities of energy resulting from the Load Declarations included in the DAS for representation of Consumers of the Interconnected System and Network during the above mentioned period.

DAS exports value relates to the value of the cleared quantities of energy resulting from the Load Declarations included in the DAS for exports during the above mentioned period.

5.8. Returns from DAS Clearing

The returns from the Day-Ahead Scheduling (DAS) during the fiscal year 01.01.2019-31.12.2019 are broken down below:

	Group		Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
DAS production value	2,451,535,031	1,486,983,367	2,451,535,031	1,486,983,367
DAS imports value	796,036,440	405,879,454	796,036,440	405,879,454
Prepayment of declared quantity 3%	18,878,014	14,941,131	18,878,014	14,941,131
Trade notification instructions 5%	40,433,825	21,369,466	40,433,825	21,369,466
Total	3,306,883,309	1,929,173,418	3,306,883,309	1,929,173,418

DAS production value relates to the value of the cleared quantities of energy resulting from the Energy Offers included in the DAS from production units during the above mentioned period.

DAS imports value relates to the value of the cleared quantities of energy resulting from the Energy Offers included in the DAS for imports during the above mentioned period.

5.9. Forward Products

Pursuant to the empowering provisions of Law 4389/2016, from 1.1.2019 to 31.12.2019 HEnEx held auctions of electricity forward products with physical delivery (NOME auctions) in accordance with the provisions of the Exchange Code for Electricity Forward Auctions. The value of forward products is broken down below:

	Group		Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Prepayment of forward products	18,878,014	14,941,131	18,878,014	14,941,131
Prepayment of declared quantity - Forward products	40,433,825	21,369,466	40,433,825	21,369,466
Prepayment of forward products	(18,878,014)	(14,941,131)	(18,878,014)	(14,941,131)
Prepayment of declared quantity - Forward products	(40,433,825)	(21,369,466)	(40,433,825)	(21,369,466)
Daily forward byproducts	(162,952,812)	(178,407,347)	(162,952,812)	(178,407,347)
Forward products	(162,952,812)	(178,407,347)	(162,952,812)	(178,407,347)

5.10. DAS Revenue

The Hellenic Energy Exchange allocates its annual administrative and operating costs to the Load Representatives (electricity suppliers and exporters), the load declarations of which are included in the Day-Ahead Scheduling. In this manner, the Company recovers all its administrative costs plus a reasonable profit.

These costs are fully budgeted for. The HEnEx budget at this stage of operation is approved by the RAE and invoiced monthly to the participants. The total revenue from the monthly invoicing of the approved budget of 2019 came to €4,703,930 compared to €2,525,946 in 2018. Part of this amount (€233,110), following the completion of clearing for fiscal year 2019, is returned to the energy market participants.

5.11. Contribution Auction fee

According to the empowering provision of paragraph 1 of Article 140 of Law 4389/2016, the Energy Exchange is responsible for the organization and conduct of auctions of electricity forward products with physical delivery (NOME auctions). In accordance with the provisions of Article 10 of the Exchange Code for Electricity Forward Auctions (SSDPPIE) (RAE Decision 510/2018, Government Gazette 2036B of 18/06/2018), in order to participate in the SSDPPIE, Eligible Suppliers pay to the Energy Exchange a Contribution Auction Fee calculated annually taking into account the annual cost of the Auctions and the Annual Quantity made available through the Auctions and approved by RAE following the recommendation of the Energy Exchange. Each Eligible Supplier pays an amount proportionate to the Quantity of Forward Products Dispatched to the Eligible Supplier in each Auction.

In 2019 the Contribution Auction fee amounted to €195,631 vs. €154,939 in 2018.

5.12. NOME Revenue

Revenue received as part of the responsibilities of HEnEx as a Nominated Electricity Market Operator (NEMO) and related to refund resulting from final resettlement under the ANCA agreement, which governs the cooperation among the NEMOs of the 26 Member States and concerns the performance of the common functions/procedures/projects specified by CACM. In 2019 this revenue amounted to €177,367 compared to €381 in 2018.

5.13. Other Revenue

The revenue from training provided by HEnEx, as part of cooperation with IENE, amounted to €600 in 2019.

5.14. Personnel remuneration and expenses

In 2019, personnel remuneration and expenses amounted to €2,032,769 for the Group and to €1,660,324 for the Company. The number of employees as at 31.12.2019 was 35 persons for the Group and 28 persons for the Company.

	Group		Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Regular remuneration	1,281,552	307,762	1,058,698	306,136
Ancillary benefits	115,497	14,974	99,282	14,974
Staff retirement obligations	323,483	0	323,483	0
Employer expenses	327,116	99,827	265,048	99,419
Net change in employee obligation provision (actuarial study)	(14,878)	147,433	(86,187)	147,433
	2,032,769	569,996	1,660,324	567,962

5.15. Third party fees and expenses

These amounted to €710,617 for the Group and to €589,898 for the Company and are broken down in the following table:

	Group		Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Attorney remuneration and expenses	15,160	4,314	15,000	3,300
Fees to consultants	507,151	338,696	430,643	338,696
Fees to auditors	39,500	36,000	30,500	30,000
BoD member remuneration	148,806	28,254	113,756	28,254
	710,617	407,265	589,898	400,251

5.16. Utilities

Utility costs amounted to €6,883 for the Group and €6,401 for the Company, and concern expenses for fixed and mobile telephony and internet.

5.17. Maintenance / IT support

Maintenance / IT support of hardware equipment amounted to €1,921 in 2019 compared to €454 in 2018.

5.18. Taxes - duties

The non-deductible Value Added Tax and other taxes charged on the cost of works amounted to €271,740 for the Group and to €270,829 for the Company; the corresponding amounts in 2018 were €42,857 for the Group and €42,778 for the Company.

5.19. Other operating expenses

Other expenses for the fiscal year in question amounted to €999,724 for the Group and to €1,615,404 for the Company. Other expenses for the Company includes the intra-group transaction of €745,851 which concerns operating expenses by the subsidiary ENEXCLEAR.

They are analyzed as follows:

	Group		Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Marketing & advertising expenses	66,196	7,488	65,776	7,488
Event expenses	13,159	308	12,349	308
Participation in organizations expenses	30,614	3,138	30,553	3,138
BoD member civil liability ins. Premiums (D&O)	19,450	0	15,560	0
Documents and stationery	5,933	2,146	5,278	2,146
Consumables	3,012	789	3,012	789
Travel expenses	29,113	7,779	29,113	7,779
Postal expenses	5,909	682	5,876	682
Transportation expenses	11,329	2,037	9,862	2,037
Expenses for support services (1)	783,319	143,443	676,398	136,880
Automobile leases	3,150	0	3,150	0
Other	28,540	352,272	758,476	370,997
Total	999,724	520,083	1,615,404	532,245

(1) Includes mainly services provided by the Athens Exchange Group in accordance with the business contract signed between the parties.

5.20. IFRS 16 – Leases

Effect on 1.1.2019

The Group as lessee

When adopting IFRS 16, the Group applied a unified accounting framework for all leases in which it is the lessor. The leases of the Group and those of the Company concern mainly office rental and a car lease.

The Group recognized asset rights-of-use and liabilities for these lease payments that were previously classified as operating, except for leases of low value.

The Group used the modified retrospective approach. Under this approach, the lease liability is recognized as the present value of the remaining lease payments, discounted using the incremental borrowing rate on the date of initial application. The asset right-of-use is recognized by an amount equal to the lease liability.

The Group has implemented the following facilitation practices:

- Used as single discount rate for leases with similar characteristics
- Excluded leases with a residual duration of 12 months or less
- Excluded the initial direct costs of the contracts

The incremental borrowing rate used was 4%.

The Company had to estimate the duration of the property lease from a subsidiary, taking into account all the significant financial incentives it has to remain in the contract after the original period. Factors taken into account were the strategic importance of the property and, above all, the amount of investment needed to find a suitable building that meets the security requirements required for the operation of the Group.

The Group as lessor

The new standard for the most part retained the requirements for lessors as they were under IAS 17. Therefore, the standard had no effect on the contracts to which the Group is a lessor.

New accounting policy for lessors

The following are the Company's new accounting policies when adopting IFRS 16, effective from the date of initial application:

Asset right-of-use

The Company recognizes right-of-use assets at the start of the lease (the date when the asset is available for use). The asset rights-of-use are measured at cost, reduced by accumulated depreciation and value impairment adjusted during the measurement of the corresponding lease obligations.

The cost of the asset right-of-use consists of the amount of initial measurement of the lease liability, any lease payments on the start date of the lease period or earlier, any initial direct costs incurred by the lessee and the costs incurred by the lessee in order to disassemble and remove the underlying asset at the termination of the lease, if there is such an obligation.

The asset rights-of-use are depreciated using the straight line method at the earlier between the useful life of the asset and the duration of the lease. When in estimating the present value it is assumed that any option to purchase the underlying asset will be exercised, then the asset right-of-use is depreciated during its useful life.

The right-of-use assets are subject to an impairment check.

Lease liabilities

At the start of the lease the Company recognizes lease liabilities equal to the present value of the lease payments for the duration of the lease contract. The leases include:

- Fixed leases (including substantially fixed payments)
- Variables leases which depend on an index or interest rate
- The amounts expected to be paid by the Group based on guaranteed residual values
- The exercise price on a call option, if it is almost certain the Group will exercise this right, and
- termination penalty for early termination of the lease, if the duration of the lease reflects the exercise of the right by the Group to terminate the lease.

In order to estimate the present value of the payments, the Company uses the incremental borrowing rate on the start day of the lease, if the real interest rate is not directly determined by the lease contract. Following the start of the lease, the amount of the lease liabilities is increased by the interest expense and reduced by the lease payments that take place.

Assets right of use - Group	31.12.2019	01.01.2019
Real Estate	550,340	623,331
Means of transport	28,324	29,134
	578,664	652,465
Lease obligations		
Long-term lease obligations	509,574	583,494
Short-term lease obligations	73,919	68,971
	583,493	652,465

Depreciation - right of use	2019	2018
Real Estate	72,991	
Means of transport	809	0
	73,800	0

Financial expenses for fiscal year 2019 amounted to €23,584.

Total lease payments during the fiscal year amounted to €89,150.

Assets right of use - HEnEx	31.12.2019	01.01.2019
Real Estate	482,047	546,319
Means of transport	28,324	29,134
	510,371	575,453
Lease obligations		
Long-term lease obligations	447,701	513,900
Short-term lease obligations	66,199	61,553
	513,899	575,453

Depreciation - right of use	2019	2018
Real Estate	64,273	0
Means of transport	809	0
	67,101	0

Financial expenses for fiscal year 2019 amounted to €20,673.

Total lease payments during the fiscal year amounted to €78,822.

5.21. Assets

The fixed assets of the company are recognized at the book value and are broken down in the following table:

HEEx	TANGIBLE AND INTANGIBLE ASSETS				Total
	Buildings & technical works	Means of transport	Furniture & fixtures	Intangible Assets	
Acquisition and valuation value as at 01.01.2018	0	0	0	0	0
Additions in 2018	169,720	0	166,648	12,489	348,857
Reductions in 2018		0			0
Acquisition and valuation value as at 31.12.2018	169,720	0	166,648	12,489	348,857
Depreciation and amortization in 2018	1,160	0	43,671	4,637	49,469
Reduction in accumulated depreciation and amortization in 2018	0	0	0	0	0
Total depreciation and amortization as at 31.12.2018	1,160	0	43,671	4,637	49,469
Book value					
as at 31.12.2018	168,560	0	122,977	7,852	299,389

HEEx	TANGIBLE AND INTANGIBLE ASSETS				Total
	Buildings & technical works	Means of transport	Furniture & fixtures	Intangible Assets	
Acquisition and valuation value as at 31.12.2018	169,720	0	166,648	12,489	348,857
Additions in 2019	953	0	23,788	1,614,627	1,639,368
Reductions in 2019	0	0	0	0	0
Acquisition and valuation value as at 31.12.2019	170,673	0	190,436	1,627,116	1,988,225
Accumulated depreciation and amortization as at 31.12.2018	1,160	0	43,671	4,637	49,469
Depreciation and amortization in 2019	19,925	0	34,102	252,325	306,352
Reduction in accumulated depreciation and amortization in 2019	0	0	0	0	0
Total depreciation and amortization as at 31.12.2019	21,085	0	77,773	256,962	355,821
Book value					
as at 31.12.2018	168,560	0	122,977	7,852	299,389
as at 31.12.2019	149,588	0	112,663	1,370,154	1,632,404

HEEx Group	TANGIBLE AND INTANGIBLE ASSETS				
	Buildings & technical works	Means of transport	Furniture & fixtures	Intangible Assets	Total
Acquisition and valuation value as at 01.01.2018	0	0	0	0	0
Additions in 2018	169,720	0	166,648	12,489	348,857
Reductions in 2018		0			0
Acquisition and valuation value as at 31.12.2018	169,720	0	166,648	12,489	348,857
Depreciation and amortization in 2018	1,160	0	43,671	4,637	49,469
Reduction in accumulated depreciation and amortization in 2018	0	0	0	0	0
Total depreciation and amortization as at 31.12.2018	1,160	0	43,671	4,637	49,469
Book value					
as at 31.12.2018	168,560	0	122,977	7,852	299,389

HEEx Group	TANGIBLE AND INTANGIBLE ASSETS				
	Buildings & technical works	Means of transport	Furniture & fixtures	Intangible Assets	Total
Acquisition and valuation value as at 31.12.2018	169,720	0	166,648	12,489	348,857
Additions in 2019	15,580	0	55,376	1,614,627	1,685,583
Reductions in 2019	0	0	0	0	0
Acquisition and valuation value as at 31.12.2019	185,300	0	222,024	1,627,116	2,034,440
Accumulated depreciation and amortization as at 31.12.2018	1,160	0	43,671	4,637	49,469
Depreciation and amortization in 2019	20,928	0	57,807	252,325	331,060
Reduction in accumulated depreciation and amortization in 2019	0	0	0	0	0
Total depreciation and amortization as at 31.12.2019	22,088	0	101,478	256,962	380,529
Book value					
as at 31.12.2018	168,560	0	122,977	7,852	299,389
as at 31.12.2019	163,212	0	120,546	1,370,154	1,653,911

The electricity trading system under development refers to a contract for the provision of consulting and technology services and IT rights of use between the HenEx Group and the Athens Exchange Group and concerns the preparation and initial operation of the electricity spot and derivatives markets managed by the HenEx Group. For fiscal year 2019 10% of the total amount of €54,900 for the Company and €81,000 for the Group has been invoiced, part of which - €18,300 for the Company and €27,000 for the Group – that concern consulting services, has been transferred to expenses.

Energy market coupling software (PCR)

The cooperation for a single day-ahead market coupling of the European regions initially began in 2009 with a first discussion between the European exchanges EPEX SPOT, OMIE and Nord Pool, which carried out an initial technical assessment for the development of a mechanism (a technical solution) for regional price coupling, a solution to which they gave the name Price Coupling of Regions, hereinafter, “PCR”). The PCR initiative worked on existing technical solutions and algorithms in operation (coupling of the Central West Europe region and the COSMOS algorithm) with the aim of further developing these infrastructures so as to become the single pan-European solution for price coupling. The technical solutions developed by the joint venture of Power Exchanges and Market Operators as part of the PCR were subsequently adopted by the Multi-Regional Coupling (MRC) initiative, a project of a similar concept between Power Exchanges and Transmission System Operators (hereinafter, “TSOs”), coordinated by the European Union.

As part of the above cooperation for the implementation of a single day-ahead market coupling of European regions, on 13 June 2012 the European energy exchanges APX, Belpex, EPEX SPOT, GME, OMIE and NPS (Nordpool) signed the Cooperation Agreement for the PCR.

For the participation of HEnEx S.A. in the PCR, relevant agreements were signed in 2019 between HEnEx S.A. and the electricity exchanges already participating (PCR Cooperation Agreement and PCR Co-Ownership Agreement). Based on the above Agreements, as a result of the participation of HEnEx in the PCR, there was a cost of accession undertaken by HEnEx for its participation as a Co-owner in the PCR, which was calculated up to 31 December 2019 (Adherence Date) and the allocation of which was made based on the number of energy exchanges that participated from time to time in the co-ownership of the PCR, as well as a cost for the participation of HEnEx, as a PCR co-owner, in the PCR budget for 2019, for the period 01.01.2019 to 31.12.2019.

The Company had classified the amount it paid for the PCR electricity markets coupling software in the account “Participations and other long-term claims”, in assets in the Statement of Financial Position of 31.12.2018. In order to adopt the appropriate accounting treatment of transactions that result from the participation of HEnEx in the PCR joint-ownership agreement mainly because of the peculiar valuation, it was decided to submit a question to the Hellenic Accounting and Auditing Standards Oversight Board (HAASOB).

The question was submitted on 19.02.2020 (HAASOB protocol number 366), and the following reply was received on 28.04.2020:

The algorithm fulfils all criteria for classification as an intangible, i.e. it is identifiable (discrete) asset, it is controlled in common by the economic entity and the other participating members, and this control allows the economic entity to obtain future economic benefits from the assets in question, besides the benefits that it could have from them, without the acquisition of the algorithm.

Next, the answer by HAASOB mentions that the acquisition cost of the algorithm must include the amount paid by the Company to accede to the PCR joint-ownership agreement and the cost of development, provided that it can be separated from the operation and maintenance cost. The operation and maintenance cost does not fulfil the criteria of an asset. In addition, any future costs that fulfil the criteria of an asset, such as asset improvement (upgrade) costs, will be added to the acquisition cost. Any changes due to the entry or exit of a member will not alter the acquisition cost of the algorithm, but will be recorded in the results. The Company fully adopted HAASOB’s reply in fiscal year 2019.

The PCR acquisition cost, which was officially received by the Company on 20.02.2019 was, in accordance with the above, €1,497,125. Depreciation was calculated on this amount with a 20% rate for 10 months, amounting to €249,521. The PCR book value, €1,247,604, is included in intangible assets in the Statement of Financial Position on 31.12.2019.

5.22. Commercial and other claims

Client receivable came to €45,478,911 compared to €58,360,560 in 2018 and mainly relate to receivables from the electricity market participants collected in January 2020.

Other claims amounted to €19,891 for the Group and to €18,241 for the Company in 2019 and are analyzed below:

	Group		Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Clients	45,478,911	58,360,560	45,478,911	58,360,560
Net commercial claims	45,478,911	58,360,560	45,478,911	58,360,560
Prepaid non-accrued expenses				
Prepayment and credit management accounts	25,277	5,871	21,387	5,871
Various debtors	(4,195)	(92)	(4,195)	(92)
Total other claims	(1,191)	1,382	1,049	1,382

The tables below detail all claims from clients at the Group and Company level:

Group	31.12.2019	31.12.2018
Balance not past due	45,478,911	58,360,560
Balance past due	26,040	0
Before provisions	45,504,951	58,360,560
Less: value impairment provision	0	0
After provisions	45,504,951	58,360,560

Company	31.12.2019	31.12.2018
Balance not past due	45,478,911	58,360,560
Balance past due	0	0
Before provisions	45,478,911	58,360,560
Less: value impairment provision	0	0
After provisions	45,478,911	58,360,560

The aging analysis of pending commercial receivables that are past due, is as follows:

Group	31.12.2019	31.12.2018
Up to 120 days	45,478,911	58,360,560
121 -240 days	0	0
Before provisions	45,478,911	58,360,560

Company	31.12.2019	31.12.2018
Up to 120 days	45,478,911	58,360,560
Before provisions	45,478,911	58,360,560

The HEnEx Group applies the simplified IFRS 9 approach and calculates the expected credit losses for the whole lifetime of its claims.

On each balance sheet date, the Group performs an impairment check on the claims using a table based on which expected credit losses are calculated. The maximum exposure to credit risk on the balance sheet date is the book value of each receivables category as stated above.

The book value of the claims above reflects their fair value.

The new IFRS 9 which concerns the classification and measurement of financial assets urges the use of an expected credit losses model replacing the old model of realized accounting losses that was previously applied. According to this model, and in order to estimate the expected credit loss in commercial claims, on 31.12.2019 the Group distributed client claims to time scales and applied loss rates based on past experience at each time scale. This work showed that there was no need to take provisions against doubtful claims.

5.23. Cash and cash equivalents

The cash balances of the Group on 31.12.2019 amounted to €13,494,291 while the cash balances of the Company amounted to €13,017,376 and the total amount is deposited in systemic banks.

The financial expenses account was €24,855 for the Group and €21,577 for the Company, and mainly concerns lease expenses, in accordance with IFRS 16, which amounted to €23,584 for the Group and to €20,673 for the Company. The remainder concerns bank expenses and commissions that were paid when wiring funds, as well as fees for transfers between banks.

The Company had interest income of €369,293 (compared to €145,359 in 2018), while the Group had €381,706 (compared to €145,359 in 2018), which came from cash deposited in bank accounts.

5.24. Guarantees

The financial guarantees received as at 31.12.2019, which are kept in the collaterals account with a systemic bank, amounted to €12,060,022 compared to €11,076,031 in 2018.

5.25. Participations

Participation in EnExClear

At the meeting No. 5 of 3.10.2018 of the Board of Directors of the HELLENIC ENERGY EXCHANGE (HEnEx) a decision was made for the establishment of a subsidiary Company in order to undertake the clearing of transactions in the Day-Ahead and Intraday Markets as a Clearing House in accordance with the provisions of Articles 12 and 13 of Law 4225/2016. Specifically, it was decided to establish a HEnEx subsidiary under the name “EnEx CLEARING HOUSE” and the trade name “EnExClear S.A.” with a share capital of €1,000,000, with a 100% participation of HEnEx in the share capital for the fulfilment of the provisions of Articles 12, 13 and 14 of Law 4425/2016. The Articles of Association of EnExClear were decided at the same meeting of the Board of Directors.

In documents in a foreign language and in the transactions of the Company abroad, the Company will use the name “EnEx Clearing House S.A.” and the trade name “EnExClear S.A.”

5.26. Share capital

The share capital of the Company amounts to €5,000,000.00 and is divided into 50,000 shares with a par value of €100 each and is fully paid up.

In the distribution of profits for the year 2018, 5% of the profit of the Company amounting to €5,075 and of the Group amounting to €5,180 was transferred to the regular reserve.

With the addition of net after tax earnings for fiscal year 2019, total equity for 2019 amounts to €5,655,208 for the Group and €5,580,211 for the Company.

5.27. Employee compensation provisions

This account concerns the calculation of the deferred benefit obligation and represents the present value of the accumulated liability of the Company, which corresponds to the service of the staff members to date (i.e. the established rights of the employees).

In accordance with the actuarial valuation of the independent actuary, an estimate was made of the provision that the Company must record for the benefit of Law 2112 (net liability recognized in the balance sheet) according to amended IAS 19 on 31.12.2019. The provision came to the amount of €156,822 for the Group and €85,513 for the Company and is recognized as a liability in the Statement of Financial Position of 31.12.2019, while the expense recorded in 2019 amounted to €14,878 for the Group and €86,187 for the Company.

<i>Accounting Presentation in accordance with revised IAS 19</i> (amounts in €)	Group	
<i>Period</i>	31.12.2019	31.12.2018
Amounts recognized in the Statement of Financial Position		
Present value of liabilities	156,822	147,433
Net obligation recognized in the Statement of Financial Position	156,822	147,433
Amounts recognized in the Profit & Loss Statement		
Cost of current employment	8,999	0
Net Interest on the liability/asset	2,064	0
Regular expense in the Profit & Loss Statement	11,063	0
Cost of personnel reduction / mutual agreements/retirement	211,468	0
Other expense / (revenue)	14,765	147,433
Total expense recognized in the Profit & Loss Statement	237,296	147,433
Change in the present value of the liability		
Present value of the obligation at the beginning of the period	218,742	0
Cost of current employment	8,999	0
Interest expense	2,064	0
Benefits paid by the employer	(323,483)	0
Cost of personnel reduction / mutual agreements/retirement	211,468	0
Other expense / (revenue)	14,765	147,433
Actuarial loss/(profit) - financial assumptions	10,210	0
Actuarial loss/(profit) - demographic assumptions	2,221	0
Actuarial loss/(profit) - experience of the period	11,836	0
Present value of the liability at the end of the period	156,822	147,433
Adjustments		
Adjustments to liabilities from changes in assumptions	(12,431)	0
Experience adjustments in liabilities	(11,836)	0
Total recognized in equity	(24,267)	0
Changes in net liability recognized in the balance sheet		

Net liability at the start of the year	218,742	0
Employer contributions	(323,483)	0
Total expense recognized in the Profit & Loss Statement	237,296	147,433
Total amount recognized in equity	24,267	0
Net Liability at the end of the year	156,822	147,433

<i>Accounting Presentation in accordance with revised IAS 19 (amounts in €) Period</i>	Company	
	31.12.2019	31.12.2018
Amounts recognized in the Statement of Financial Position		
Present value of liabilities	85,513	147,433
Net obligation recognized in the Statement of Financial Position	85,513	147,433
Amounts recognized in the Profit & Loss Statement		
Cost of current employment	8,999	0
Net Interest on the liability/asset	2,064	0
Regular expense in the Profit & Loss Statement	11,063	0
Cost of personnel reduction / mutual agreements/retirement	211,468	0
Other expense / (revenue)	14,765	147,433
Total expense recognized in the Profit & Loss Statement	237,296	147,433
Change in the present value of the liability		
Present value of the obligation at the beginning of the period	147,433	0
Cost of current employment	8,999	0
Interest expense	2,064	0
Benefits paid by the employer	(323,483)	0
Cost of personnel reduction / mutual agreements/retirement	211,468	0
Other expense / (revenue)	14,765	147,433
Actuarial loss/(profit) - financial assumptions	10,210	0
Actuarial loss/(profit) - demographic assumptions	2,221	0
Actuarial loss/(profit) - experience of the period	11,836	0
Present value of the liability at the end of the period	85,513	147,433
Adjustments		
Adjustments to liabilities from changes in assumptions	(12,431)	0
Experience adjustments in liabilities	(11,836)	0
Total recognized in equity	(24,267)	0
Changes in net liability recognized in the balance sheet		
Net liability at the start of the year	147,433	0
Employer contributions	(323,483)	0
Total expense recognized in the Profit & Loss Statement	237,296	147,433
Total amount recognized in equity	24,267	0
Net Liability at the end of the year	85,513	147,433

Actuarial assumptions	Valuation dates	
	31.12.2019	31.12.2018
Discount rate	0.96%	1.76%
Increase in salaries (long term)	1.00%	1.00%
Inflation	1.00%	1.00%
Mortality table	E V K 2000 (Swiss table)	E V K 2000 (Swiss table)
Personnel turnover	0.50%	0.50%
Regular retirement age	Based on the rules of the Social security fund in which each employee belongs	Based on the rules of the Social security fund in which each employee belongs
Duration of liability	21.92	8.86

Cash flows		
Expected benefits from the plan in the next fiscal year	31.12.2019	31.12.2018

Sensitivity scenarios for the economic and demographic assumptions used

Sensitivity 1 – Discount rate plus 0.5% - % difference in the present value (PV) of the obligations	(10.10%)	(4.00%)
Sensitivity 2 – Discount rate minus 0.5% - % difference in the PV of the obligations	11.40%	4.40%
Sensitivity 3 – Annual inflation plus 0.5% - % difference in the PV of the obligation	11.40%	4.40%
Sensitivity 4 – Annual inflation minus 0.5% - % difference in the PV of the obligation	(10.20%)	(4.00%)
Sensitivity 5 – Salary increase plus 0.5% - % difference in the PV of the obligation	10.80%	2.20%
Sensitivity 6 – Salary increase minus 0.5% - % difference in the PV of the obligation	(10.20%)	(2.70%)

5.28. Suppliers and other liabilities

Energy suppliers amounted to €52,009,971 and mainly concern obligations to participants in the electricity market that were settled in January 2020.

	Group		Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Energy suppliers	52,009,971	60,455,806	52,009,971	60,455,806
Other suppliers	812,529	288,663	705,145	288,663
Accrued third party services	321,386	473,873	1,056,562	478,696
Various creditors	0	6,110	0	6,110
Refund prepayments	(4,183)	4,117	(4,183)	2,907
Total	53,139,703	61,228,569	53,767,495	61,232,184

The most important suppliers of the Group, besides participants, are: HELLENIC EXCHANGES-ATHENS STOCK EXCHANGE S.A. - €232,478; PREDICTA - €151,888; RES ADMINISTRATOR - €101,792 et al. For the Company, accrued third party services includes the amount of €745,851 and concern HenExClear.

5.29. Amount to be settled

The amount to be settled came to €233,110 and concerns an amount to be offset or refunded to the participants. It is derived from the remainder left from the amount invoiced monthly to the energy participants (based on the budget approved by RAE) after subtraction of the operating expenses for the fiscal year and the reasonable profit that has been approved.

5.30. Other taxes payable

Other taxes payable are analyzed in the table below:

	Group		Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Tax on salaried services	107,496	40,140	93,060	39,984
VAT – other taxes	1,256,430	511,691	1,314,576	511,934
Total	1,363,927	551,831	1,407,636	551,918

VAT in December 2019 for the Company was €1,314,013, which was paid to the State at the end of January 2020.

5.31. Current income tax

In accordance with the tax legislation (Law 4646/2019), the income tax rate for legal entities was set at 24% for fiscal year 2019.

Non-deductible expenses mainly include provisions, various expenses, as well as amounts that the Company considers that cannot be justified as productive expenses in a potential tax audit and which are adjusted by Management when calculating income tax.

The reconciliation of the income tax with profit before tax on the basis of the applicable rates and the tax expense is as follows:

	Group		Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Income tax	228,969	131,733	187,376	129,113
Deferred tax in comprehensive income	(5,825)		(5,825)	
Deferred tax in the results	(26,268)	(46,938)	(8,602)	(45,258)
Income tax expense	196,876	84,795	172,949	83,855

Income tax	Group		Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Liabilities 31.12	109,929	0	107,309	0
Income tax expense	228,969	131,733	187,376	129,113
Taxes paid	(109,890)	0	(107,308)	0
Prepayment for 2019	(44,062)	0	(42,753)	0
Interest tax withheld	(57,256)	(21,804)	(55,394)	(21,804)
Income tax expense	127,690	109,929	89,230	107,309

Income tax	Group		Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Earnings before tax	772,753	188,394	675,924	185,359
Income tax rate	24%	29%	24%	29%
Expected income tax expense	185,461	54,634	162,222	53,754
Effect from change in tax rate	2,914	360	2,674	300
Tax effect of non-deductible expenses	8,501	30,161	8,053	30,101
Income tax expense	196,876	84,795	172,949	83,855

For fiscal year 2019 the Company is under the tax audit by the certified auditors SOL SA, as foreseen by the provisions of article 65A of law 4174/2013. The audit is in progress and the relevant tax certificate is expected to be issued after the submission of the tax declaration for 2019.

5.32. Deferred tax

The deferred tax account came to €79,030 for the Group and to €59,684 for the Company and is analysed in the table below:

Deferred tax claims - Group	Intangible assets - PCR	Provisions - Actuarial study & staff retirement obligations	Accrued third party services	Asset rights-of-use IFRS-16	Total
Balance 1.1.2018	0	0	0	0	0
Debit / (credit) to the results	0	36,858	10,080		46,938
Debit / (credit) to other comprehensive income	0	0	0		0
Balance 31.12.2018	0	36,858	10,080	0	46,938
Debit / (credit) to the results	29,943	(5,045)	(1,344)	2,714	26,268
Debit / (credit) to other comprehensive income	0	5,824	0	0	5,824
Balance 31.12.2019	29,943	37,637	8,736	2,714	79,030

Deferred tax claims - Group	Intangible assets - PCR	Provisions - Actuarial study & staff retirement obligations	Accrued third party services	Asset rights-of-use IFRS-16	Total
Balance 1.1.2018		0	0	0	0
Debit / (credit) to the results		36,858	8,400		45,258
Debit / (credit) to other comprehensive income		0	0		0
Balance 31.12.2018	0	36,858	8,400	0	45,258
Debit / (credit) to the results	29,943	(22,159)	(1,584)	2,402	8,602
Debit / (credit) to other comprehensive income		5,824	0	0	5,824
Balance 31.12.2019	29,943	20,523	6,816	2,402	59,684

5.33. Liabilities to Social Security Organizations

The amount of social security contributions paid in the end of the month following recognition came to €99,937 for the Group. For the Company this amount came to €77,684.

5.34. Segment information

In accordance with the provisions of IFRS 8, the determination of operating segments is based on a “management approach.” Under this approach, the information to be disclosed for operating segments must be determined on the basis of the internal organizational and managerial structures of the Group and the Company and of the main accounts of the internal financial reports provided to the chief operating decision makers. The chief operating decision maker of the Group is the Chief Executive Officer (Executive Board Member).

An operating segment is defined as a group of assets and operations engaged in providing products or services, which are subject to risks and returns that are different from those of other business segments. At the Group, the main focus is on the energy segment.

On 31 December 2019 the figures of the principal activities of the Group were broken down in the following operating segment:

	31,12,2019	31,12,2018
Revenue	3,474,913,649	2,110,262,031
Capital income	381,706	145,359
Expenses	(3,474,289,492)	(2,109,172,454)
Obligations to participants for settlement	(233,110)	(1,046,542)
Taxes	(202,701)	(84,795)
Earnings After Tax	570,052	103,599
Assets	2,286,575	299,389
Cash & cash equivalents	13,494,291	7,710,820
Other assets	57,639,046	71,304,345
Total assets	73,419,912	79,314,554
Total liabilities	67,764,704	74,210,954

5.35. Related party disclosures

The transactions with related parties are broken down as follows:

	Group		Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Remuneration of executives and members of the BoD	806,445	306,301	724,255	306,301

Intra-Group balances (in €) 31.12.2019			
		HenEx	EnExClear
HenEx	Claims	0	2,140
	Liabilities	0	771,891
EnExClear	Claims	771,891	0
	Liabilities	2,140	0

Intra-Group balances (in €) 31.12.2018			
		HenEx	EnExClear

HenEx	Claims	0	0
	Liabilities	0	21,000
EnExClear	Claims	21,000	0
	Liabilities	0	0

Intra-Group Revenue – Expenses (in €) 31.12.2019

		HenEx	EnExClear
HenEx	Revenue	0	0
	Expenses	0	745,851
EnExClear	Revenue	745,851	0
	Expenses	0	0

Intra-Group Revenue – Expenses (in €) 31.12.2018

		HenEx	EnExClear
HenEx	Revenue	0	0
	Expenses	0	21,000
EnExClear	Revenue	21,000	0
	Expenses	0	0

Parent Company HEnEx formed a provision of €745,851 to cover operating expenses of the subsidiary EnExClear. This amount is carried as a liability of the parent company HenEx in the statement of financial position of 31.12.2019. EnExClear also shows a claim from HEnEx of €26,040 and a liability of €2,140.

5.36. Earnings per share and dividends payable

The net earnings of the Group in 2019 amounted to €570,052 or €11.40 per share, while the net earnings of the Company came to €497,150 or €9.94 per share. The Company has 50,000 shares outstanding.

5.37. Contingent liabilities

The Group and the Company have not been involved in legal proceedings with employees, energy market participants, or with third parties.

5.38. Events after the date of the financial statements

Decision 36/2020 by RAE [Regulatory Authority for Energy] approved, in accordance with par. 1 of article 9 of law 4425/2016 and par.1 of article 117C of law 4001/2011 as in force, the operation of HenEx S.A. as an Energy Market and the management and operation of the Day Ahead market and the Intraday Market.

In addition, the Board of Directors of the Hellenic Capital Market Commission, at its meeting (872/4.3.2020) decided:

- a) to grant a license to manage an organized market to HenEx S.A. in accordance with law 4514/2018.

- b) To grant a license to operate an organized market to the HenEx S.A. Energy Derivatives Market and approved its Rulebook of Operation.

The Energy Exchange began operating its Energy Market on 26 March 2020 by carrying out the first trade for day ahead physical delivery, at an average marginal price of €46.357. In particular, the first trade (Base April 20) was between DEI (PPC) and Elpedison, and it also inaugurated PPC's role as market maker. The first trade is an important step for the future, taking into consideration that it will take time for the Greek ecosystem to obtain experience and know-how.

In addition, HenEx was certified by ACE as an RRM for the data reporting under REMIT.

The rapid spread of the coronavirus (COVID-19) disease, finds the world financial system and business to a large degree unprepared. The world economy is entering a period of uncertainty and instability, the consequences of which are difficult to estimate based on the data so far. The economic impact will depend on the duration, the intensity and the spread of the disease in Greece and across the world.

At the same time, the critical period that we are facing and the financial impact of the pandemic have brought about major changes in our work routine. Companies are now required to operate under complex and adverse conditions, while ensuring a safe and effective environment for both their staff as well as their clients and partners. In this context, the Hellenic Energy Exchange Group has implemented a series of preventive measures, supporting from the start the national initiative and following the recommendations of those responsible for taking specific measures to contain the spread of the virus.

The Group continues to operate smoothly until the date of this report, as Management has taken the necessary measures to limit the extent of the financial impact of the COVID-19 pandemic to the extent that there is no material uncertainty regarding the continued operation of the Group in the short-term.

Additional significant factors that contribute to this conclusion is the fact that the Group has a strong financial position, without external borrowing, and sufficient liquidity in order to meet the maturity of its liabilities. The strong capital adequacy of the Group is consistent with the appetite for risk taking to the extent that it enables the reliable, secure and seamless operation of the capital market. In addition, the Group may adjust its investment plan by considering delaying or even postponing investments depending on current developments.

However, there is a high degree of uncertainty in the long-term concerning the duration, the intensity and the spread of the disease. As a result, an estimation of the macroeconomic conditions at the global level and by extension of the financial consequences at the Group level in the long-term cannot be reliably and reasonably determined at this stage.

No event with material impact on the results of the Company and the Group occurred or was concluded after 31.12.2019, the date of the 2019 Annual Financial Report and until the approval of the annual financial report by the Board of Directors of the Company on 01.07.2020.

Athens, 01 July 2020

Athanasios Savvakis

Chairman

Giorgos Ioannou

Chief Executive Officer

Nick Koskoletos

Chief Financial Officer - ATHEX

Christos Mayoglou

Director of Financial Management - ATHEXCSD