

ANNUAL

Report

2022



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Introduction

The Joint Allocation Office (JAO) is the pan-European service provider for TSOs, which is crucial in facilitating the European electricity market. The company offers comprehensive services, including clearing and settlement, contracting, reporting, project support, balancing, and IT services. As the Single Allocation Platform, JAO owns and operates the proven e-CAT platform for allocating European transmission capacity. Through our single trading platform, we conduct cross-border transmission capacity rights auctions on behalf of Transmission System Operators (TSOs), spanning different horizons and time frames, including yearly, seasonal, quarterly, monthly, weekly, daily, and intraday.

JAO also serves as a backup for Single Day Ahead Coupling (SDAC) and is fully compliant with the legislation of the European Union. With a strong focus on innovation and service expansion, JAO

offers cross-border transmission capacity allocation and settlement services to TSOs from the EU, Norway, Switzerland, the Balkan region, Turkey, and the interconnectors between the EU and the UK.

As the electricity market and European ambitions for energy transition continue to evolve, JAO is committed to remaining an essential services provider to TSOs, continuously developing new services and solutions to meet the market's changing needs.

Our mission is to ensure welfare by offering uniform solutions to TSOs, market participants and the European electricity market.

Our vision is to drive towards a fairer and stronger European electricity market.

KEY FIGURES, PERFORMANCES AND

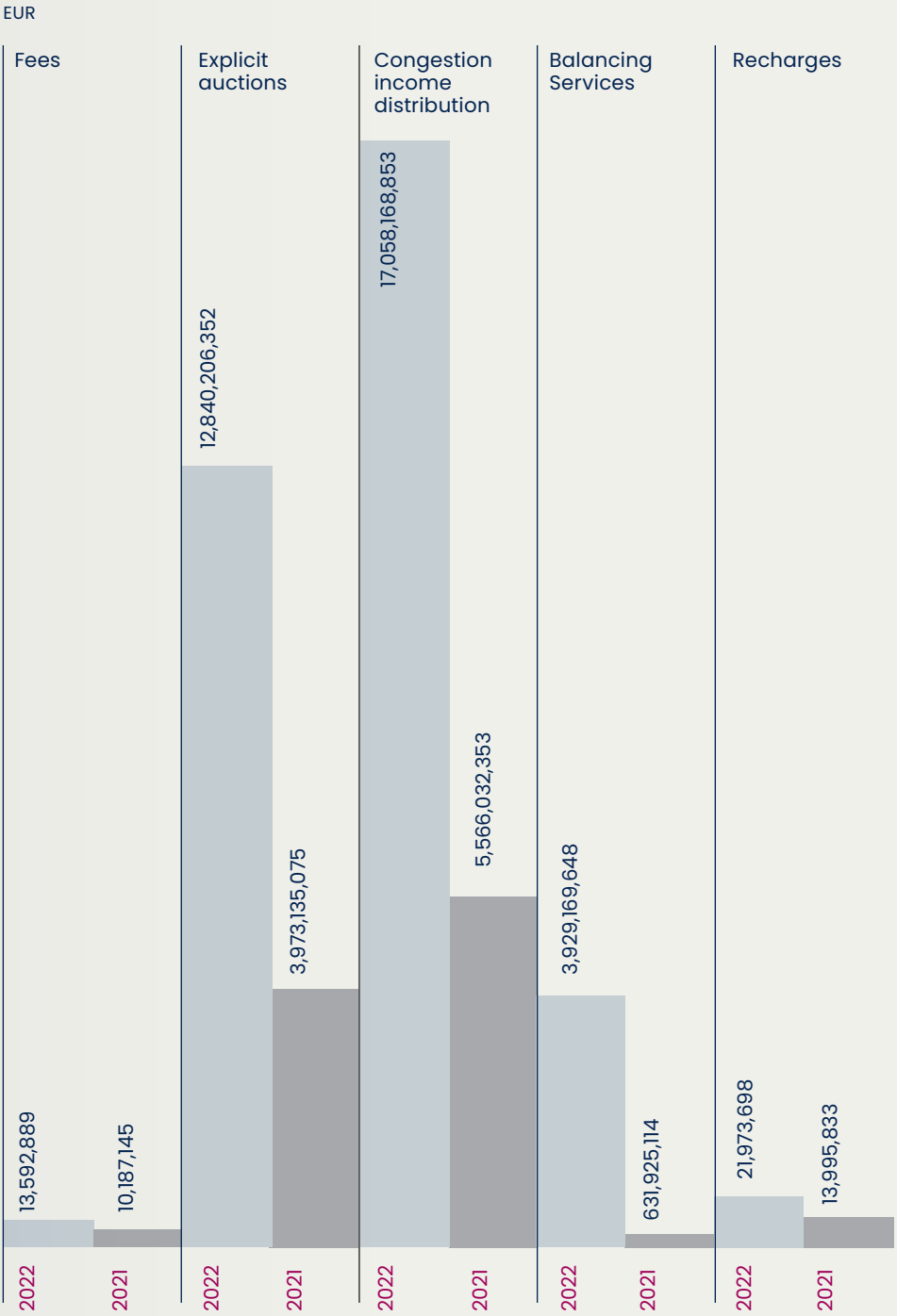
Achievements in 2022



	2022	2021
Net turnover (K EUR)	33,863,111	10,195,276
Annual charged fees (K EUR)	13,593	10,187
EBITDA (K EUR)	2,035	1,730
EBT (K EUR)	409	485
Net result (K EUR)	282	341
Investment in fixed assets (K EUR)	1,367	1,682
Explicit auctions run (No)	20,193	21,772
Employees (average) (No)	65	53

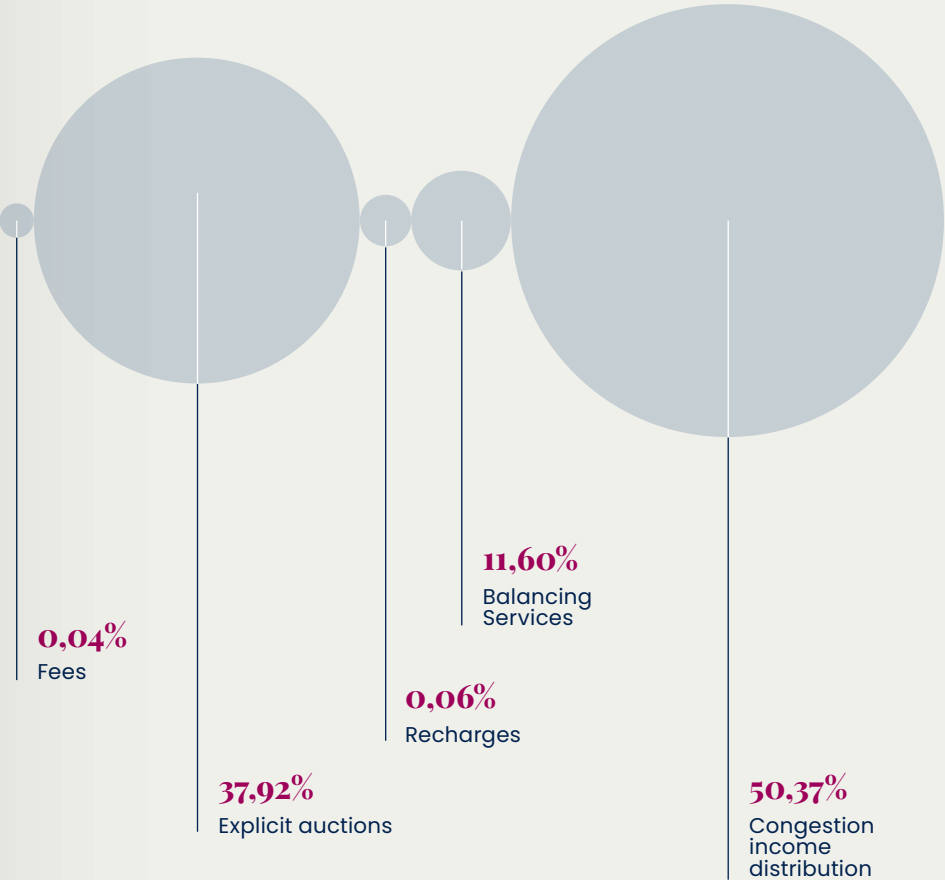
2022 vs 2021

Net turnover



2022

Net turnover per service



GREETINGS

From the CEO in 2022



Dear Stakeholder,

We hereby present you our annual report 2022 financial year.

It has been a year of challenges, where the war in Ukraine had, and still has a major impact on the European energy market. Due to the high volatility of energy prices, JAO's turnover soared and reached record levels.

However, this was not our biggest challenge. The constant evolution of the energy market and the requirements as set forward by our stakeholders and clients demand an agile organization, ready to face whatever challenge is thrown. It implied that also in 2022, JAO had to prepare for- and implement various projects to further support the European electricity market. Next to this, the extension our activities towards settlement services for the TSO's now had its effect.

To date there is much discussion on the further development of the European electricity market. Many changes are suggested, without waiting for the effects of new systems that are to show their effect in the coming years. Flow Based Market Coupling requires further development, and the effects of Long-Term Flow Based Allocation needs to be

seen. ACER has recently presented their view on the development of Forward Capacity Allocation. If all their plans will be incorporated in the future electricity market, JAO is once more facing a substantial challenge.

It is only for the great people working at JAO that we could meet all the challenges that we met over the past 14 years, since the company was created. Their commitment, ingenuity, and everlasting effort has made the company a trusted, stable, and reliable partner.

2022 also was the year of succession planning. As a result, I stepped down as CEO of JAO on 28-02-2023, and Mr Frederik Johnsen has taken over the position since the first of March 2023.

What started as a short-term project of maximum 3 years has developed into a 15-year adventure! I have been given the opportunity to meet and work together with great people creating a company that performs essential tasks in facilitating the European electricity market and is a trusted service provider to the TSO's. Without the great people working for JAO, and the support of our Shareholders, this would not have been possible.

Corné Meeuwis

Chief Executive Officer
of the company
in 2022

MESSAGE FROM

The new CEO

APPOINTED MARCH 1ST 2023



Scan me



View Video
Message from
the new CEO

As the new CEO of JAO, I am excited to present some of our achievements in 2022 which are captured in this annual report and to present to you our focus on resilience, innovation, and adaptability.

Resilience

Amidst challenges like the war in Ukraine and the energy market turbulence in the last year, JAO's team ensured a stable continuous operation. We strengthened our processes and tools, in areas such as cybersecurity and focused on quality, becoming more resilient than ever.

Innovation

We heavily invested in digitalization and developed IT solutions to enhance our competence, independence, and flexibility. By supporting major projects like Flow-based Market Coupling in CORE, MARI, and PICASSO balancing platforms, we've become essential to the European electricity market.

Adaptability

With the electricity market model evolving, JAO will continue to be agile and engaged. We're ready to face future challenges and fulfill new tasks, thanks to the dedication and commitment of our team members and shareholders. We operate in a changing market and Europe can rely on us as a trusted partner.

Our commitment is to continuously improve and support the TSOs in meeting their energy transition goals. We will build on the successes of the previous CEO, who shaped JAO into a strong company, well-positioned to face upcoming challenges. As the new CEO, I'm honored to lead JAO into an exciting future, powering Europe's progress.

Frederik Johnsen

Chief Executive Officer
Chairman of the
Management Board

A stylized, handwritten signature in dark blue ink, consisting of a series of loops and strokes that form the name Frederik Johnsen.

LETTER FROM

Supervisory Board Chairman



Dear reader,

I am delighted to present our annual report for the 2022 financial year. Last year was full of challenges that JAO, as a major European Transmission System Operators' service provider, successfully faced.

The war in Ukraine and consequent turbulence in the electricity market impacted JAO's business operations and pushed its team beyond imaginable performance. Extreme electricity prices led to unprecedented turnover in all services. Required compliance, KYC and enforcement of sanctions increased focus on our customers and accelerated improvement of internal processes and quality management. Cybersecurity enhancements and regular testing of backup procedures made JAO as resilient to threats as ever.

In order to remain a stable and reliable partner, JAO invested heavily in digitalisation and developed its own IT solutions, thus increasing not only its own competence, independence and flexibility, but also that of the Transmission System Operators. I am proud to say that almost every cross-border transaction between Transmission System Operators passes through JAO. Last year, JAO supported the go-live of major projects – Flow-based Market Coupling in the Core region; MARI and PICASSO platforms for the emerging balancing market. Other projects began

and JAO joined various working groups on market integration to share know-how. Thanks to hard and efficient work, JAO has become essential to the electricity market.

Although fully implemented only last year, the electricity market model is now being redesigned. To successfully react to upcoming changes, take on emerging services and fulfill new tasks, JAO will become more agile and engaged. I am very pleased that our shareholders have entrusted Frederik Johnsen as JAO's new CEO to lead the company into the new exciting future.

Thank you for your continued support of JAO.

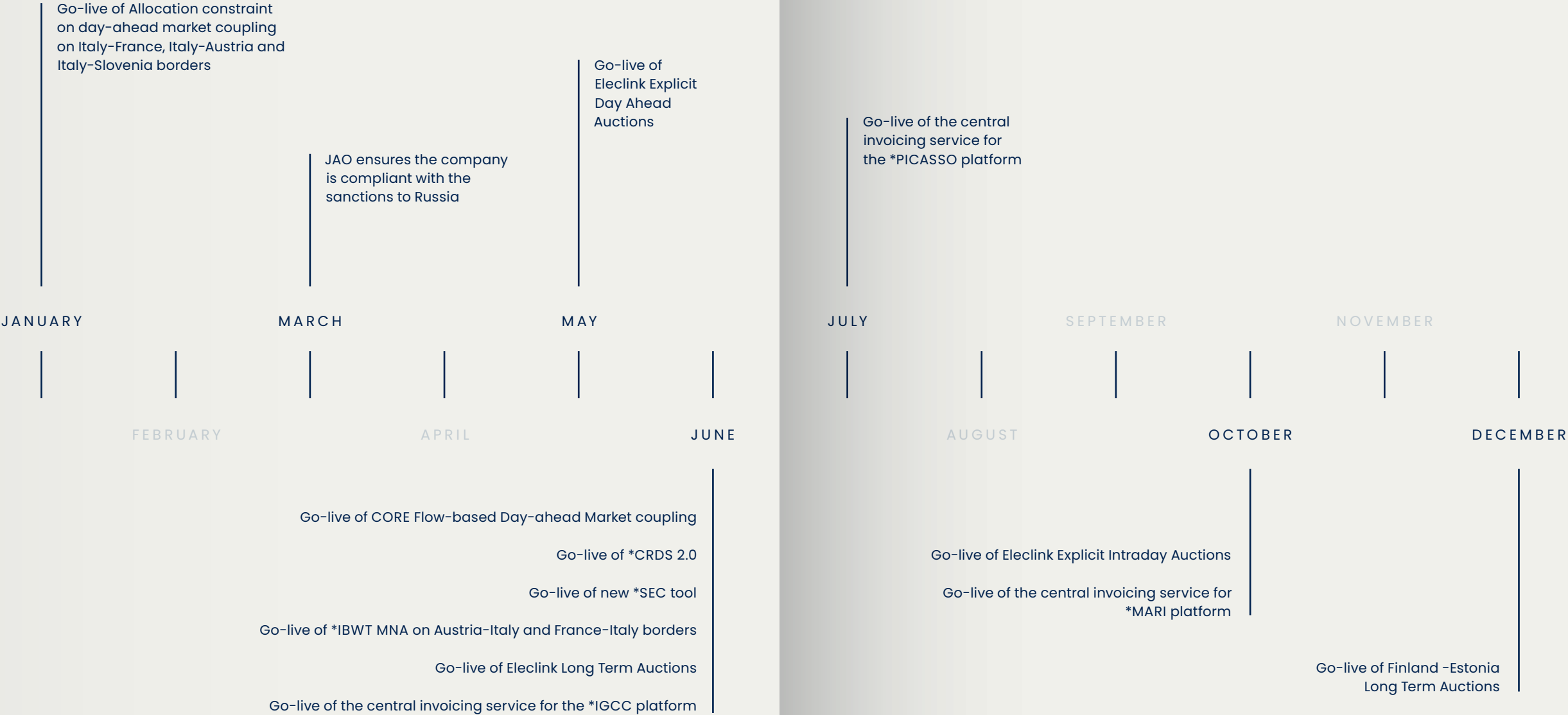
We witness JAO growing from merely providing services to delivering wide-ranging expertise.

Martin Palkovsky
Chairman of the
Supervisory board

Key milestones

IN 2022

Key milestones in 2022



Glossary

- * CRDS - Congestion Revenue Distribution System
- * SEC tool - The new system handling post-coupling process in case the malfunctioning of the CORE CC
- * IBWT Italian Borders Working Table MNA - Multi-Nemo Arrangement
- * IGCC - The International Grid Control Cooperation

- * PICASSO - Platform for the International Coordination of Automated Frequency Restoration and Stable System Operation
- * MARI - Manually Activated Reserves Initiative

LEADERSHIP AND

Organisation



GOVERNANCE

Structure

MANAGEMENT BOARD

CFO
Diana Rodrigues

CEO
Corné Meeuwis

COO
Frederik Johnsen

MANAGEMENT TEAM

FINANCIAL CONTROL MANAGER
Dagmara Soltysiak

RISK MANAGER
Bosco Wilhelm

SENIOR LEGAL COUNSEL
Paraskevi Soilemezidou

OPERATION MANAGER
Julie Schwartzmann

IT MANAGER
Razvan Pop

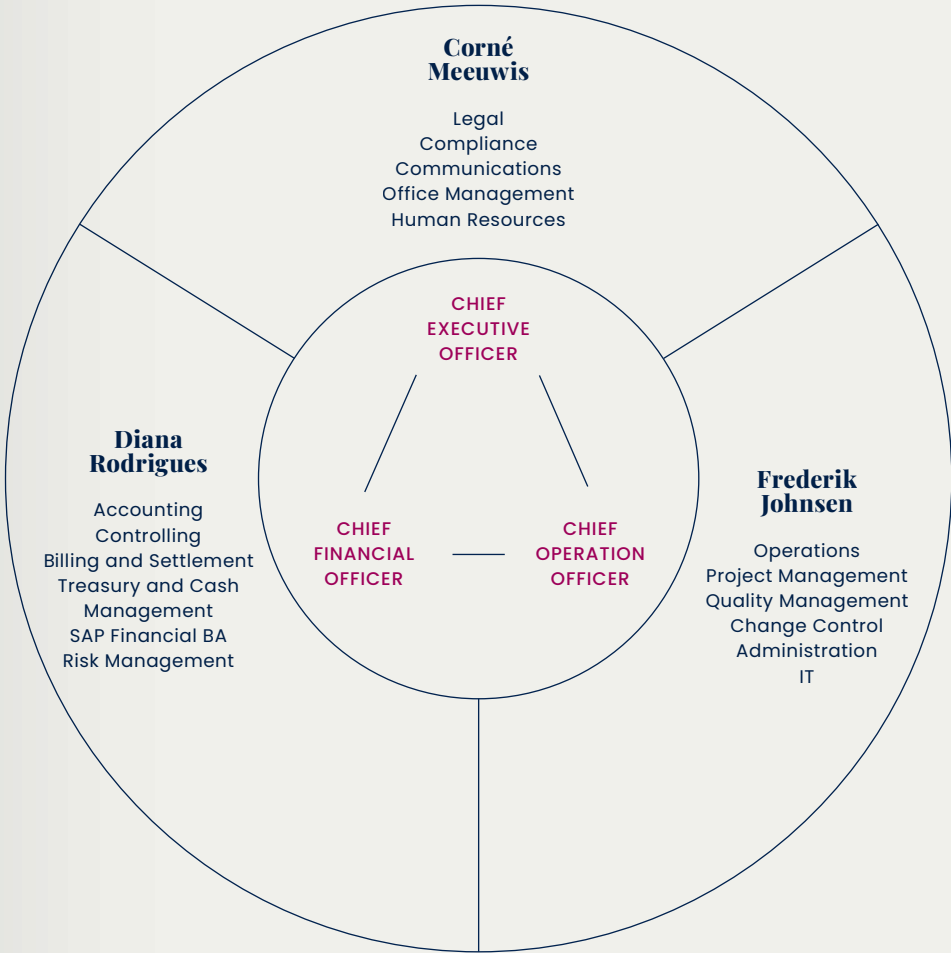
GENERAL ASSEMBLY
25 shareholders

SUPERVISORY BOARD
8 members

AUDIT COMMITTEE
5 members



MANAGEMENT BOARD AND
Departments



OUR

Shareholders

01  50hertz
E.ON Group

02  amprion

03  APC

04  ceps

05  creos

06  EirGrid
GROUP

07  ELES

08  elia

09  JOINT STOCK COMPANY
ELEKTROMREŽA SRBIJE

10  ENERGINET

11  ESO EAD

12  HOPS

13  AAMHE
Hellenic Republic of Cyprus

14  MAVIR

15  moyle
Interconnector

16  PSE

17  PSE

18  Rte

19  seps

20  Statnett

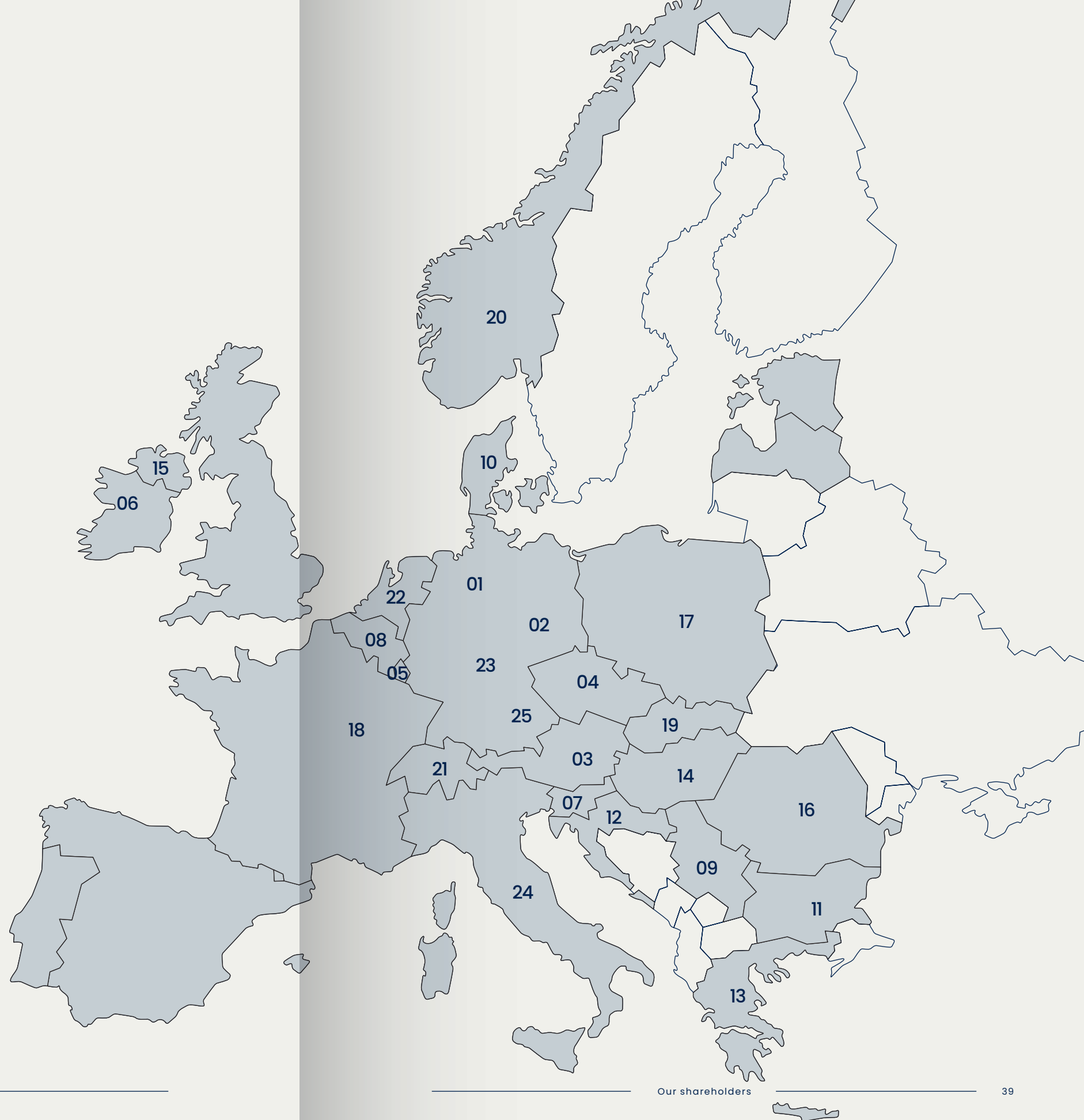
21  swissgrid

22  Tennet

23  Tennet

24  Terna

25  TRÄNSNET BW



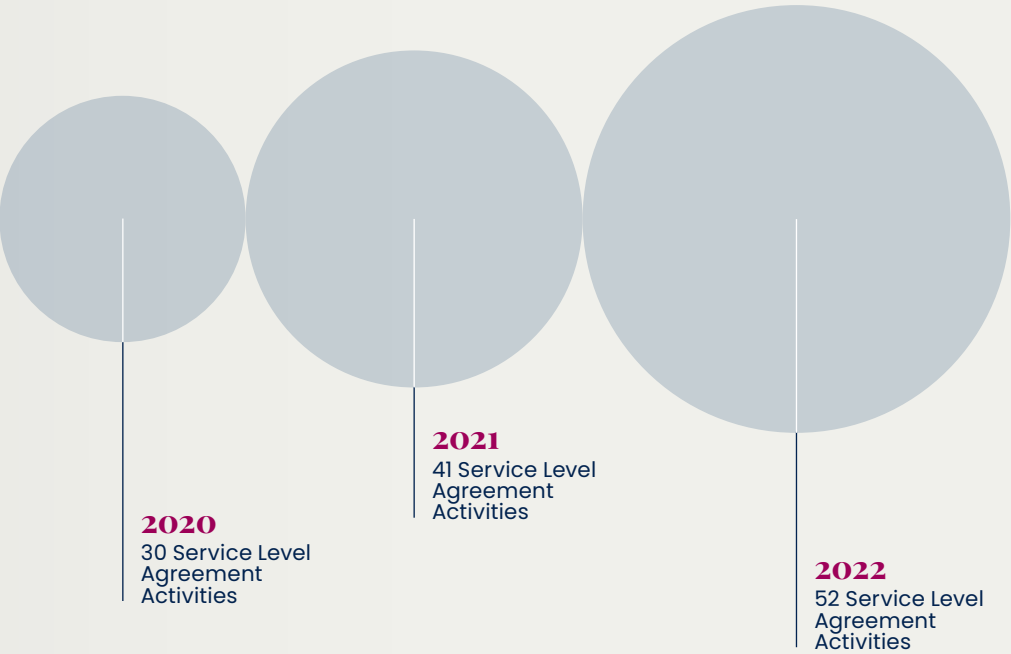
Legal

AND COMPLIANCE

Readiness for MARI, PICASSO and IGCC, a main strategic objective of JAO

The Electricity Balancing Guideline is visioning a market where countries can share the resources used by their transmission system operators (TSOs) to make generation equal demand at all times. In accordance with the Commission Regulation (EU) 2017/2195 of 23 November 2017 establishing a guideline on electricity balancing (the “EBGL”), common European platforms for operating the imbalance netting process and enabling the exchange of balancing energy from manual and automatic frequency restoration reserves, respectively called the IGCC, MARI and PICASSO platform have been

established. TSOs entrusted JAO with the task of settling the corresponding energy exchanges for MARI (Manually Activated Reserves Initiative), PICASSO (Platform for the International Coordination of Automated Frequency Restoration and Stable System Operation) and IGCC (International Grid Control Cooperation) in 2022. The focus of our team was to ensure the entire legal framework will be solid and ready for their respective go-live – in some instances, the technical and extensive service level agreements included 31 TSOs from all over the world, including Ukraine!



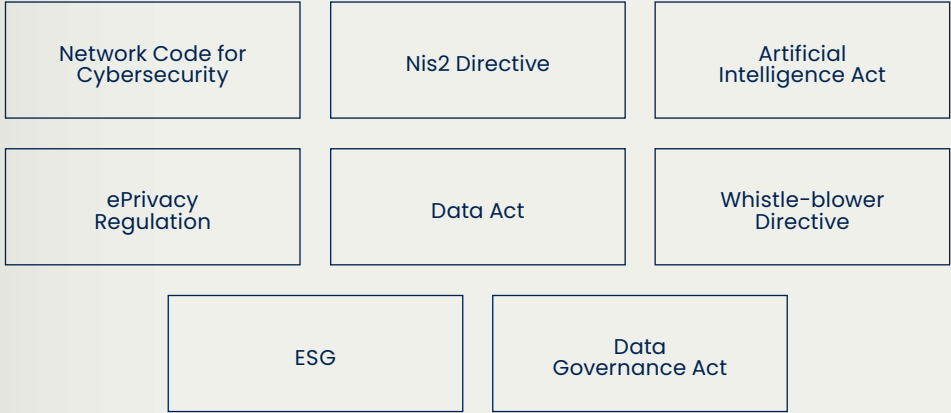
/ EVOLUTION OF SERVICE LEVEL AGREEMENT ACTIVITIES PER YEAR IN JAO /

ABSORPTION OF New regulation

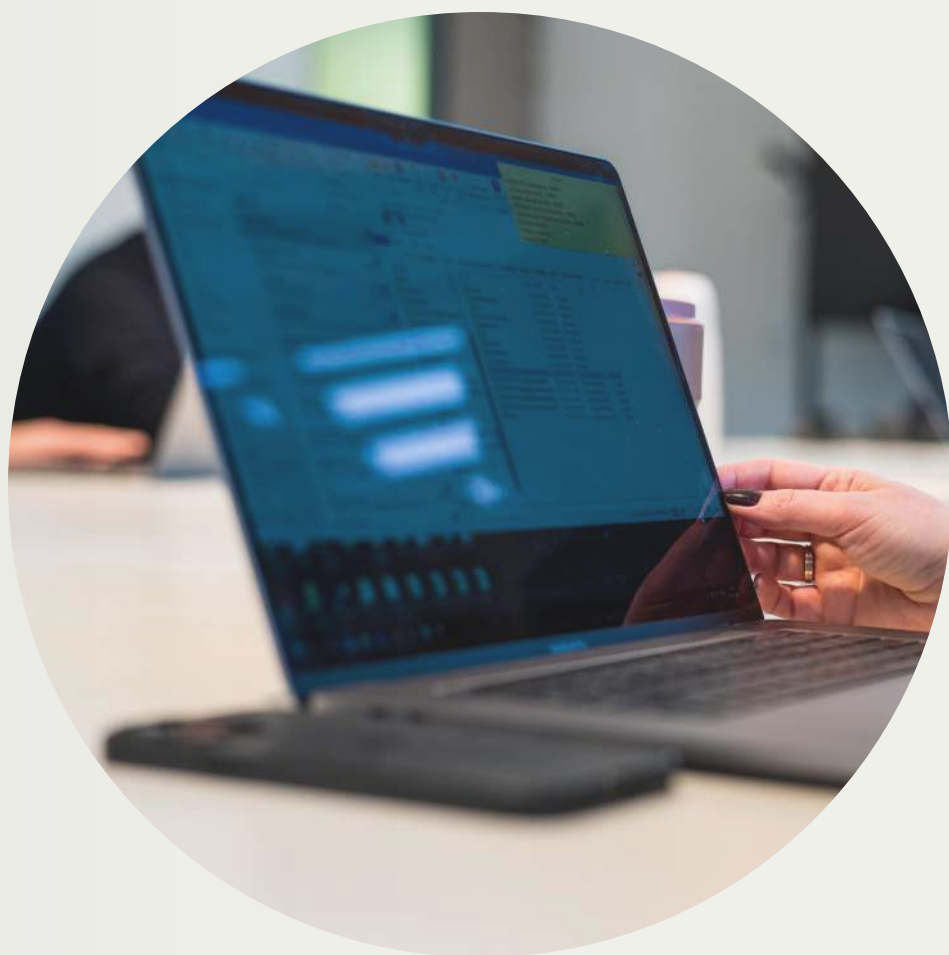
In light of geopolitical tensions, the EU adopted many restrictive measures or so-called ‘sanctions’ requiring our Company to establish a screening mechanism dedicated to sanctions and make it a critical part of compliance operations! Restrictive measures were published overnight, and our teams had to intervene where necessary to prevent compliance or respond to emerging situations.

Staying ahead with key upcoming legislation such as whistle-blow, cyber and data, ePrivacy and environment, and social and governance (ESG) influenced the decisions and actions taken by JAO. The legislative torpedo in the digital and data environment is expected to speed up further in the coming year. As we look

forward, the European data strategy will further take shape as new laws are finalised, and a schedule is set down for their coming into force. The volume of laws being drafted and adopted in the EU – including the Data Act and Data Governance Act – underline that data regulation is not only about personal data. It is about improvements of accessibility to data and sharing of personal data and non-personal data, both on a business-to-private person and a business-to-business level. In parallel, the EU continued to enhance cybersecurity. The NIS2 Directive and Cyber Resilience Act were finalised, while substantial work was accomplished in the drafting of a Network Code for cybersecurity which will set a European standard for the cybersecurity of cross-border electricity flows!



/ KEY UPCOMING EU LEGISLATION FOR JAO /



LEGAL / COMPLIANCE TECH

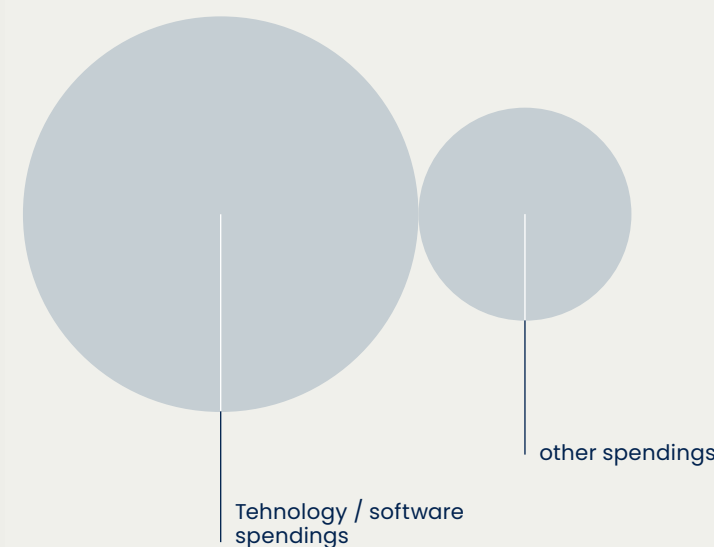
The trend is 'Everything digital'

Today's advanced technologies enable teams to work more effectively and efficiently. In 2022, we significantly increased our spending on legal/compliance IT systems or software by at least 50%. We focused on finding a software solution that can please our needs in terms of contract management to avoid losing precious time in our everyday work. During 2022, automation has been top of mind for our teams. Multiple processes have been successfully automated to date, including:

I. Identification and management of transaction monitoring associated with our business operations;

II. Legal research and data collection; and
III. ELearning and online awareness trainings.

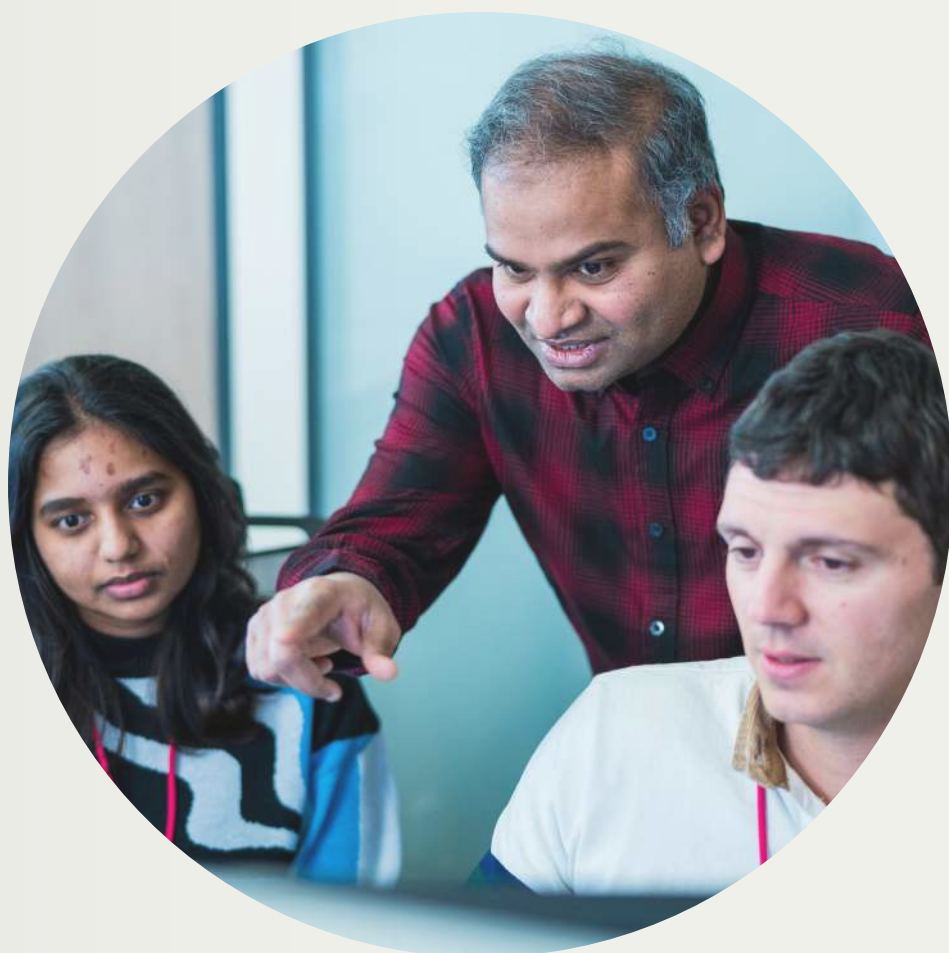
For the year to come, we will be able to monitor developments and track progress on the new software to evolve further. In addition, increasingly capturing more actionable data within legal and compliance will allow us to optimize our capabilities further and determine and prioritize best practices.



/ BUDGET LEGAL
AND COMPLIANCE /

MAIN RISKS AND

Uncertainties



Cyber attacks

Recent years have seen a sharp rise in cyber-attacks, from malware, viruses, phishing to the use of ransomware. The war in Ukraine has further intensified the magnitude of cyberwarfare, through the use of powerful Distributed-Denial-of-Service attacks. In the context of JAO, this translates into thorough and proactive security assessments of potential

vulnerabilities. Additionally, with the rise of Large Language Models, security experts warn of the use of Artificial Intelligence malicious actors in the near future, making it crucial to regularly revise and update JAO's cybersecurity risk mitigation plan.

Regulatory and market design

JAO operates within the dynamic European Electricity markets, where significant change in its design, new regulatory requirements and further market consolidation could conflict with

JAO's current service tasks and medium-term strategy that may lead to profound financial and organisational implications for the company.

Resource management

Despite its agile resource planning strategy, JAO remains vulnerable to be able to deliver the commercial go-live of expected service extensions, considering the strict deadlines imposed by external stakeholders on the company. As a professional service provider, JAO is

expected to design, develop and deliver new services, while simultaneously managing rising change requests and deploying an internal improvement strategy to its core services and underlying customer experience.

Operations AND Projects



In 2022, our company has made significant strides in our IT, operations, projects, and quality management departments. We have successfully implemented the CORE flow-based market coupling project, which has had a considerable impact on our auctions system, congestion income distribution system, and publication tools. This required a substantial effort from our teams to ensure seamless updates and changes to our systems. Our operations team adapted to the switch from Day-ahead explicit auctions to market coupling on certain borders.

We have also expanded our role in balancing projects, with ITCC, MARI, and PICASO going live. Building upon the success of the pilot project, TERRE, we have taken a more cost-effective approach by developing IT solutions in-house, which has resulted in better quality and quicker response to changing project requirements with TSOs. This change in our way of working will continue to be applied in future projects while still collaborating with third parties when necessary.

In 2022, we initiated the project of long-term flow-based allocations, a fundamental change to our long-term auction process that has remained relatively unchanged since its inception in 2008. This new method will allow for more efficient allocation of limited long-term transmission rights, benefiting Europe as a whole.

Following the war in Ukraine, we began discussions with Ukrenegro, and we are confident that cross-border transmission capacity allocation using our platform will commence in 2023. We have overcome various obstacles and are committed to making this collaboration a reality.

As the single allocation platform and a "one-stop-shop" for market participants for data publication, our Quality team works closely with the operational team and customers to continuously improve our services. In 2022, we introduced a new publication tool for the CORE region, making it easier for users to access day-ahead market coupling data. We plan to expand this tool to other regions, increasing transparency and ease of use. Overall we want to put a more emphasis on reviewing existing services to ensure we are operating to the standards expected today.

To enhance our expertise in operations, we divided the Operations team into two specialized areas with independent team leaders in 2022. This restructuring allows for better knowledge coverage and improved day-to-day operations. Additionally, we acknowledged the growing demand for 24/7 support and have collaborated with our service provider, EBRC, to address the needs of TSOs in a cost-efficient manner. Our team expanded with new members, bringing fresh ideas and retaining knowledge from those who transitioned to different in-house teams.

We welcomed Finish TSO as a service taker for the first time at the end of 2022.

Overall, 2022 was a year of significant progress and growth and with high operational stability, and we look forward to continuing our commitment to innovation and excellence in the coming years.

NORTH-ITALIAN

Allocation Constraint

On January 19th 2022, allocation constraints were introduced for day-ahead market coupling on Italy-France, Italy-Austria and Italy-Slovenia borders. As part of this project, JAO

has implemented the socialization of Congestion Income on the day-ahead timeframe across these borders.

CORE

Flow-based Day-ahead Market coupling

On November 8th 2018, the CORE TSOs contacted JAO asking to extend JAO's existing market coupling services in Central Western Europe (CWE) also to cover the Core capacity calculation region.

This project went live on June 8th 2022, and has extended the flow-based market coupling mechanism to all 13 countries of CORE, which is an important step in the integration of the European energy market, which is crucial for excess renewable energy to be efficiently shared across borders, and so is crucial for the success of the energy transition. Further information is available on JAO's website.

As part of this project, a new, modern version of the SEC tool was created which acts as a fallback system in case the common TSO system, the CCCT is not available or functional during the

coupling and post-coupling process. Additionally, with the aim to replace the Utility tool, the first Publication tool was created, which enables a more transparent and user-friendly way of publishing data.

With the CORE project, but impacting all borders for which JAO provides CID services, JAO has developed a new, updated version of the CRDS system, enabling more flexibility for future developments.



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IBWT MNA

Simultaneously with the Core Flow-Based Day-Ahead Market Coupling project, on June 8th 2022, IBWT MNA (Multi-Nemo Arrangement) implementation also went live on the Austria-Italy and France-Italy borders, enabling more than one Nominated Electricity Market Operator (NEMO) per bidding zone.

ELECLINK

The project has run for four years and went live in three different steps during May, June and October 2022 for day-ahead, LT and intraday horizons. The latter brought two new intraday auctions (00-14 & 14-24) to JAO.

FINLAND-ESTONIA

The first Yearly auction from Finland to Estonia opened for bidding between December 1st and December 8th. Long-Term Financial Transmission Rights were offered for the first time between

the two countries on the yearly and monthly horizons on the Single Allocation Platform under the EU HAR after the June 2021 decision of the respective National Regulatory Authorities.

PICASSO

In July 2022 go-live of the new invoicing service for PICASSO took place. PICASSO stands for Platform for the International Coordination of Automated Frequency Restoration and Stable System Operation and is a project that has been endorsed by all TSOs through the ENTSO-E Market Committee to establish the European platform for the exchange of balancing

energy from frequency restoration reserves with automatic activation. JAO operates for this service as the financial partner that manages the invoicing and other financial flows between TSOs. This service joins the two other balancing energy initiatives, TERRE and FSKAR, where JAO plays a similar role.

IGCC

As of June 2022, JAO provides Invoicing services to IGCC. In October 2022, JAO issued the first invoicing documents to the TSOs, and with this, the project officially went live. The International Grid Control Cooperation (IGCC) was launched in October 2010 as a regional project and has grown to cover 24 countries (27 TSOs) across continental Europe. In June 2021, IGCC became the European Platform for the imbalance netting process (IN-Platform). As part of the responsibility of TSOs towards electricity transmission

systems, the IGCC operational members are obliged to maintain the balance between electricity generation and consumption at all times in their respective LFC areas. Imbalance netting is the agreed-upon process between TSOs of two or more LFC areas that allows avoiding the simultaneous activation of frequency restoration reserves (FRR) in opposite directions. Imbalance netting across LFC areas enables all participating TSOs to decrease the use of balancing energy while increasing system security.

MARI

The platform was brought successfully into operation on October 5th 2022, with the accession of 5 TSOs. JAO will provide Invoicing services to MARI. MARI (Manually Activated Reserves Initiative) is the European implementation project for creating the European mFRR (frequency restoration reserves with manual activation) platform. This market serves the purpose of securing an economically efficient purchase and, in time, activation of regulation energy by simultaneously ensuring the financial neutrality of the

TSOs. CEPS and the German TSOs have accessed the new platform as the first TSOs. Further planned accessions are published in the MARI online accession roadmap.



Scan me

IT

In the last year, the IT department went through a major restructuring process where we divided the department into different teams, including IT Support, System Engineering, Test, Development and Business Analysts. We allocated team leaders to most of these teams and established workflows for incoming requests to streamline the processes.

The experts from the IT department achieved several successes during this time, including overcoming challenges with implementing Core, developing and implementing the balancing projects and successfully migrating to PostgreSQL, which was a significant technical achievement. Additionally, the team grew by hiring new people to support the increased workload. The restructuring and achievements in the IT department have resulted in a more efficient and effective team, which is reflected in more business requests.

In addition to the successes and growth of the IT department, the team also had great team spirit and support amongst team members, which facilitated better communication and collaboration, which we consider one of the big contributors to our success.

Looking towards the future, the IT department plans to consider DOCKER and framework optimization to streamline its software landscape. We will also continue to consider external resources and technical evolutions to stay up-to-date with the latest trends and technologies in the industry. Overall, the IT department's continued efforts to improve and evolve will help them better to support the organization and its goals in the future.

As part of our overall strategy for the future, the IT department plans to concentrate on building its business knowledge and expertise to support the organization better. They will rely on in-house experts for this and will utilize external resources for implementation. By doing this, the department aims to create a balance between internal expertise and external resources, ensuring that they have the right skills and knowledge to support the organization's goals. This approach will also allow the IT department to focus on its core competencies while outsourcing other tasks to experts in the field.

200 SERVERS

5800 TESTS EXECUTED

1500 JIRA TICKETS SOLVED IN 2022

±300.000 LINES OF CODE WRITTEN



People



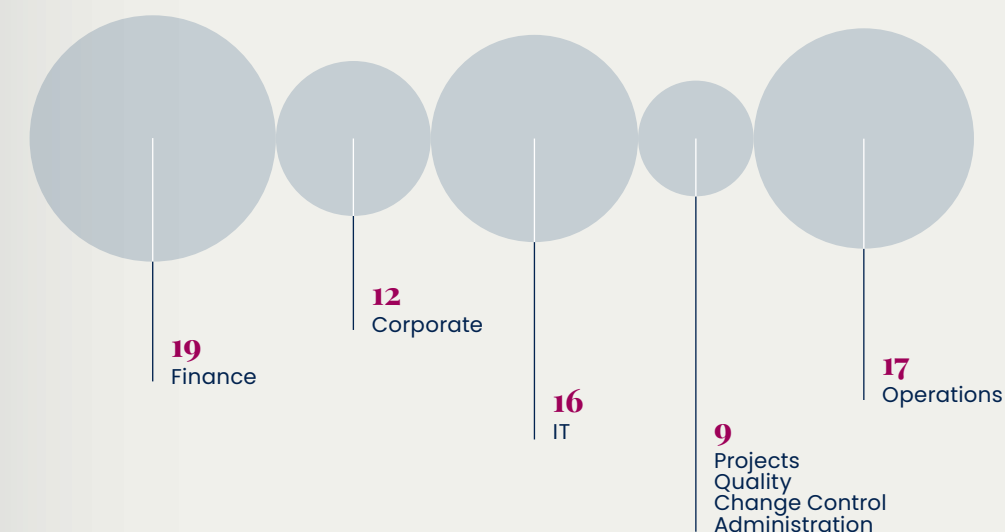
From an HR perspective, our company experienced significant growth in 2022, considering the fact that we doubled in size over the past two years. Our main objective in 2022 was to adapt our processes to ensure a consistent level of quality of HR services. The year was also marked by an increase in terms of trainings, particularly external trainings, as people were able and eager to make up for missed opportunities during the pandemic. We noticed a general interest in languages and soft skills topics.

We conducted a Great Place to Work survey for 2022 and maintained our label. "Good relationships with colleagues" remain our force and are the major factor in job satisfaction.

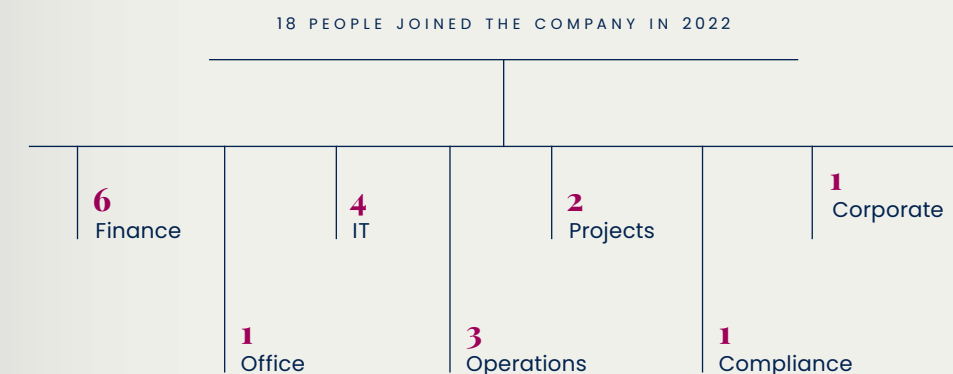
Internal promotions were frequent in 2022, which shows our interest in establishing individualized career paths and assisting our employees in their career development. We prioritize investing in our people to encourage employee retention, as satisfied employees who feel informed, involved in decisions and understand promotion criteria are more likely to stay with the company.

The primary challenge for HR in 2022 was to reach more stability within the company, ensuring adequate staffing levels and appropriate workload distribution. HR aims to assist employees, the Management Board and Management Team by providing relevant assistance and support.

DEPARTMENTS Break down



2022 Recruitment



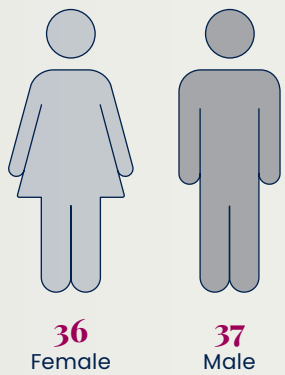
STAFF

By level of responsibility

3 Management Board	5 Management Team	65 Employees
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STAFF

By gender



STAFF

Trainings

Two-third of employees benefited from one or several external trainings.

STAFF

By nationality



1 Dutch, 1 Albanian, 1 Austrian, 1 Belarus, 3 Belgian, 2 Brazilian, 3 Bulgarian, 1 Canadian, 3 Croatian, 2 Serbian, 3 French, 5 German, 4 Greek, 13 Hungarian, 3 Indian, 2 Italian, 1 Lebanese, 1 Moroccan, 1 Moldovian, 2 Polish, 8 Portugese, 2 Romanian, 1 Russian, 3 Spanish, 1 Syrian, 1 American, 4 Luxembourgish



FINANCIAL

Report

In the year 2022, the Company contributed in different aspects to the development of the market for cross border transmission rights allocation, by extending its existing services, as well as developing new services.

The Company's clearing and settlement services extended to the Platform for the International Coordination of Automated Frequency Restoration and Stable System Operation ("PICASSO"), the International Grid Control Cooperation ("IGCC") and Manually Activated Reserves Initiative ("MARI"). PICASSO is the implementation project endorsed by all TSOs to establish the European platform for the exchange of balancing energy from frequency restoration reserves with automatic activation or aFRR-Platform. IGCC is the European implementation project for the imbalance netting process. MARI is the implementation project for the creation of the European mFRR platform. PICASSO and IGCC services went live in July 2022 and MARI service went live in November 2022. This concluded the clearance and settlement activities developments for balancing platforms. In the year of 2022, volumes connected to these activities have increased by 522% comparing to prior year, representing as per 31st December 2022 12% of JAO's net turnover (2021: 6%).

Another area of development for the Company has been the Congestion Income Distribution ("CID"). The introduction of new allocation constraints on the North Italian borders impacting

the CID formulas and processes went live in February 2022. The extension of the CID service within the CORE region and other CID related services such as Shadow Auctions ("SA") and Publication ("PUB") went live in June 2022 and had a significant impact on the increase on the Company's turnover in 2022. CID linked to Market Coupling ("MC") volumes have increased by 206% comparing to prior year, representing as per 31st December 2022 50% of JAO's net turnover (2021: 55%).

As at December 31, 2022, the Company's subscribed capital remained unaltered comparing to previous year and amounts to KEUR 125 (2021: KEUR 125). The subscribed capital is issued and fully paid. The subscribed capital is represented by 1.250 shares without par value and with an accounting value of EUR 100 per share.

The subscribed capital is not divided into classes. Each shareholder holds 50 shares which represent a 4,00% share in the Company.

As of 31 December 2022, the Company had issued 10.000 beneficiary shares with no nominal value.

The beneficiary shares are divided amongst the shareholders based on the business volume each shareholder contributes to the Company.

Beneficiary shares do not bear any economic right and do not give right to any distribution to their holders.

2022

Annual Accounts

BALANCE SHEET	2022	2021
ASSETS	KEUR	KEUR
Fixed assets	3,983	4,153
Intangible assets	3,540	3,829
Tangible assets	443	324
Current assets	3,903,320	1,891,741
Debtors (Note 2)	1,592,326	743,247
Cash at bank (Note 3)	2,310,994	1,148,495
Prepayments	603,703	115,327
Total Assets	4,511,006	2,011,222

BALANCE SHEET	2022	2021
CAPITAL, RESERVES AND LIABILITIES	KEUR	KEUR
Capital and reserves	7,376	7,094
Subscribed capital	125	125
Share premium account	5,123	5,123
Reserves: Legal reserve	13	13
Profit or loss brought forward	1,834	1,493
Profit or loss for the financial year	282	341
Provisions	140	97
Creditors	3,899,635	1,888,495
Deposits made on business accounts (Note 4)	1,860,251	776,028
Trade creditors (Note 5)	2,037,440	1,111,483
Other creditors	1,944	984
Deferred income	603,856	115,535
Total capital, reserves and liabilities	4,511,006	2,011,222

PROFIT AND LOSS

	2022	2021
	KEUR	KEUR
Net turnover (Note 6)	33,863,111	10,195,276
Other operating income	117	100
Raw materials and consumables and other external expenses (Note 7)	- 33,854,200	- 10,188,661
Staff costs	- 6,567	- 4,689
Value adjustments in respect to formation expenses and of tangible intangible fixed assets	- 1,528	- 1,165
Other operating expenses	- 398	- 328
Other interest payable and similar expenses	- 28	- 47
Tax on profit after taxation	- 91	- 113
Profit or loss after taxation	418	373
Other taxes	- 136	- 32
Net result for the financial period	282	341

NOTE 1

Significant accounting and valuation methods

The annual accounts are prepared in accordance with laws and regulations applicable to limited liabilities companies as well as generally accepted accounting principles in the Grand Duchy of Luxembourg. The accounts of the Company have been prepared in accordance with the provisions of the commercial Law dated 10 August 1915 as amended. The accounting methods applied by the Company are in conformity with going concern principle.

The preparation of annual accounts requires the use of certain critical accounting estimates. It also requires Management to exercise its judgement in the process of applying the accounting policies. Changes in assumptions may have a significant impact on the annual accounts in the period in which the assumptions changed. Management believes that the underlying assumptions are appropriate and that the annual accounts therefore present the financial position and results fairly.

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities in the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company's books and records are held in euro ("EUR") and the annual accounts are expressed in that currency.

Income and charges denominated in other currencies are translated into EUR at the exchange rates ruling at the date of each transaction. The Company's books and records are held in euro ("EUR") and the annual accounts are expressed in that currency.

Income and charges denominated in other currencies are translated into EUR at the exchange rates ruling at the date of each transaction.

NOTE 2

Debtors

DEBTORS	2022	2021
	KEUR	KEUR
Amounts due by the Market Participants invoiced by JAO S.A. for their participation to the cross border capacity auctions	107,112	88,071
Amounts due by the Transmission System Operators which own the cross border capacity and to which JAO S.A. charged a fixed monthly fee for the service performed and compensations relating to the capacity that is distributed to the Market Participants	499,987	236,855
Amounts due by the Transmission System Operators in relation to the balancing services	923,957	408,717
Amounts due by the Central Counter Parties in relation to the congestion income distribution	53,577	5,258
General amounts due by Central Counter Parties, Transmission System Operators and Other Parties	5,730	3,598
Amounts paid to suppliers with a debit balance	1,201	41
Other Debtors	763	707
Total trade debtors	1,592,326	743,247

NOTE 3

Cash at bank

Cash at bank is composed by KEUR 450,743 (2021: KEUR 372,466) bank accounts owning to the Company and by KEUR 1,860,251 (2021: KEUR 776,028) bank accounts dedicated to Market Participants.

The Company has opened a business bank account for each Market Participant. Each business bank account is managed, controlled and operated exclusively by

the Company and is a special dedicated account to which the Market Participant pays all the amounts required under the auction rules and all the payments for the allocated capacities acquired or to be acquired by the Participant in accordance with auction rules.

The Company cannot use the dedicated bank accounts for its own account.

NOTE 4

Deposits made on business accounts

DEPOSITS MADE ON BUSINESS ACCOUNTS	2022	2021
	KEUR	KEUR
Payments received on account of orders relate to deposits made by the Market Participants on dedicated bank accounts, to cover their positions in relation to cross border capacity auctions (see note 3)	1,860,251	776,02

NOTE 5

Trade creditors

TRADE CREDITORS	2022	2021
	KEUR	KEUR
Amounts due to the Market Participants invoicing JAO S.A. for compensations relating to cross border capacity	535,613	431,995
Amounts due to the Transmission System Operators which own the cross border capacity and which sell it to JAO S.A. after related auctions	107,130	88,257
Amounts due to the Transmission System Operators in relation to the congestion income distribution performed by JAO S.A. on behalf of the Transmission System Operators	447,457	175,332
Amounts due to the Transmission System Operators in relation to the balancing services	937,776	414,085
Amounts due to Central Counter Parties – Congestion income distribution recharge and Amount due to Other Parties – General Administration expenses	5,195	277
Amounts due to suppliers for invoices not yet received	4,268	1,536
Total	2,037,440	1,111,483
Total of Note 4 and Note 5	3,897,691	1,887,511

NOTE 6

Net turnover

As of December 31, 2022, the geographical market includes the majority of Europe, with the exception of certain regions in the Balkans. Specifically, this includes all borders that are managed by the TSOs within these areas. Financial services connected with clearance and settlement activities on balancing platforms are provided to Transmission System Operators

located in several European regions. Other revenue include collected income where the Company acts as contracting entity on behalf of the Transmission System Operators for congestion income distribution and various other service projects.

The turnover is analyzed as follows:

NET TURNOVER	2022	2021
	KEUR	KEUR
Monthly fees charged to the Transmission System Operators for the service performed on their behalf	13,593	10,187
Allocation of cross border electricity capacities charged to the Market Participants	12,840,206	3,973,135
Congestion income distribution	17,058,169	5,566,032
Balancing services	3,929,170	631,925
Other central contracting activities	21,974	13,996
Total	33,863,111	10,195,276

NOTE 7

Raw materials and consumables and other external expenses

Raw materials and consumables and other external expenses are composed by charges equal to the turnover composed by the allocation of cross border electricity capacities charged to Market Participants, Financial services connected with clearance and settlement activities on balancing platforms and expenses where the Company acts as

central contracting entity on behalf of Transmission System Operators to external service providers, by congestion income distribution as the Company acts as an intermediary between sellers and buyers of the cross border electricity capacities, and by the external charges as follows:

RAW MATERIALS AND CONSUMABLES AND OTHER EXTERNAL EXPENSES	2022	2021
	KEUR	KEUR
Allocation of cross border electricity capacity invoiced to the Market Participants	13,995,168	4,758,621
Congestion income distribution charges	15,903,207	4,780,547
Balancing services charges	3,929,170	631,925
Other central contracting activities	21,974	13,996
IT maintenance and Supplies	2,491	2,284
Office charges	286	166
Travel expenses	80	12
Consultancy fees	356	133
Property charges	483	355
Legal advices	24	13
Insurances	169	154
Administration and bank charges	415	316
Audit and other professional fees	377	139
Total	33,854,200	10,188,661

NOTE 8

Subsequent events

The Company has announced a change in its Chief Executive Officer ("CEO") effective at the 1st of March 2023. The outgoing CEO will step down from his role, and the new CEO, who was previously serving as the Chief Operating Officer ("COO") of the Company, will assume the role of CEO. The provisions as at December 31, 2022 have been reassessed to reflect the portion of indemnity due to the predecessor CEO.

This change in leadership was not the result of any disagreement or dispute

with the outgoing CEO, but rather a decision made by the Shareholders to bring in new leadership to drive the Company forward.

The new CEO brings a wealth of experience and expertise in the industry, having previously served as the COO of the Company. The Supervisory Board is confident that the new CEO will lead the Company to continued growth and success.

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