# ANNUAL REPORT 2021



# Table of Contents

01	JAO ID and Key Figures in 2021 5
02	Introduction 17
03	Message from the Chairman of the Management Board 21
04	Annual Report 2021 JAO Supervisory Board Chairwoman Keynote Address 25
05	Leadership and Organisation 29
06	Our Shareholders 33
07	Company Performance in 2021 at One Glance – Timeline 37
08	HR Development 41
09	Communications 49
10	Operations 53
11	Projects 57
12	IT 61
13	Legal and Compliance 65
14	Risk 71
15	Financial Services 75
16	Financial Report 79

# JAO ID AND KEY FIGURES IN 2021

LETZ DOIT



pany that facilitates the European elec- support, and IT services. tricity market by hosting the single trading platform e CAT for performing cross-border Overall we perform the different services to transmission capacity rights auctions on all internal EU borders. The company's ser- and robust solutions for our clients. vices range from clearing and settlement

We are a reliable and efficient service com- services to contracting, reporting, project

facilitate the market and provide efficient





AUCTIONS DELIVERED IN 2021

DAILY



45

38

EXPLICIT AUCTION BORDERS

IMPLICIT

ALLOCATION BORDERS

# 9.403

**10,967** INTRADAY -

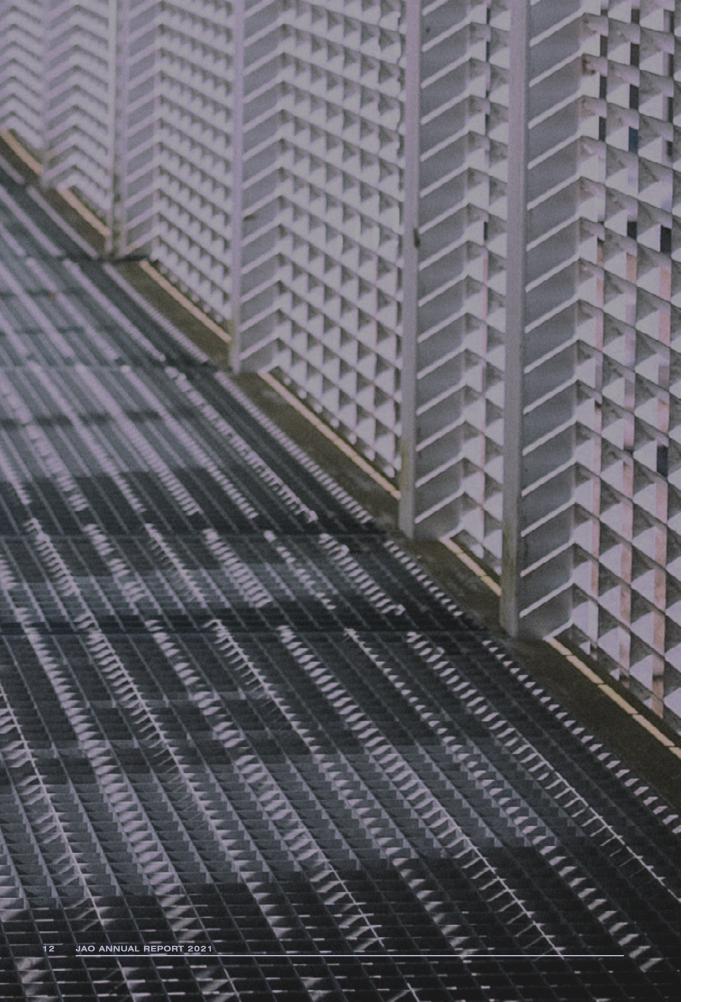
1.402

373

NUMBER OF MARKET PARTICIPANTS LONG-TERM -

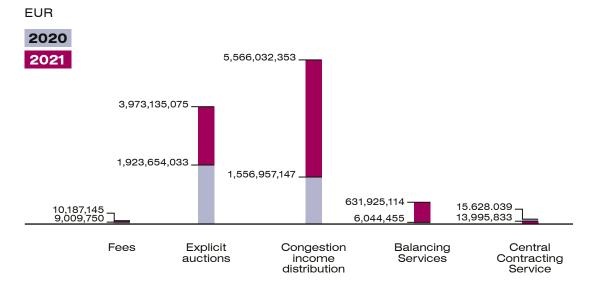


# Eur 10,195,276k

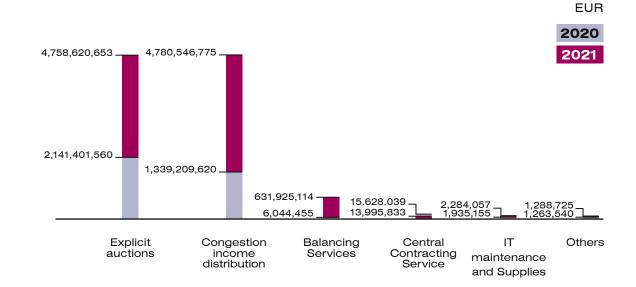


KEY FIGURES	2021	2020
Net turnover (K EUR)	10,195,276	3,511,293
Annual charged fees (K EUR)	10,187	9,010
EBITDA (K EUR)	1,730	1,695
EBT (K EUR)	485	377
EBT margin (%)	5%	4%
Net result (K EUR)	341	269
Investment in Intangible assets (K EUR)	1,569	1,195
Explicit auctions run (number)	21,772	18,028
Employees (Average) (number)	53	43

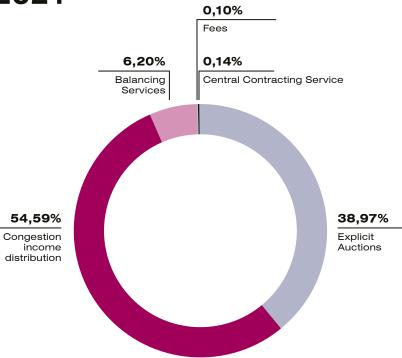
### Net turnover per service 2021 vs 2020

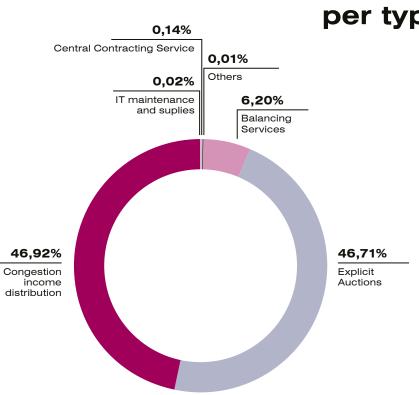


The net turnover increased by 190% when come distribution and balancing services, comparing with the fiscal year 2020. The in- as well as due to the high energy prices crease in net turnover is due to the growth that was observed in Q4 2021. of the services, such as for congestion in-



## Net turnover per Service 2021





## **Other expenses** per type 2021

### **Other expenses** 2021 vs 2020



# WELCOME!

JAO sticks to its business plan and strategy to keep the highest quality of performances and outcomes in terms of intelligent work from a home office. We take a solution-oriented approach by asking ourselves how something can be done. Through professionalism, good communication, and cross-department cooperation, JAO offers the best services for our Shareholders and Stakeholders. The solutions we developed are based on respect for Stakeholders' needs and the company's culture of listening. JAO is regularly conducting the Satisfaction Survey to identify

JAO sticks to its business plan and strategy to keep the highest quality of performances and outcomes in terms of intelor offer.

> Our company culture encourages the employees to take available training opportunities. In addition, JAO supports development to ensure people reach their full potential.

Our vision is to drive towards a fairer and stronger European electricity market. Our mission is to ensure welfare by offering uniform solutions to TSOs, market participants and the European electricity market as a whole.

# MESSAGE<br/>FROM THE<br/>CHAIRMAN<br/>OF THEMANAGEMENT<br/>BOARD

Dear Stakeholder.

2021 has been another challenging year. With the pandemic ongoing, we were at the same time faced with some major developments that have tested our capacities. I am glad to say we succeeded!

The year started with the successful finish of the Brexit process. We managed a smooth transition from implicit day-ahead allocation due to the UK leaving EU Internal Energy Market. Our employees showed remarkable resilience in facilitating the complex business, especially if we consider the circumstances of COVID-19.

TSOs have put their trust in us for developing the settlement services for their balancing projects.

Thanks to the expertise and experience of our employees, and following the successful launch of TERRE project, TSOs have decided to extend their request for settlement services to the other EU balancing projects: MARI, Picasso, IGCC, and FSkar.

JAO has started internally the development ments but also on incidents. We realise of the clearing and settlement solutions given the time constraints on the project go-live dates, where members of the Finance and IT departments are coordinating with the convenors of the respective balancing services. In Q4 2021, the second balancing project. FSkar has been launched, and invoicing is the first service billed through the company's new in-house created billing system.

With this, JAO will have next to the allocation of transmission capacity a new activity that will enable a sustainable future for the company.

Next to this there is a lot of work ongoing for the go-live of CORE Flow Based Market Coupling which is foreseen in 2022. And of course, there are quite a few smaller commitment. projects ongoing to further improve our services to all stakeholders.

Due to the strong focus on all ongoing changes and projects, we sometimes fall short in communicating on new develop- Sincerely,

that for stakeholders this communication is crucial and we assure you that we will do better in the future.

**Despite the** pandemic and for all the success in 2021 in all aspects, we owe our employees their outstanding support and

Please stay safe, and let's make 2022 even better.

CORNÉ MEEUWIS Chief Executive Officer Chairman of the Management Board

# <text>

port for the financial year 2021. Our so- of the Supervisory Board's subcommitciety continued to face an unprecedented challenge with the COVID-19 crisis. It completely changed our work life and, of course, it impacted the way we operate and accelerated digital transformation as it increased the need of having our business processes use digital solutions to expand the quality and speed of our services.

On the one hand, the COVID-19 pandemic' short-term effects included extreme fluctuations in energy prices, which required the JAO management, in close interaction with the Supervisory Board, to prioritise solid and robust transaction management. On the other hand, the energy framework evolved substantially in the past year. The European and national ambitions regarding cyber resilience, safeguarding of our communication and data, resulted for JAO

I am pleased to provide our Annual Re- in the necessity to re-equip the skill set tee. Mr. Morten Gade Christensen (Energinet) and Mr. Ron Wibbelink (TenneT NL) joined and reinforced the JAO Audit Committee in 2021 with their profound expertise in information technology and cvbersecurity.

> Among many new business project implementations especially in the domain of congestion income collection and distribution, a major success story of 2021 was the launch of the FSKAR Balancing process, which is mandated by the European Electricity Balancing Guideline, where JAO created an effective solution for performing the financial settlement. The way the Company withstood the complexity and

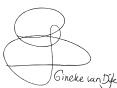
the requirements generated by European Electricity Balancing Guideline confirmed the importance of the strong foundations laid in previous years.

The future of JAO clearly lies in the wake of digitalisation and creation of IT solutions which support the European energy tran- **Contribution as par** sition and provide cyber resilience. Contribution resides in striving in particular to influence the speed and quality of solutions that are deployed. The Company will accelerate awareness and drive more solutions into the market.

While the challenges of the pandemic are likely to tone down in 2022, the subsequent vears will see the energy transition as an enormous and compelling milestone, demanding players like JAO to master complexity and agility in order to meet the Thank you for your continued support of stakeholders' requirements.

I am confident JAO will create value for stakeholders and make a positive excellence go-to service provider of the TSOs for operational - and settlement-related activity.

JAO.

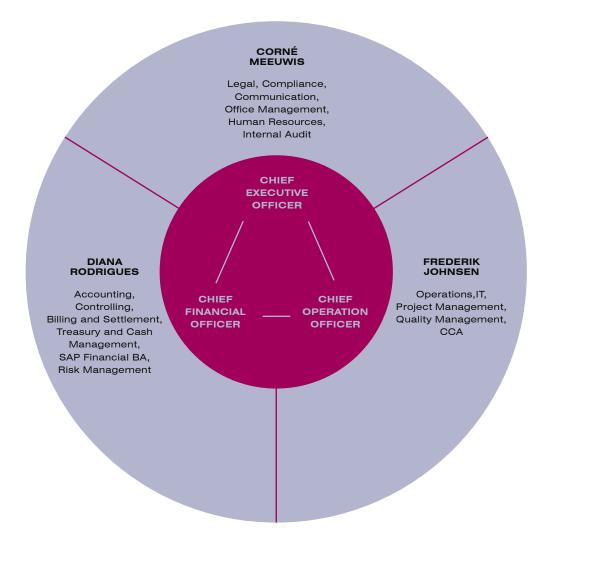


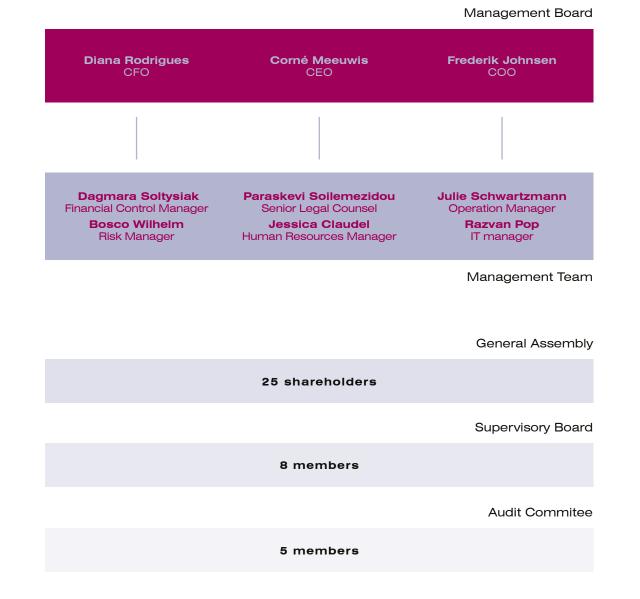
GINA CHRISTINE VAN DIJK Chairwoman of the Supervisory Board

# LEADERSHIP AND ORGANISATION

### Management Board and Departments

# Governance Structure





# OUR SHAREHOLDERS



MAVIR

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Tennet

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**Terna** 

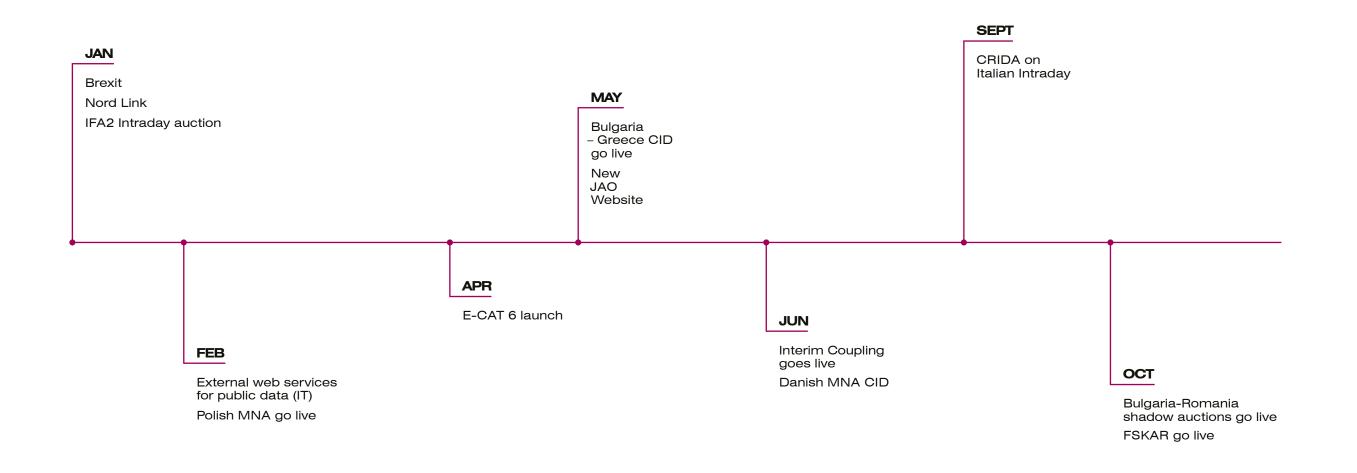
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# COMPANY PERFORMANCE IN 2021 AT ONE GLANCE - TIMELINE

--- MARANTER

# Timeline 2021



# DEVELOPMENT

The Covid-19 has unfortunately not ended as fast we would love to, and the home office is still part of our "routine." The fact that people primarily work from home doesn't affect productivity; even more, people have a better work-life balance, The Great Place to Work nominates and the productivity is excellent. The year 2021 has been in the footprint of 2020, following the JAO's Business Development Plan.

**JAO** increased the number of employees by 24%, from 50 employees in December 2020 to 62 in total in 2021.

Increasing the number of our people in the teams might have been stressful, but JAO was also successfully certified as a Great Place to Work!

Europe's best workplaces every year. After a tough year regarding recruitment and workload and months of navigating through pandemics, we surveyed how the employees felt.

It was a great pleasure to discover that our Managers increased in all categories - Credibility, Respect, Fairness, Pride, and Camaraderie compared to the last results from 2019.

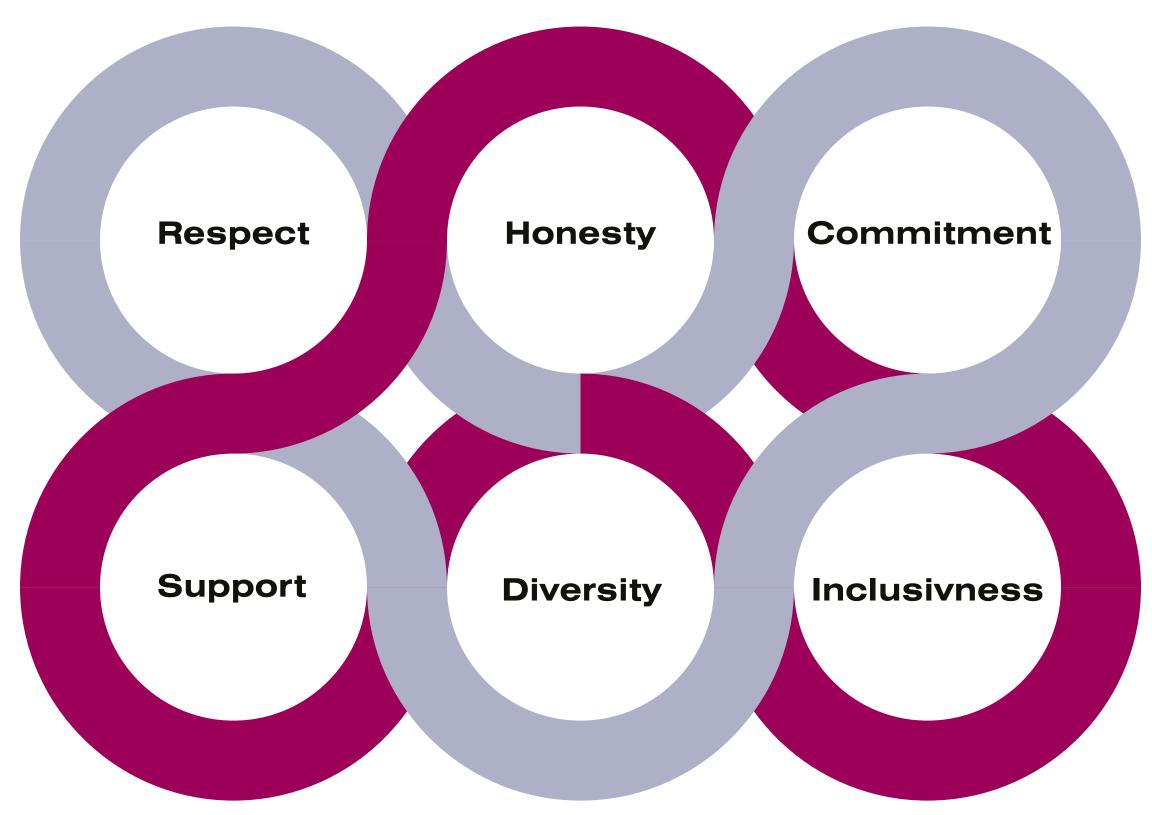
JAO's management also has excellent results with an increase in 4 categories and the stabilization of Respect with the same percentage as the previous survey.

As a final result, **79% of our** employees say that JAO is a Great Place to Work, and we thank them for their trust.

This title is a strong message for the company, honour, and a huge responsibility. Great Place То **Work**<sub>®</sub> Certified OCT 2021-OCT 2022 LUX

We received 1480 applications for 12 openings due to the recruitment and held 440 interviews.

# **Our Values**



### We are truly diverse company with 23 different nationalities

Albanian/American/Belgian/Brazilian/ Bulgarian/Canadian/Croatian/Dutch/ French/German/Greek/Hungarian/ Indian/Italian/Luxembourgian/Moldovan/ Nigerian/Polish/Portuguese/Romanian/ Russian/Slovenian/Spanish

# COMMUNICATIONS

Our sharply focused communications strategy builds openness, increases visibility, and boosts awareness about JAO. The JAO Journal is a tool for a wide variety of topics, including, but not limited to, the introduction of new colleagues and success

After a long period of teleworking, we decided to establish effective communication that enhances JAO's vision and values. In June 2021, the company introduced the JAO Journal newsletter - a new channel for internal communication. The goal is to build an informative medium for communicating news happening inside the company. The feedback from employees and impressions are excellent. The focus is on creating and fostering communication initiatives that help implement good relations and a good flow of information between employees and management. By encouraging camaraderie, we give our best to feel included and welcome (back) to the office.

The JAO Journal is a tool for a wide variety of topics, including, but not limited to, the introduction of new colleagues and success stories that celebrate achievements from employees. We see it also as a tool to gather employee feedback, input, and to engage people.

To improve the user experience, in 2021, JAO introduced the layout and functionality updates on our website www.jao.eu In terms of communications, the company aimed to create a simple, modern, and clean design of the website and the message about who we are, what we stand for, and the services we provide.

The new website features an intuitive and consistent site-wide navigation system.

We've made these updates aligned with the valuable inputs from the JAO user group and information provided by the annual customer satisfaction survey. As a result, the new website is fully responsive on many web browsers and mobile devices.

Since we are growing and on boarding new people, we've recognized a need to re-design the JAO welcome booklet. The good Welcome Booklet is an example of cross-department cooperation since it supports our Human Resources team and new employees to fit in by offering a comprehensive overview of JAO's business, values, and company culture. We use the LinkedIn platform to define and promote our company and business and reach people with similar interests. LinkedIn is a great networking tool that helps us give and receive introductions to people and recruit.

# OPERATIONS

The JAO operations continued hybrid work which was introduced during the COVID pandemic. With the previous adaptations to existing ways of working to accommodate remote working and the switch to new digital solutions, many process changes were incorporated in the Harmonised Allocation Rues in 2021.

2021 has been filled with multiple new project go-lives which have been onboarded by the operational teams. The year started off with the re-introduction of explicit dayahead auctions on EU-UK borders. The operations team have supported the projects various in different phases and most notably during testing.

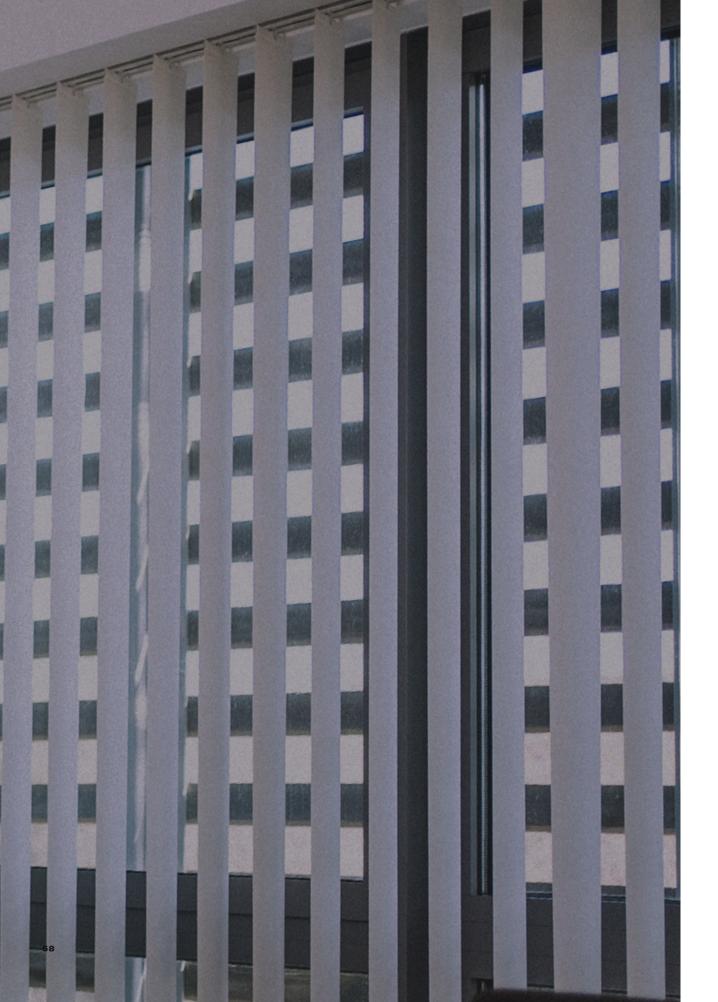
The JAO operations continued hybrid work which was introduced during the COVID pandemic. With the previous adaptations to existing ways of working to accommodate

> The fundaments of the systems were changed and updated, to ensure a stable system for the future. This upgrade required significant efforts from the operations team to ensure that there were no regressions and to help address any issues identified.

In preparation for CORE day-ahead market coupling going live in 2022, the interim coupling project went live in 2021, meaning the end for day ahead explicit auctions on some borders. The operations team supported the transition and are working hard with the CORE project team to ensure that the go-live in 2022 will also be a success.

Although there were numerous changes, JAO continued to deliver a stable and reliable operation with minimal incidents in 2021. The push for process redesign, reorganization, simplification and automation is still ongoing to bring efficiencies to the diverse activities handled by the operations team. For the next years. we anticipate multiple new projects going live which will continue to require support from operations and which will be onboarded into the day-to-day activities, meaning the digitalization and efficiency efforts remain key to allow for additional valueadding services for the benefit of **TSOs and Market Participants.** 

# PROJECTS



2021 saw the continued growth of JAO through the development of both existing and new services. Additionally, the current tools and services were improved to benefit the interaction with market participants and TSOs. These projects were successfully run internally at JAO in collaboration with TSOs and our service providers.

With over 10 project go-lives on 2021, the development was continuous, with multiple projects remaining in the pipeline for 2022. The project team did an excellent job in ensuring that projects met the high qualitative requirements set and to ensure a smooth transition to the day-to-day operations.

For 2022, the projects team is expected to be reinforced to support the continued development of the European electricity market, in which JAO plays a key role.



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The year 2021 was again very busy and exciting for the JAO IT department. With the go-live of two major projects, the increase in size and restructuring of the IT department, and the start of in-house developments, we faced and mastered different challenges. But, at the same time, we created new opportunities.

Beginning with the go-live of our new website in May, we created a new user experience, improved the performance, and deployed updated and proven technologies to ensure the correct and timely publication of **auction** results. On top of the visual representation of the data, we implemented open web services, which allow anyone to connect to our data source and get data through a technical interface for further processing. The open web services were developed internally.

### The biggest project we mastered this year was the technical update of our auction system, eCAT.

A technology upgrade on all levels was necessary to be prepared for the upcoming business needs. The migration from an ORACLE database technology to PostgreSQL was a significant change that involved not only developers it was also a shared effort between system engineers, testing team and business analysts. Now we have a new system based on new technologies and proven concepts that are ready to support the upcoming business requirements. The strategic decision of the JAO management to develop the new balancing projects in-house was born from the necessity to satisfy the market needs on time as external partners were not able to deliver the technical solution in time. The in-house knowledge and competencies allowed us to take such a decision, which was proven right when the first project FSKAR was deployed to production in June 2021 and delivered the expected result. This effort was made possible by adding new resources and restructuring the IT team.

JAO IT is now structured in a future proven way by having clear responsibilities and interfaces between all IT teams. JAO's IT support is the first point of contact. System engineers support and maintain all the applications. These developers implement changes and new applications

or features to existing tools, testers who test and ensure the good functioning of the tools before deploying to production, and the business analysts, which are the key interface between the business and the IT department.

The IT department is ready to on-board new tasks, projects, or challenges with the new modular setup.

# LEGAL AND COMPLIANCE

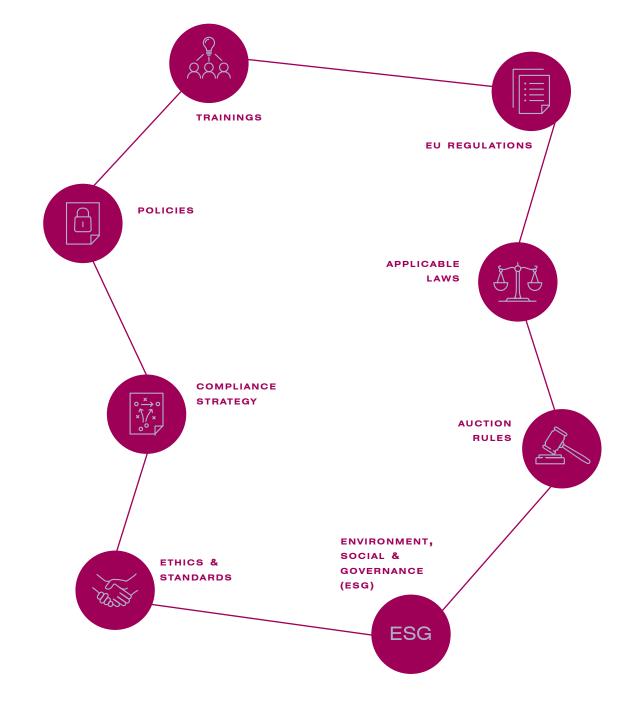
### **Compliance 2021**

Trends and challenges during 2021 were of diverse nature for JAO's legal team, yet with a common characteristic: Performance in a fast-changing macro-economic and regulatory environment. It was only natural for JAO to tightly monitor legislative trends and to prepare the business operations in It was the occasion to assess our cyber a proactive manner.

legal advice. This was accomplished by a continuous assessment of our internal way of working and the adoption of fast methodologies to ensure the resilience of our legal activities at a steady pace.

In this context of constant fluctuation and readiness of the personnel. Moreover, and increasing complexity in legislation, our legal team had to further implement technology and strategies to increase its efficiency and enable sophisticated

risks and crisis management framework, to contribute to stability of JAO's operations we had to enforce sanitary measures to comply with COVID-19 restrictions prescribed by national laws.



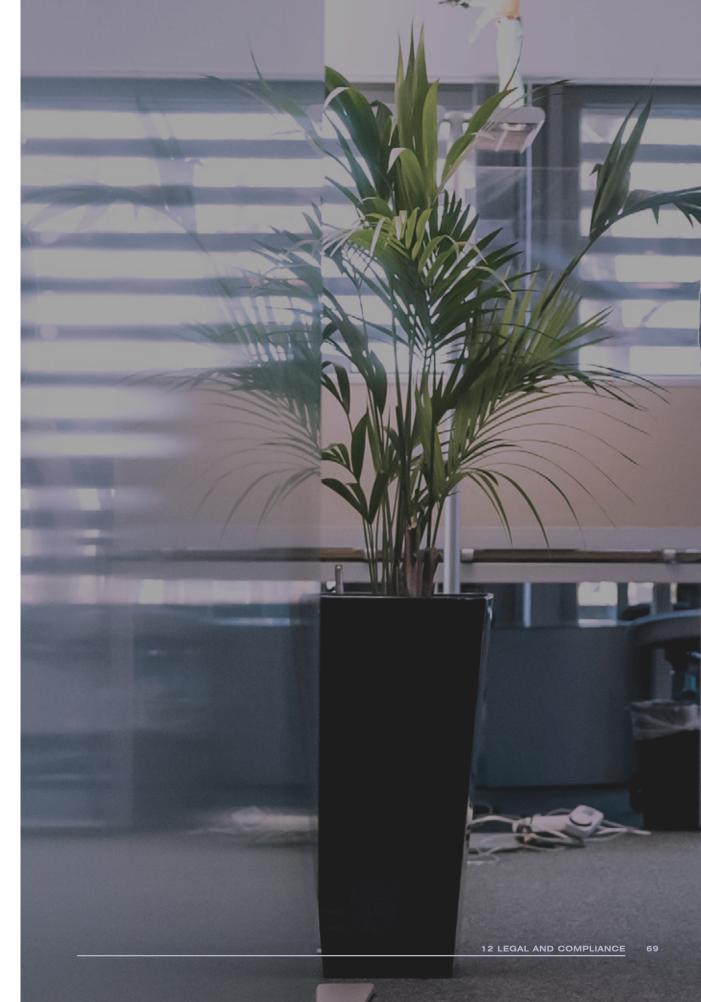
Exponential growth, increasingly capable and connected systems and big data volume required from our compliance team to ensure excellent outcome thinking have been the bedrock of the compliance strategy for 2021.

Among other activities in 2021, we conducted an external audit on the entire framework, design and risk weighting of our anti-money laundering (AML), know your customer (KYC) and counter terrorist financing (CTF) framework with a particular focus on the Company's transaction management and related controls embedded in our funds and payment system. This has led to the process of enhancing and optimising our transaction -monitoring processes. Existing GDPR gaps were also closed with the optimization of compliance controls on this framework.

Artificial Intelligence, new providers and increased data volume demanded the optimal resource allocation to areas presenting the highest compliance risks to our business. In addition to trainings for employees on the handling of privacy and personal data related topics as part of

the annual training within JAO, dedicated additional risk-based data protection trainings took place for key risk owners in order to strengthen our first level controls.

The nature of the industry in which we operate means that many of our activities are highly regulated, including the enactment of applicable new European regulations which in 2021 included cybersecurity, whistleblowing and **ESG** (environment, social and governance).







JAO operates in a time-critical, constantly evolving market and is strongly dependent on the availability of its information and communication technology infrastructure in order to deliver its services.

Such dependency may expose JAO to possible hardware or software failures, computer viruses, malware, cyber-attacks, or security breaches that could affect JAO's ability to deliver its services according to defined market rules and service level agreements.

The services provided by JAO are shaped by Transmissions System Operators and other stakeholders that decide to outsource specific tasks to JAO. There remains uncertainty around projects and underlying changes in the European electricity market, both in market mechanisms as well as the legal and regulatory framework that would substantially affect the company's development plans.

Finally, JAO continues to face the risk of not being sufficiently prepared for the go-live of new services, where stakeholders impose hard delivery deadlines to be managed by the company with scarce resources. The increase of services and underlying tasks delivered by JAO in combination with short delays for implementation will continue to challenge the company's capacity to maintain a high-quality service on existing activities while developing new services, new tools, and operational procedures.

# FINANCIAL SERVICES

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In the year 2021, the Company contributed Another area of development has been 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.

Company's clearing and settlement services extended to the Financial Settlement of exchanged energy flows as a result of the frequency containment process, unintended exchanges and ramping period energy ("FSkar"). The FSkar project uses the Frequency Containment Reserves ("FCR") to optimize the exchange of energy resulting under specific mechanisms among Transmission System Operators ("TSOs") in order to minimize system imbalances. The Company acts there as clearing and settlement service provider to the TSOs. The service went live in October 2021.

the Congestion Income Distribution ("CID") service and other CID related services such as Shadow Auctions ("SA"), with the expansion to SwePol interconnector in February 2021, Bulgaria-Greece border in May 2021, as well as Interim Market Coupling on the German, Austrian, Polish, Czech, Slovakian, Hungarian and Romanian borders with go-live in June 2021. introduction of multi-NEMO arrangements ("MNA") on Danish borders in June 2021 and implicit intraday allocation on Italian borders, as well as Bulgaria-Romania border in September 2021.

**CID** linked to **Market Coupling** ("MC") volumes have increased by 257% comparing to prior year.

With UK leaving the Internal Energy Market (IEM) most of the day-ahead implicit auctions for the borders between Great Britain and EU countries were integrated to explicit day ahead auctions. On the Great Britain-Netherlands border and on IFA2 interconnector (the Great Britain-France border) Daily Auctions ("DA") went live in January 2021 and Long Term Actions ("LTA") on IFA2 interconnector between April and July 2021. In September 2021, live in 2022, will Intraday Explicit Auctions ("ID") have been

For the coming years Company's clearing and settlement services will continue to further grow to other European balancing energy market initiatives and into Inter-TSO settlement services (CORE CS).

This combined with the Congestion income distribution for CORE flowbased project, expected to goreintroduced on the Switzerland-Italy border. possibly generate further increase of the Company's turnover in future years.

# FINANCIAL REPORT

15 FINANCIAL REPOR

# Annual Accounts 2021

The Company closes its fiscal year 2021 with an EBT amount of KEUR 485 which represents a margin level of 5%, putting the company in line to its 5% EBT margin target. The Company has also performed investments related to the extension of its services, especially in congestion income distribution related systems to accommodate increase in borders, complexity of MNA and flow-based in CORE region, financial systems, as well as investments related to new balancing services such as Fskar project and the preparation for other future balancing services that will be performed from 2022.

As at December 31, 2021, the Company's subscribed capital remained unaltered comparing to previous year and amounts to KEUR 125 (2020: KEUR 125). The subscribed capital is issued and fully paid. The subscribed capital is represented by 1.250 shares without par value and with

The Company closes its fiscal year 2021 an accounting value of EUR 100 per share. with an EBT amount of KEUR 485 which represents a margin level of 5%, putting the company in line to its 5% EBT margin target. The Company has also performed

As at December 31, 2021, 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.

BALANCE SHEET	2021	2020
ASSETS	KEUR	KEUR
Formation expenses	-	3
Fixed assets	4,153	3,633
Intangible assets	3,829	3,322
Tangible assets	324	311
Current assets	1,891,741	513,460
Debtors (Note 2)	743,247	104,999
Cash at bank (Note 3)	1,148,495	408,461
Prepayments	115,327	25,525
Total Assets	2,011,222	542,620

BALANCE SHEET	2021	2020
CAPITAL, RESERVES AND LIABILITIES	KEUR	KEUR
Capital and reserves	7,094	6,753
Subscribed capital	125	125
Share premium account	5,123	5,123
Reserves: Legal reserve	13	13
Profit or loss brought forward	1,493	1,224
Profit or loss for the financial year	341	269
Provisions	97	60
Creditors	1,888,495	510,199
Amounts owned to credit institutions	-	1,890
Deposits made on business accounts (Note 4)	776,028	325,302
Trade creditors (Note 5)	1,111,483	182,168
Other creditors	984	839
Deferred income	115,535	25,607
Total capital, reserves and liabilities	2,011,222	542,620

PROFIT AND LOSS	2021	2020
	KEUR	KEUR
Net turnover (Note 6)	10,195,276	3,511,293
Other operating income	100	66
Other external expenses (Note 7)	-10,188,661	-3,505,482
Staff costs	-4,689	-3,959
Value adjustments in respect to formation expenses and of tangible intangible fixed assets	-1,165	-1,324
Other operating expenses (Note 7)	-328	-195
Other interest payable and similar expenses	-47	-24
Tax on profit after taxation	-113	-82
Profit or loss after taxation	373	294
Other taxes	-32	-25
Net result for the financial period	341	269

### Note 1 – Significant accounting and valuation methods

The annual accounts are prepared in The Company makes estimates and accordance with laws and regulations applicable to limited liabilities companies as well as generally accepted accounting principles in the Grand Duchy of Luxembourg. 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.

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	2021	2020
	KEUR	KEUR
Amounts due by the Market Participants invoiced by JAO S.A. for their participation to the cross border capacity auctions	88,071	22,254
Amounts due by the Transmission System Operators which own the cross border capacity, and to which JAO S.A. charged compensations relating to the capacity that is distributed to the Market Participants	236,855	73,369
Amounts due by the Transmission System Operators in relation to the balancing services	408,717	3,402
Amounts due by the Central Counter Parties in relation to the congestion income distribution	5,258	161
General service fees due by Central Counter Parties, Transmission System Operators and Other Parties relating to the services performed by JAO S.A.	3,598	5,048
Amounts paid to suppliers with a debit balance	41	61
Other Debtors	707	703
Total trade debtors	743,247	104,999

### Note 3 – Cash at bank

### Note 5 – Trade creditors

Cash at bank is composed by KEUR 372.466 the Company and is a special dedicated (2020: EUR 83,158) bank accounts owning to the Company and by KEUR 776.028 pays all the amounts required under the (2020: EUR 325,302) bank accounts auction rules and all the payments for the dedicated to Market Participants.

The Company has opened a business bank account for each Market Participant. Each business bank account is managed, The Company cannot use the dedicated controlled and operated exclusively by bank accounts for its own account.

account to which the Market Participant allocated capacities acquired or to be acquired by the Participant in accordance with auction rules.

### Note 4 – Deposits made on business accounts

DEPOSITS MADE ON BUSINESS ACCOUNTS	2021	2020
	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)	776,028	325,302

TRADE CREDITORS	2021	2020
	KEUR	KEUR
Amounts due to the Market Participants invoicing JAO S.A. for compensations relating to cross border capacity	431,995	113,337
Amounts due to the Transmission System Operators which own the cross border capacity and which sell it to JAO S.A. after related auctions	88,257	22,455
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	175,332	39,553
Amounts due to the Transmission System Operators in relation to the balancing services	414,085	3,402
Amounts due to Central Counter Parties - Congestion income distribution recharge and Amount due to Other Parties - General Administration expenses	277	756
Amounts due to suppliers for invoices not yet received	1,536	2,666
Total	1,111,483	182,168
Total of Note 4 and Note 5	1,887,511	507,470

### Note 6 – Net turnover

### Note 7 – Other external expenses

The geographical market per December Other revenue include collected income 31, 2021, is the Central West European region, the Central South European region, the Central East European Region, the North European region and the Swiss Northern borders, specifically all borders handled by the TSOs in these regions. The turnover is analyzed as follows:

where the Company acts as contracting entity on behalf of the Transmission System Operators for congestion income distribution and various other service projects.

NET TURNOVER	2021	2020
	KEUR	KEUR
Monthly fees charged to the Transmission System Operators for the service performed on their behalf	10,187	9,010
Allocation of cross border electricity capacities charged to the Market Participants	3,973,135	1,923,654
Congestion income distribution	5,566,032	1,556,957
Balancing services	631,925	6,044
Other central contracting activities	13,996	15,628
Total	10,195,276	3,511,293

Other external expenses are composed by Transmission System Operators to external charges equal to the turnover composed by the allocation of cross border electricity capacities charged to Market Participants and expenses where the Company acts as central contracting entity on behalf of

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:

OTHER EXTERNAL EXPENSES	2021	2020
	KEUR	KEUR
Allocation of cross border electricity capacity invoiced to the Market Participants	4,758,621	2,141,402
Congestion income distribution charges	4,780,547	1,339,210
Balancing services charges	631,925	6,045
Other central contracting activities	13,996	15,628
IT maintenance and Supplies	2,284	1,935
Office charges	166	146
Travel expenses	12	18
Consultancy fees	133	187
Property charges	355	388
Legal advices	13	41
Insurances	154	129
Administration and bank charges	316	222
Audit and other professional fees	139	132
Total	10,188,661	3,505,482

# Note 8 -**Subsequent events**

The Company's clearing and settlement The Company has in place processes and services will continue to further grow to other European balancing energy market initiatives with expected go-live dates between April 2022 and September 2022. This combined with the Congestion income distribution for CORE flow-based project. expected to go-live in April 2022, will possibly generate further increase of the Company's turnover in 2022.

The Company does not expect the current war in Ukraine to prevent the Company's operations from running.

Sanctions imposed to Russia, could lead to potential risks for the Company to collect allocation payments from Market Participants ("MPs"), should these fall directly or indirectly under the applicable sanctions.

procedures to suspend participation and discard rights to the auction platform in the event the MPs would be in any breach or under economic and trade sanctions which may have a significant financial impact for the Company. The Company, being the central settlement vehicle for allocation payments between MPs and TSOs, also has in place the necessary legal arrangements that protect the Company from a cash flow and pre-financing angle. The financial flows linked to allocations from MPs and towards TSOs are reported in both the Company's sales and purchase journals with equal values, therefore the risk of non-collection of allocation payments should not impact the Company's profit and loss accounts.

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Please note that we took the photos after the Covid -19 pandemic, which is why social distancing and other measures have not been adhered to.