HERON II THERMOILEKTRIKOS STATHMOS VIOTIAS SOCIETE ANONYME

85, Mesoghion Ave., GR-11526, Athens

General Commercial Registry No 007798101000

ANNUAL FINANCIAL REPORT

For the fiscal year from

January 1st to December 31st 2021

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Share Capital € 6.440.000
85 Mesoghion Avenue, 115 26 Athens
General Commercial Registry (G.E.MI.) No: 007798101000
S.A. Reg. No 64277/01/B/07/608

Board of Directors

Georgios KOUVARIS	Chairman of the Board of Directors
Emmanuel MOUSTAKAS	Member of the Board of Directors
Styliani ZACHARIA	Member of the Board of Directors

Certified Auditor-Accountant

Grant Thornton Certified Auditors-Accountants and Business Consultants Société Anonyme

I. ANNUAL MANAGEMENT REPORT TO THE ORDINARY GENERAL MEETING OF SHAREHOLDERS FOR THE FINANCIAL YEAR 2021

Dear Shareholders,

According to the provisions of Law 4548/2018 and of the Articles of Association of the Company, we file for your approval the Annual Management Report for the fiscal year being closed from 01.01.2021 to 31.12.2021.

This Report contains financial and non-financial information of the Company HERON II THERMOILEKTRIKOS STATHMOS VIOTIAS SOCIETE ANONYME, for the fiscal year 2021 and sets out the most important events that took place before and after the financial statements reporting date. In addition, the major risks and uncertainties that the Company may face in 2022 are described and the important transactions that were concluded between the Company and its related parties are also presented.

A. Financial Development and Performance in the year 2021

The year of 2021 was a year of strong recovery for the country, since it attained a growth rate of 8.3% according to the first official estimate of the Statistical Service of Greece compared to 2020, mainly as a result of the reinforcement of investments and clear exports, despite the continuance, although with reduced strength, of problems that had occurred due to the COVID-19 pandemic.

According to the Bank of Greece (BoG) Report, the Greek Economy was expected to achieve a further growth rate of 4.8% in 2022, with the improvement of business climate and the national recovery plan being expected to play an important part for such recovery, through the reinforcement of income and investments. However, the recent events for the settlement of geopolitical matters, in conjunction with the energy crisis, have additionally affected newer estimates, thus the Bank of Greece estimates that the growth of the Greek Economy will settle down to approximately 3.8% in the standard scenario for 2022 and to 2.8% in the worst-case scenario.

An important factor for magnifying economy is the contribution of the Recovery and Resilience Facility Agency, which is estimated to contribute in the years to follow (until 2026) over €30 billion in total, via subsidies and loans on favorable terms, thus strengthening Greek economy and its competiveness, since the largest portion of the relevant sums is expected to be allocated to green investments, digital transition and social coherence.

Further magnification of Greek economy is expected to lead to the recovery of the "investment grade" which will result to the inflow of new investment funds, which will have a positive effect on growth. Finally, in the context of the improvement of the overall loan servicing cost, the Hellenic Republic proceed with the early repayment of the balance of loan to the IMF of the amount of Euro 1.86 billion, proving the successful implementation of the reform commitments.

The existing expectation for the improvement of the financial sizes of Greece has been confirmed with the first issuance of the 10-year Note for this year by the Greek Government, through which Euro 3.0 billion were obtained with a coupon of 1.75% and a return of 1.836%, while the issuance was over-subscribed five (5) times.

According to the calculations of the Bank of Greece, in 2021 the harmonized inflation in Greece was 0.6%, mostly due to the upwards of the energy and food prices and was clearly lower compared to the Eurozone average.

Despite the uncertainty that prevails, the perspectives for Greek economy remain positive in the medium term, since the conditions for a change of the financial magnification standard, which is expected to derive mainly from investment expenditure.

In this changing economic and geopolitical environment, the société anonyme HERON II THERMOILEKTRIKOS STATHMOS VIOTIAS SOCIETE ANONYME, which holds an important position in the field of the electricity generation with the use of natural gas, since its capital structure has remained quite strong. Furthermore, the Company has already proven that during the Greek financial crisis (i.e. the toughest and longest financial crisis in Europe), its ability to grow and strengthen its position in the market.

Turnover to third parties from on-going activities amounted to Euro 288,230 thousand, against Euro 74,260 thousand in 2020 marking an increase by 288% a) mainly due to the worldwide energy crisis which led to the operation of the power plant at maximum capacity and b) the increased sale prices which had been shaped in the electricity market as a result of the energy crisis, mostly in the 2nd semester of the crisis.

EBITDA plus the non-cash results included therein (adjusted EBITDA from on-going activities) amounted to Euro 56,672 thousand in 2021 and to Euro 23,352 thousand in 2020, marking an increase which is attributed to the increase of the turnover and the improvement of gross profit.

Earnings before Interest and Taxes (EBIT) from on-going activities amounted to Euro 46,077 thousand against Euro 12,659 thousand in the respective period in 2020 and are substantially increased due to the increase of the EBITDA of the fiscal year.

Earnings before taxes amounted to Euro 39,435 thousand, against Euro 4,864 thousand in the respective period of 2020, positively affected due to the aforementioned reasons.

Earnings after taxes amounted to Euro 42,484 thousand, against Euro 1,474 thousand in 2020.

The Net Debt of the Company (loan liabilities less cash) amounted on 31.12.2021 to Euro 33,161 thousand, against Euro 72,894 thousand on 31.12.2020 and has improved by Euro 39,733 thousand.

The investment expenditure for the fiscal year 2021 amounted to Euro 5,095 thousand.

The Total Assets of the Company on 31.12.2021 amounts to Euro 243,304 thousand, against Euro 158,849 thousand on 31.12.2020.

The Company HERON II VIOTIAS S.A. operates a CCPP (Combined Cycle (Gas Turbine) Power Plant) which has been constructed on a plot leased for a long period from an affiliate of the GEK TERNA Group. The nominal capacity amounts on the date these financial statements are prepared to approximately 441 MW, while the Company's Business Activity Effective Date was August 4, 2010. The Company's Plant comprises one axis and specifically one air turbine and one steam turbine. The Plant runs exclusively with natural gas. The efficiency rate, compared to the average performance of natural gas/combustion plants operating in Greece, has placed to company in a leading position regarding the classification of the selected technology. The high efficiency of the Plant also leads to reduced fuel consumption, thus to lower gas (CO_2) emissions a fact which renders HERON II as the most environment-friendly electricity generation plant after the RES (Renewable Energy Sources).

B. Significant Events in the period 01.01 – 31.12.2021

During the fiscal year 2021 the following significant events occurred:

- The Thermal Power Plant of the Company, as provided for in the scheduled maintenance (Outage) timetable, suspended its operation for the period from August 2020 to March 2021. During this period Major Outage works where performed. It should be noted that the Company has concluded an insurance policy against risk of electricity generation extended breakdown, consequently for the period the generation process had been suspended, the necessary actions have been performed for compensation from insurance companies for the fiscal year 2020, where the amount of Euro 5,900 thousand was recognized and for the fiscal year 2021 the amount of Euro 11,000 thousand was recognized as compensation for the mentioned risk.

- On 12.07.2021, GEK TERNA announced that it reached an agreement for the acquisition of 75% and 50% of the shares of the companies HERON II VIOTIAS S.A. and HERON ENERGY S.A. respectively. Upon the finalization of the agreement which was originally subject to the approval by the competent authorities, GEK TERNA acquired 75% of HERON II VIOTIAS S.A. within 2021. The total capacity of the above electricity generation plants running on natural gas, reaches on the date these financial statements are drafted, approximately 559 MW. On 11.10.2021, in performance of the above agreement dated 12.07.2021 and following the approval by the competent authorities, the parent company of the Group GEK TERNA acquired a percentage of 75% in HERON II VIOTIAS S.A. Following the said acquisition, the total holding in the Company amounted to 100% (indirect holding of 25% through the 100% subsidiary TERNA S.A. – i.e. until 10.10.2021 the holding of GEK TERNA in the said company was consolidated in the consolidated financial statements as a joint-venture with the Equity Method).
  More specifically, on 11.10.2021, GEK TERNA S.A. paid a total amount of Euro 4,830 thousand to the companies ENGIE INTERNATIONAL HOLDING BV and QATAR PETROLEUM INTERNATIONAL GAS & POWER OPC in order to acquire 50% and 25% respectively, of the shareholding rights in HERON II VIOTIAS S.A., while the société anonyme TERNA S.A. already holds 25%. Concerning the above acquisition, the Company received on 08.10.2021 a long-term loan of € 34,5 m. from the parent company GEK TERNA S.A. That amount was used to repay the outstanding loans to the shareholders left the company.

  It is pointed out that:

  – By virtue (i) of article 8 of the Unsecured Bond Loan Programme of the Company ("Shareholders Loan"), of the amount of Euro 49,100 thousand which was issued on November 24, 2010, as amended and currently in force following the decision of the Board of Directors, which *inter alia* amended clause 7, for the repayment of the Shareholders Loan and clause 9, according to which the annual interest rate reduced to 3.1%, (ii) of article 4.3.1 of the Sale and Purchase Agreement of the Shares of the dated 12.07.2021 (iii) of the full repayment dated October 11, 2021 by the Company, of the total amount of the Bonds that were incorporated in the Multiple Bonds Certificate No 2 of the Shareholders Loan and (iv) the debt forgiveness declaration dated October 13, 2021 by ENGIE INTERNATIONAL HOLDINGS B.V. to the Company, the Company was released of all liabilities under the bonds that were incorporated in the Multiple Bonds Certificate No 2 of the Shareholders Loan and consequently, such Certificate No 2 was returned to the Company.

- By virtue (i) of article 8 of the Unsecured Bond Loan Programme of the Company ("Shareholders Loan"), of the amount of Euro 49,100 thousand which was issued on November 24, 2010, as amended and currently in force following the decision of the Board of Directors, which *inter alia* amended clause 7, for the repayment of the Shareholders Loan and clause 9, according to which the annual interest rate was reduced to 3.1%, (ii) of article 4.3.1 of the Sale and Purchase Agreement of the Shares of the dated 12.07.2021 (iii) of the full repayment dated October 11, 2021 by the Company, of the total amount of the Bonds that were incorporated in the Multiple Bonds Certificate No 3 of the Shareholders Loan and (iv) the debt forgiveness declaration dated October 13, 2021 by QATAR PETROLEUM INTERNATIONAL GAS & POWER O.P.C. to the Company, the Company was released of all liabilities under the bonds that were incorporated in the Multiple Bonds Certificate No 3 of the Shareholders Loan and consequently, such Certificate No 2 was returned to the Company.

- On October 11, 2021, further to the acquisition of 75% of the Company shares by GEK TERNA S.A., the members of the Board of Directors Mr. Wim Broos, Mr. Charles Jean Hertoghe, Mr. Dario Acquarulo, Mr. Yves Grofils, Mr. Khalid Al-Hitmi and Mr. Ali Al-Mana submitted their resignation and a new Board of Directors elected, with the following composition: Chairman of the Board of Directors Mr. Georgios Kouvaris and Mr. Emmanuel Moustakas and Ms. Styliani Zacharia as members of the Board of Directors.

C. Significant events after 01.01 – 31.12.2021

Apart from the above, no other significant events have occurred until the date of submission of this Report.

D. Risk management objectives and policies

The Company is exposed to various risks and uncertainties, as the recurrence of macroeconomic uncertainty, market risk, credit risk and liquidity risk, the uncertainty in relation to the effect of extraordinary events (COVID-19) which may have an extended and unanticipated duration.

1) Financial Risks

In order to deal with financial risks, the Company has established a management plan which aims at minimizing the negative impact on the financial results of the Company, which derives from the inability to foresee the financial markets and the fluctuation in cost and sales variables.

The financial products used by the Company mostly comprise bank deposits, long-term in principal and secondarily, short-term loans, trade debtors and creditors, other accounts receivable and payable. The impact of major risks and uncertainties to which the Company's activities are exposed is broken down below.

In order to deal with the effects of the COVID-19 pandemic, the Company has implemented a series of measures having as its main axis the protection of the Company's personnel and the minimization of financial impact from the preventive measures enacted by the Hellenic Republic.

Credit Risk

Almost all trade and other receivables come from the broader public sector, which represents the main energy authorities in the country. Therefore, the relevant credit risk is considered negligible in relation to the main activity of the Company (electricity generation) and the regulations of the gas and electricity market. The same applies to short-term financial assets (cash equivalents), as the counterparties are banks whose credit rating by well-known foreign rating agencies is considered satisfactory.

The credit risk for cash as well as for other receivables is considered limited, given that counterparties are Banks with high quality capital structure, the Hellenic Republic or companies of the wider public sector or strong Group of Companies.

Foreign Exchange Risk

Foreign exchange is the risk that arises when the fair value or future cash flows of a financial instrument are subject to fluctuations due to changes in exchange rates. This type of risk may arise from exchange differences in the valuation of financial assets, mainly receivables and financial liabilities, from transactions denominated in a currency other than the Company's operating currency, which is the Euro.

The Company is not exposed to foreign exchange risk as all its financial instruments (receivables and liabilities) are denominated in Euro.

Interest Rate Risk

Interest rate risk is the probability that the fair value of a financial instrument's future cash flows will fluctuate due to changes in market interest rates.

Bank debt is denominated in Euros and is subject to floating interest rates. The Company has not entered into interest rate hedging agreements. Regarding the Subordinated Bond Loan of Shareholders, since it is based on fixed interest rate, there is no risk of interest rate change. The Company's Management monitors and evaluates the evolution of interest rate fluctuations and every time makes sure that it will take, if necessary, the appropriate measures to reduce the risks.

The following table presents the sensitivity of the results of the period in a rational change of the interest rate by +/-200 unit basis (UB) (2020: +/-200 UB) on all financial instruments of the Company, deriving either from Euribor or by the spread. Changes in interest rates are estimated to take place on a logical basis with regard to the recent conditions in the market.

(All amounts presented in thousands of Euro)	**2021**		**2020**	
	+200 bps	**+200 bps**	+200 bps	+200 bps
Net earnings before taxes	**(103)**	**103**	(10)	10

Market risk analysis

Along its business activity in the Market, , the Company produces and supplies with Electricity the market operator and administrator of the domestic energy system (Hellenic Energy Exchange). The fluctuation of the prices of basic goods and other related items or accounts that affect the formation of the production cost of electricity is at times particularly large and follows directly both global trends, e.g. gas prices, carbon dioxide rights prices, as well as local-national conditions, such as changes in demand in times of crisis or economic recovery, and are greatly influenced by regulatory changes in markets' planning. At the same time, the formation of the selling prices of both energy and services for the market operator and the system administrator, respectively, is dictated by the conditions of market competition, mainly in the context of short-term energy and equilibrium markets. In the context of the futures market, the formation of energy selling prices can take the form of a variable sale price based on the purchase cost plus a bonus or a fixed price. In the above context, the Company analyses its exposure to the ever changing prices of the electricity market in relation to the selling prices agreed with its customers and based on the conditions of competition in short-term energy and equilibrium markets, and develops a dynamic risk hedging strategy through the various tools available (indicatively: futures contracts for the sale of energy and the purchase of natural gas at a fixed price for long periods of months or one year, financial dispute agreements for individual market prices / costs, direct participation in the carbon dioxide options market, etc.).

Liquidity risk analysis

The Company manages its liquidity risks by carefully monitoring its financial liabilities as well as the payments effected on a daily basis. The liquidity needs are monitored in various time zones, on a daily and weekly basis as well as in a rolling 30-days period. The liquidity risks for the following 6 months and the year to follow are specified on a monthly basis.
The Company maintains sufficient cash in Banks in order to meet liquidity needs for a period of up to 30 days.

Operational Risks

The main risks associated with the development of the Company's business activities could be related to material damage, business interruption, human resources and loss arising from systems or external events. In order to protect itself against operational risks, the Company has entered into agreements with reputed insurance companies for Material Damage Insurance, Suspension of Business Activity and Civil Liability Insurance.

Risks deriving from the existing economic conditions in Greece and globally

The review for Greek economy in 2021 was positive, since the country attained a growth rate of 8.3%.

Despite the important increase of Greece's growth in the global economy, already since August 2021, a forthcoming energy crisis started to emerge, whose duration and magnitude were and still remain unknown.

In Greece, this energy crisis substantially affected the increase of the prices raw materials, fuels, transportations and consumer products in general, given that the largest part of the energy consumed is imported.

Based on the above data, the initial estimate that the Company's economy annual growth rate was expected to beat 4.5%, with parallel increase of people's available income.

The on-going energy crisis, assisted by the recent geopolitical developments that emerged, has formulated new conditions that led to a lower growth rate in 2022, which is expected to settle down to 3%.

The main causes for uncertainty in relation to the course of the domestic financial activity in 2022 and for the years to follow, which could have a negative impact with respect to the attainment of growth rate objectives, as well as for the upgrading of the investment grade which would lead to the increase of new investment funds, can be summarized as follows:

- The effect of the increased energy cost on the production cost for enterprises, on profitability and the suspension or cancellation of their investment plans.
- The increase of loan interest rates since inflation will remain at high levels, this having a inhibitory effect on loan granting that help the companies' smooth operation.

- The effect of the increase of inflation of prices and energy and wide consumption products, will lead to the reduction of the true available income and purchase power of households and will create the need for fiscal measures to be adopted in order to support vulnerable citizens. The effect of the geopolitical developments on the direct investments from foreign sources, since the increased uncertainty has a negative impact on the investment risk of a country which has not yet reached the investment grade.

Despite the new conditions that prevail, the Company's activity continues uninterrupted, given that Energy generation has defensive features. The Management constantly assesses the condition and the possible impact from the normal operation and from extraordinary events, in order to ensure that all necessary and possible measures and actions that will minimize any impact on the Company's activity are timely adopted and implemented.

Global health crisis due to the COVID-19 pandemic

As regards the COVID-19 outbreak in early 2020 and the unprecedented lockdown measures that followed in relation therewith which led to the establishment of a particularly negative financial and social climate, both at a worldwide and at a national level, the Company's Management estimates that the sector in which it is active belongs to the business categories that are not substantially affected in case the worldwide economy slows down due to the dissemination of the disease.

The Company's Management constantly monitors and carefully evaluates the situation and its possible impact on the Company's activities, by taking initiatives that mitigate to the maximum extent the effects of the pandemic.

Following the early announcements, the Company's Management acted rapidly and decisively, having as its dominant priority health and safety of its associates. Exceptionally strict operation rules have been adopted in every facility where the Company is present and operates, in order to constantly secure the highest possible safety level for all parties involved.

2) Other risks and uncertainties

Geopolitical risk

The existence of disputes between countries with respect to the interpretation of existing international conventions for the exploitation of soil or subsoil, create the need for increased costs associated to defense equipment, which in any other case would be allocated to social welfare or to productive investments via the states' annual budgets.

Non-peaceful settlement of disputes, even in countries not directly bordering to our country, may create problems for the Greek economy due to the globalization of economy, through the shift of populations, as well as from the lack of raw materials – goods produced, which are necessary elements for the smooth operation of economy.

The Greek economy, which began its course in 2022 with strong potential and increased expectations, suddenly faced in mid-February a new additional risk, which will have a negative impact on its growth. This additional risk derives from the recent geopolitical developments in Ukraine, which led to a substantial increase of the price of specific imported products (fuels, wheat, fertilizers etc.) from the countries involved, this substantially encumbering the economies of the member-states of the European Union, based on their dependency on the said countries.

In the context of reassessing the growth of the Greek economy, the impact from the energy crisis and the results of the geopolitical developments, reduced the GDP growth rate from 4.8% to 3.8% in the normal scenario for 2022 and to 2.8% in the worst-case scenario.

It should be noted that the effect of the State's support to the vulnerable households, mostly in order to reduce the cost attributed to the energy crisis has already been taken into consideration in the growth attenuation.

The size of the impact on the development of the European Union and thus, of the Greek economy will depend on the size of the escalation and the duration thereof, as well as on the cost which will be necessary in order to substitute the products that will not be exported by the parties involved.

The Group constantly assesses the geopolitical risks to which the Company is exposed, having created specific policies and procedures so as to mitigate the risk to the extent possible.

E. Anticipated Course and Development

Due to the special conditions shaped by the geopolitical events that led to the increase of the sales prices of the electricity generated, the Company's perspective is expected to be satisfactory.

F. Other Operational Indicators

"Net Debt / (Surplus)"

This is an indicator with which the Company's Management assesses the cash position in a specific field of activity at any period of time. The element is defined as the total liabilities from loans and finance leases less cash. To the above mentioned indicator, if the restricted deposits are subtracted, and the subsidies to be returned are added, the result is the "Net Debt/ (Surplus) with restricted deposits and subsidies to be returned".

On 31.12.2021 and 31.12.2020 this indicator has as follows:

	31.12.2021	31.12.2020
Long-term loans (Note 13)	53,388	66,180
Liabilities from finance leases	0	0
Short-term loans (Note 13)	11,578	15,180
Long-term loan liabilities payable in the following year	0	0
Total Loan Liabilities	**64,966**	**81,360**
Less: Cash (Note 12)	(31,805)	(8,466)
Net Debt/(Surplus)	**33,161**	**72,894**
Less: Restricted savings accounts	0	0
Plus: Approved and collected subsidies to be returned	0	0
Net Debt/(Surplus) with restricted savings and subsidies to be returned	**33,161**	**72,894**

EBITDA (Earnings Before Interest Taxes Depreciation & Amortization)

This is an indicator with which Group's Management assesses the operational performance of an activity field. The "EBITDA" indicator is defined as the Earnings Before interest and Tax "EBIT", plus depreciation of fixed assets, less the relating to current year fixed assets subsidies, as presented in the attached financial statements.
EBITDA plus the non-cash results (adjusted EBITDA from on-going activities) amounted to Euro 58,178 thousand in 2021 and to Euro 23,394 thousand in 2020 and is calculated as follows:

	01.01.-31.12.2021	01.01.-31.12.2020 *
Gross profit	51,790	13,870
Administrative and selling expenses	(1,617)	(1,538)
Research and development expenses	0	0
Other income /(expenses) referring to EBIT	(2,590)	1,369
Earnings before interest and tax (EBIT)	**47,583**	**13,701**
Net depreciation in the fiscal year	10,595	9,693
EBITDA	**58,178**	**23,394**

*Comparable sizes for the fiscal year 2020 have been revised from the change that occurred due to the change in the IAS 19 accounting policy (see explanatory note 2.b.3 of the Financial Statements).

Financial Structure Ratios

(All amounts are presented in thousands of Euro)

	31.12.2021		31.12.2020	
Current assets	127,149	52.26%	35,679	22.46%
Total assets	243,304		158,849	
Non-current assets	116,155	47.74%	123,170	77.54%
Total assets	243,304		158,849	

The above ratios present the capital ratio allocated to current and non-current assets.

	31.12.2021		31.12.2020	
Equity	104,954	75.86%	43,364	37.55%
Total liabilities	138,350		115,486	

The above ratio presents the Company's financial adequacy.

	31.12.2021		31.12.2020	
Total Liabilities	138,350	56.86%	115,486	72.70%
Total equity & liabilities	243,304		158,849	
Equity	104,954	43.14%	43,364	27.30%
Total equity & liabilities	243,304		158,849	

The above ratios present the companies leverage.

Equity	104,954	90,36%	43,364	35.21%
Non-currents assets	116,155		123,170	

This ratio presents the corporate intangible assets financing ratio by the Company's Equity.

Current assets	127,149	207.84%	35,679	158.07%
Current liabilities	61,175		22,572	

This ratio shows the Company's ability to meet its current liabilities using its current assets.

Working capital	65,974	51.89%	13,107	36.73%
Current assets	127,149		35,679	

This ratio presents as a percentage the portion of Current Assets which is funded by the surplus of Equity and Non-Current Liabilities.

Return on equity and performance ratios

(All amounts are presented in thousands of Euro)

	31.12.2021		**31.12.2020**	
Year net results before tax	39,435	13.68%	4,864	6.55%
Sales of stock & services	288,230		74,260	

This ratio reflects the Company's performance without calculating other results.

Year net results before tax	39,435	12.24%	4,864	6.43%
Total income	322.088		75,629	

This ratio reflects the overall performance compared to its total income.

Year net results before tax	39,435	37.57%	4,864	11.22%
Equity	104,954		43,364	

This ratio presents the return on equity of the Company.

Gross profit	51,789	17.97%	13,870	18.68%
Sales of stock & services	288,230		74,260	

G. Report on non-financial reporting for 2021

Adopting the provisions of Law 4403/2016, a section of non-financial data is being drafted and developed, which concerns the areas with the greatest impact for the company in environmental, social, labor and human rights issues, fight against corruption and bribery.
The Company pursues business excellence and aims at implementing the best practices with responsible development and absolute respect for the environment in which it operates.

(i) Vision and principles
The Company, based on the principles of Sustainable Development, its effective organizational structure, its insightful business strategy and the high know-how of its people, excels in important areas of business activity. Its dynamic presence is accompanied by its unwavering support to the local community in which it operates, by absolute respect for the natural environment and by the completion of projects-landmarks that create value for future generations.
The Company operates by prioritizing values showing at the same time that ethical and sustainable entrepreneurship are a lever for growth.

These are:
- Respect for humans and the natural environment
- Creating value for its employees, partners and customers
- Honesty and reliability
- The targeted social contribution

(ii) Strategic approach to Corporate Responsibility
The Company is exposed to multiple risks, which are related to a number of external factors that mainly derive from economic conditions in Greece. Additional financial risks affect the financial position of the Company and its decision-making process and the conclusion of strategic partnerships in Greece.

(iii) Responsibility for the environment
Corporate Responsibility is accompanied by a framework of principles, the effective integration of which affects the operation of the Company and guarantees the protection of the environment and optimal management of natural resources as well as the adoption of environment-friendly technologies, thus minimizing the encumbrance by the Company's activity.
The Company recognizes the degree of its impact on the natural environment and to that end, it has set the latter's protection as a priority within its strategy. At a minimum, the Company fully com- plies with the current legislation and the regulatory framework in the environments where it operates and seeks to exceed the minimum requirements.

(iv) Occupational Health and Safety Issues
Through a specific Health and Safety Policy but also a strict Health and Safety Management System, the Company aims at the timely identification and minimization of the risks related to the entirety of its business activities.

The approach followed by the Company is based on the following 5 axes:

1. Active role of the Management
2. Employee participation
3. Collaborations based on Health and Safety
4. Actions that promote Health and Safety
5. Compliance control inspections

(v) Labor Issues
Corporate Responsibility is accompanied by a framework of principles, the effective integration of which affects the operation of the Company and guarantees:

- The development and strengthening of human resources
- The strengthening of employees' skills
- Ensuring equality and a fair working environment
- Enhancing know-how and innovation
- Health and Safety
- Ensuring Health and Safety for the employees and associates of the Company and

- Ensuring Health and Safety for the users

The Company invests in the human resources element which staffs its operations whereas it continuously and uninterruptedly sees to its personnel's professional evolvement, security and prosperity. The continuous training and development it offers is in line with the anthropocentric approach of the Company, which is officially reflected in the Code of Ethics & Conduct of GEK TERNA Group to which the Company belongs, "based on a system of principles that promotes mutual trust, transparency, cooperation, recognition, integrity, equal opportunities and motivation for progress and which distinguishes the skills and personality characteristics of each person, contributes to over- coming personal and interpersonal difficulties, promotes the innovation of thoughts and actions based on the latest achievements and ultimately creates a sense of security and meritocracy for all the Company's employees in a modern environment".

Training and providing opportunities boosts employees' confidence, strengthens culture and team spirit and promotes innovation. At the same time, the personal and professional development of the executives ensures the continuous development and growth of the Company itself, thus securing its leading position in the market.

Transactions with Related Parties

Transactions as well as the Company's open balances with related parties for the periods ended on 31.12.2021 and 31.12.2020 are as follows:

Fiscal Year 31.12.2021

Related party	Income	Purchases	Debit balances	Credit balances
Affiliates Companies	1,453	173,974	86,076	54,821

Fiscal Year 31.12.2020

Related party	Income	Purchases	Debit balances	Credit balances
Affiliates Companies	423	40,414	410	69,417

Remuneration of the members of the Board of Directors and senior executives of the Company recognized on December 31st 2021, as well as the respective balances has as follows:

	1.1-31.12.2021	1.1-31.12.2020
Services fee	558	450
Payroll	0	0
Total	**558**	**450**
	31.12.2021	**31.12.2020**
Liabilities	950	0
Trade Receivables	0	8

Athens, April 27, 2022

On behalf of theBoard of Directors

The Chairman

George Kouvaris

II. INDEPENDENT AUDITOR'S REPORT

To the Shareholders of HERON II THERMOILEKTRIKOS STATHMOS VIOTIAS S.A.

Report on Financial Statements

Opinion

We have audited the accompanying financial statements of HERON II THERMAL POWER STATION VIOTIAS S.A. ("the Company"), which comprise the statement of financial position as at December 31, 2021, the income statement and statements of comprehensive income, changes in equity and cash flows for the year then ended, as well as a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company HERON II THERMAL POWER STATION VIOTIAS S.A. as at December 31, 2021, its financial performance and cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with the 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 Financial Statements" section of our report. During our audit, we remained independent of the Company, 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 relevant to the audit of financial statements in Greece and we have fulfilled our ethical responsibilities in accordance with these requirements and the aforementioned Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Other matter

The Company's financial statements for the previous year ended as at 31/12/2020 were audited by another auditing firm. Regarding the aforementioned year, on 13/07/2021 the certified Public Accountant issued an unqualified opinion audit report.

Management's Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, on whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We 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 the Management is responsible for the preparation of the Management Report, according to the provisions of paragraph 5 of article 2 (part B) of L.4336/2015, we note the following:

a) In our opinion, the Board of Directors' Report has been prepared in accordance with the legal requirements of article 150 of Law 4548/2018 and the content of the report is consistent with the accompanying financial statements for the year ended December 31, 2021.

b) Based on the knowledge we obtained during our audit of the Company HERON II THERMOILEKTRIKOS STATHMOS VIOTIAS S.A. and its environment, we have not identified any material inconsistencies in the Board of Directors' Report.

Athens, April 27, 2022
The Certified Public Accountant Auditor

George P. Panagopoulos
Registry Number SOEL 36471

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

ANNUAL FINANCIAL STATEMENTS OF DECEMBER 31ST, 2021
(January 1 – December 31 2021)
In conformity with the International Financial Reporting Standards

The Financial Statements were approved by the Board of Directors of HERON II THERMOILEKTRIKOS STATHMOS VIOTIAS SOCIETE ANONYME (hereinafter the "Company") on April 27, 2022 and have been published online at the website of the Company, http://heronii.gr/ where they will remain available for at least a 5-years period from the date they are prepared and published. It is stressed that the attached financial Statements are subject to the approval of the Annual Ordinary General Meeting of the Shareholders of the Company. The Annual Ordinary General Meeting of the Shareholders of the Company has the authority to amend the attached financial Statements.

STATEMENT OF FINANCIAL POSITION

As of December 31st 2021
(All amounts are presented in thousands Euro, unless otherwise stated)

	Note	31.12.2021	31.12.2020*
ASSETS			
Non-current assets			
Intangible assets	4	66	92
Right-of-use assets	5	918	1,042
Tangible fixed assets	6	115,038	121,894
Other investments	7	10	10
Other long-term receivables	8	123	132
Total non-current assets		**116,155**	**123,170**
Current Assets			
Inventories	9	3,065	3,983
Trade receivables	10	4,197	11,999
Other receivables	11	88,068	11,209
Income tax receivables		14	22
Cash and cash equivalents	12	31,805	8,466
Total current assets		**127,149**	**35,679**
TOTAL ASSETS		**243,304**	**158,849**
EQUITY & LIABILITIES			
Equity			
Share capital	19	6,440	6,440
Share premium account		95,496	95,496
Reserves	20	1,434	1,438
Profits/(Loss) Retained earnings		1,584	(60,010)
Total Equity		**104,954**	**43,364**
Non-current liabilities			
Long-term loans	13	53,388	66,180
Liabilities from leases	14	939	964
Provision for staff retirement indemnities	15	24	22
Provision for dismantlement	16	1,586	1,459
Deferred tax liability	21	21,238	24,289
Total Non-Current liabilities		**77,175**	**92,914**
Current liabilities			
Short-term loans	13	11,200	14,000
Long-term liabilities payable in the following year	13	378	1,180
Short-term part of liabilities from leases	14	25	113
Suppliers	17	5,498	5,236
Accrued and other short-term liabilities	18	44,074	2,043
Total current liabilities		**61,175**	**22,572**
TOTAL EQUITY AND LIABILITIES		**243,304**	**158,849**

* Comparable sizes for the fiscal year 2020 have been revised from the change that occurred due to the change in the IAS 19 accounting policy (see Note 2.b.3).

The accompanying notes are an integral part of the financial statements.

STATEMENT OF COMPREHENSIVE INCOME

January 1st to December 31st 2021

(All amounts are presented in thousands Euro, unless otherwise stated)

	Note	1.1-31.12.2021	1.1-31.12.2020*
Revenue	22	288,230	74,260
Cost of goods sold	23	(236,441)	(60,390)
Gross profit /(loss)		**51,789**	**13,870**
Administrative and selling expenses	23	(1,617)	(1,538)
Other income /(expenses)	27	(4,095)	1,369
Financial income	26	0	28
Financial expenses	26	(6,642)	(8,865)
Earnings/ (Loss) before income tax		**39,435**	**4,864**
Income tax	21	3,049	(3,390)
Earnings/ (Loss) after income tax		**42,484**	**1,474**
Other comprehensive income			
Other comprehensive income/(expenses) that will not transferred to Income Statement in subsequent periods			
Actuarial gains/(losses) on defined benefit pension plan		(5)	(1)
Tax corresponding to the above	21	1	0
		(4)	**(1)**
TOTAL COMPREHENSIVE INCOME		**42,480**	**1,473**

* Comparable sizes for the fiscal year 2020 have been revised from the change that occurred due to the change in the IAS 19 accounting policy (see Note 2.b.3)

The accompanying notes constitute an integral part of the financial statements

STATEMENT OF CASH FLOWS

January 1st to December 31st 2021

(All amounts are presented in thousands Euro, unless otherwise stated)

	Note	1.1-31.12.2021	1.1-31.12.2020*
Cash flows from operating activities			
Profit/ (loss) before income tax		**39,435**	**4,864**
Adjustments for reconciliation of net flows from operating activities			
Depreciation	4, 5, 6	10,595	9,694
Impairment of assets		4,519	0
Impairment of trade receivables	10	0	(1,015)
Provisions		(3)	0
Interest and related income	26	0	(28)
Interest and other financial expenses	26	6,642	8,868
Operating (loss) / profit before changes in working capital		**61,188**	**22,383**
(Increase)/Decrease in:			
Inventories		(530)	(246)
Trade receivables		6,237	18,560
Prepayments and other short-term receivables		(76,848)	(6,443)
Increase /(Decrease) in:			
Suppliers		(370)	(14,257)
Liabilities from customers' contracts		632	0
Accrued and other short-term liabilities		42,028	(11,600)
Income tax payments		8	(2)
Net cash flows from operating activities		**32,345**	**8,395**
Cash flows from investing activities			
Payments for purchases of fixed assets and intangible assets		(5,095)	(3,828)
Interest and related income received		0	28
Cash flows from investing activities		**(5,095)**	**(3,800)**
Cash flows from financing activities			
Net change in long-term loans	13	1	(19,956)
Liabilities from leases payments	14	(113)	(108)
Receipts from short-term loans	13	(2,800)	14,000
Interest & other financial expenses paid		(999)	(2,413)
Cash flows from financing activities		**(3,911)**	**(8,477)**
Net increase in cash		**23,339**	**(3,882)**
Cash and cash equivalents at the beginning of the year		8,466	12,348
Cash and cash equivalents at the end of the year		**31,805**	**8,466**

* The comparative figures of the Statement of Cash Flows of the Company for the year 2020 have been revised by the impact due to the change in the accounting policy of IAS 19 ((see Note 2.b.3)

The accompanying notes are an integral part of the financial statements

STATEMENT OF CHANGES IN EQUITY

January 1st to December 31st 2021

(All amounts are presented in thousands of Euro, unless otherwise stated)

	Share Capital	Share Premium Account	Reserves	Profit / (Loss) Retained earnings	Total
January 1st 2020	**6,440**	**95,496**	**1,359**	**(61,603)**	**41,692**
Change in accounting policy (Note 2.b.3)	-	-	80	119	**199**
Restated balances 01.01.2020	**6,440**	**95,496**	**1,439**	**(61,484)**	**41,891**
Total comprehensive income	-	-	(1)	1,474	**1,473**
December 31st 2020*	**6,440**	**95,496**	**1,438**	**(60,010)**	**43,364**
January 1st 2021	**6,440**	**95,496**	**1,438**	**(60,010)**	**43,364**
Total comprehensive income	-	-	(4)	42,484	**42,480**
Transfers/Other (Note 13)	-	-	-	19,110	**19,110**
December 31st 2021	**6,440**	**95,496**	**1,434**	**1,584**	**104,954**

* The comparative figures of the Statement of Changes in Equity of the Company for the year 2020 have been revised by the impact due to the change in the accounting policy of IAS 19 (see Note 2.b.3)

The accompanying notes are an integral part of the financial statements

NOTES ON THE FINANCIAL STATEMENTS

1. ESTABLISHMENT AND ACTIVITIES OF THE COMPANY

HERON II THERMOILEKTRIKOS STATHMOS VIOTIAS SOCIETE ANONYME (hereinafter the "Company") is a company incorporated in Greece and was set up as a Société Anonyme on 27.09.2007.

It has its registered office at 85, Mesogeion Avenue, 115 26 Athens Greece and its term is set at fifty (50) years.

The Company is registered in the General Commercial Electronic Registry under No 7798101000 and at the Greek Société Anonyme Registry under No 64277/06/B/07/608.

Its main activity is the construction, installation, operation of thermoelectric combined cycle power plants (using gas as fuel).

The Company has completed the construction of the 435MW combined cycle electricity generation plant in the industrial zone of Thebes at the site "Haraintini" and has set it into operation since August 2010.

The Company belongs by 75% to GEK TERNA S.A, (48,300 shares) which is a company listed in the Athens Stock Exchange and by 25% to the company TERNA S.A. 916,100 shares) which is a subsidiary of GEK TERNA. From 11/10/2021 and forth, when GEK TERNA acquired 75% from the companies ENGIE INTERNATIONAL HOLDINGS B.V, and QATAR PETROLEUM INTERNATIONAL GAS & POWER OPC the financials of the Company are fully consolidated with the financial statements of GEK TERNA Group.

2. BASIS FOR THE PRESENTATION OF THE FINANCIAL STATEMENTS

a) Basis for the preparation of the Financial Statements

The attached financial statements have been prepared on the basis of the historic cost principle and have been prepared in compliance with International Financial Reporting Standards (IFRS) which have been issued by the International Accounting Standards Committee, as well as their Interpretations which have been issued by the Standards Interpretations Board, as adopted by the European Union until December 31st, 2021. There are no standards that have been adopted before their effective date.

Going concern

The Company's management estimates that it has sufficient resources that secure the smooth continuance of its operation as a “Viable Financial Unit” (Going Concern) in the foreseeable future. The health crisis due to the COVID-19 pandemic has led global economy in a period of uncertainty and instability whose consequences are difficult to be assessed based on the available so far information since this is an on-going situation. The financial impact will depend on the duration and strength of the recession as well as on the recovery perspectives that have been shaped. The effects of the COVID-19 pandemic are not expected to be material for the Company.

Comparability

Comparable sizes of the Financial Statements have been revised in order to reflect the retrospective adjustment due to the change in the IAS 19 accounting policy (see analytically Note 2.b.3).

b) New standards, amendments of standards and interpretations

The accounting principles applied during the preparation of the financial statements are the same as those followed for the preparation of the financial statements for the period ended on December 31, 2020, except for the adoption of new standards and interpretations, whose application is mandatory in the European Union for the fiscal years from January 1st 2021 and forth (see Notes 2.b.1, 2.b.2 and 2.b.3.)

2.b.1 New Standards, Interpretations, revisions and amendment of existing Standards which entered into force and have been adopted by the European Union

The following new Standards, Interpretations and amendments of Standards have been issued by the International Accounting Standards Board (IASB), have been adopted by the European Union and their application is mandatory from 01.01.2021 or at a later date.

Amendments to the IFRS 9, IAS 39, IFRS 7, IFRS 4 and to the IFRS 16: "Interest Rate Benchmark Reform – Phase 2" (applies for annual periods starting on or after 01.01.2021)

In August 2020, the IASB complete the evaluation and response procedure for the reform of interbank rates and other interest rate benchmarks, by proceeding with the issuance of a series of amendments in fie Standards. These amendments supplement those issued in 2019 and focus on the impact on the Financial Statements when a company replaces the previous interest rate benchmark with an alternative interest rate as a result of the reform. More specifically, these amendments are associated with the manner a company will depict in its accounts the changes in the conventional financial instruments cash flows, the manner it will depict in its accounts a change in the hedging ratio as a result of the reform, as well as the relevant information it must disclose. These amendments do not affect the Financial Statements.

Amendments to the IFRS 16 "Leases": Concessions of Rental related to the Covid-19 pandemic after June 30, 2021 (applies for annual periods starting on or after 01.04.2021)

In March 2021, the IASB issued amendments in relation to the practical application of the IFRS 16, based on which the period of application is extended by one year in order to include the rental concessions related to the Covid-19 pandemic which reduce lease payments that were payable on or before June 30, 2022. These amendments do not affect the Financial Statements.

Decisions of the IFRS Interpretations Committee for the "Allocation of Employee Benefits during service (IAS 19)":

The IFRS Interpretations Committee issued in May 2021 the final Agenda Decision titled "Attributing Benefit to Periods of Service according to the International Accounting Standard (IAS) 19", which contains explanations in relation to the manner benefits are allocated during service on a defined benefit plan which is similar to that defined in article 8 of Law 3198/1955 as to the severance pay/retirement (the "Labour Law Defined Benefit Plan"). Based on the above decision, the manner in which the standard principles of the IAS 19 for this matter were applied in Greece in the past and consequently, the entities preparing their financial statements in accordance with the IFRS are required to respectively modify their relevant accounting policy. The effect of such change is analytically presented in Note 2.b.3.

2.b.2. New Standards, Interpretations, revisions and amendments of existing Standards which have not entered into force or have not been approved by the European Union until 31.12.2021

The following new Standards, Interpretations and amendments of Standards have been issued by the International Accounting Standards board (IASB) but have not still entered into force or have not yet been adopted by the European Union.

Amendments to the IFRS 3 "Business Combinations", to the IAS 16 "Property, plant and Equipment (Tangible Assets)", to the IAS 37 "Provisions, Contingent

Liabilities and Contingent Assets" and to the "Annual Improvements 2018 - 2020" (applies for annual periods starting on or after 01.01.2022)

In May 2020, the IASB issued a series of amendments, which include limited purpose amendments to three Standards, as well as the Annual Improvements by the Board. The said amendments provide clarifications in relation to the wording of the Standards or correct minor consequences, omissions or controversies between the Standards' requirements. More specifically:

- The **amendments to the IFRS 3 "Business Combinations"** update a reference of the IFRS 3 to the Conceptual Framework for Financial Reporting without amending the accounting requirements that relate to business combinations.
- The **amendments to the IAS 16 "Property, Plant and Equipment (Tangible Assets)"** dictate to a company to subtract from the fixed assets cost any amounts it received from the sale of assets generated during the preparation of the said fixed assets in order to be rendered ready-to-use. On the contrary, the company recognizes the said sales income and the relevant costs in the Income Statement.
- The **amendments to the IAS 37 "Provisions, Contingent Liabilities and Contingent Assets"** specify the costs a company must include while assessing if a contract is harmful.
- The **Annual Improvements to the IFRS – 2018-2020 Cycle** effect minor amendments to the IFRS 1 "First-time Adoption of International Financial Reporting Standards", to the IFRS 9 "Financial Instruments", to the IAS 41 "Agriculture" and to the Explanatory Examples (Effects Analysis) accompanying the IFRS 16 "Leases".

The Company will examine the impact of all the above on its Financial Statements. The above Standards have been adopted by the European Union with effective date 01.01.2022.

Amendments to IAS 1 "Classification of Liabilities as Current or Non-current" (applies for annual periods starting on or after 01.01.2023)

In January 2020, the IASB issued amendments to the IAS 1 that affect the requirements on the presentation of liabilities. More specifically, the amendments clarify one of the classification criteria of a liability as non-current, the requirement for an entity to be entitled to defer the liability at least for 12 months after the reference period. These amendments include: a) clarification that the right of an entity to defer the settlement must have been established by the reporting date, b) clarification that the classification of the liability is not affected by the intentions or expectations of the management in relation to the exercise of the right to defer the settlement, c) explanation of how the borrowing conditions affect the classification and d) clarification of requirements regarding the classification of the liabilities of an entity which is going to or will possible conclude a settlement via the issuance of equity instruments. Moreover, in July 2020, the IASB issued an amendment for the deferral by one year of the effective date of the initially issued amendment to the IAS 1, as a result of the dissemination of the COVID-19 pandemic. The Company will examine the impact on all the above on its Financial Statements. The above have not been adopted by the European Union.

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

In February 2021, IASB issue limited purpose amendments which relate to the disclosure of accounting policies. The purpose of these amendments is to improve the disclosure of accounting policies so as to provide useful information to investors and other users of the Financial Statements. More specifically, based on these amendments, it is required to disclose important information that relates to the accounting policies, instead of disclosing the significant accounting policies. The Company will examine the impact of all the above on its Financial Statements. The above have been adopted by the European Union, with effective date 01.01.2023.

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

In February 2021, IASB issued limited purpose amendments that helo distinguish between changing an accounting estimate and changing an accounting policy. This distinction is important, since the change of an accounting estimate applies retrospectively and only to future transactions and other future events, in contrast with the change in accounting policy which applies retrospectively and applies to past transactions and other past events. The Company will examine the impact of all the above on its Financial Statements. The above have been adopted by the European Union, with effective date 01.01.2023.

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

In May 2021, the IASB issued targeted amendments to the IAS 12 in order to clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations – transactions in which companies simultaneously recognize assets and liabilities. In specific cases, entities are exempted from the recognition of deferred tax when they recognize assets and liabilities for the first time. The amendments clarify that the said exemption does not apply and companies are required to recognize the deferred tax in these transactions. The Company will examine the impact of all the above on its Financial Statements. The above have been adopted by the European Union, with effective date 01.01.2023.

2.b.3. Change of accounting policy in relation to the attribution of benefits to Periods of Service, according to the IAS 19 "Employee Benefits"

The IFRS Interpretations Committee issued in May 2021 the final Agenda decision titled "Attributing Benefit to periods of Service (IAS 19 Employee Benefits)", which includes explanatory material in relation to the manner benefits are attributed to Periods of Service on a specific defined benefit plan which is similar to that defied in article 8 of Law 3198/1955 regarding severance pay/retirement (the "Labour Law Defined Benefits Plan").

Based on the above decision, the manner in which the main principles of IAS 19 regarding this issue were applied in Greece is differentiated and consequently, the companies preparing their financial statements in accordance with the IFRS are required to respectively amend their accounting policy in this regard.

Until the date the Agenda Decision was issued, the Company applied IAS 19 by attributing the benefits set out in article 8 of Law 3198/1955, Law 2112/1920 and its amendment by Law 4093/2012 to the period when the employee joins the company until the retirement date.

The application of the said final decision to the attached financial statements leads to that the benefits are attributed during the last 16 years until the employees retirement date, thus following the scale provided for in Law 4093/2012.

Based on the above, the application of the above final decision has been considered a change of accounting policy, by applying the change retrospectively from the onset of the first comparable period, according to paragraphs 19 - 22 of the IAS 8.

The following tables present the effect from the application of the final decision for each specific sum of the financial statements being affected.

Abstract of the Company's Statement of Financial Position	Balance 01.01.2020	IAS 19 Adjustment	Adjusted balance 01.01.2020
Provision for staff indemnities	279	(261)	18
Actuarial gains/(losses) from defined benefit plan reserves plus deferred tax	(80)	80	0
Deferred tax liabilities	67	(63)	4
Retained earnings	(61.603)	119	(61.484)

Abstract of the Company's Statement of Financial Position	Balance 31.01.2020	IAS 19 Adjustment	Adjusted balance 31.01.2020
Provision for staff indemnities	302	(280)	22

Abstract of the Company's Statement of Comprehensive Income	Balance 31.01.2020	IAS 19 Adjustment	Adjusted balance 31.01.2020
Cost of Sales	60.431	(41)	60.390
Administrative and distribution expenses	1.538		1.538
Financial expenses	8.868	(3)	8.865
Deferred income tax on the aforementioned expense	3.379	11	3.390
Actuarial (gains)/losses from defined benefit plans	(24)	25	1
Deferred income tax on actuarial (gains)/losses from defined benefit plans	6	(6)	0

3. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

I) The main accounting principles adopted during the preparation of the attached financial statements are the following:

a) Intangible Assets

Intangible assets mainly consist of software costs and all expenses incurred to develop the software in order to bring it to operating condition.

Amortization on software is accounted for based on the straight line method for a period of five years.

b) Tangible Fixed Assets

The land, buildings, machinery and vehicles are measured at cost less accumulated depreciation and any provisions for impairment.

Repairs and maintenance are booked as expenses during the year in which they are incurred.

Significant improvements are capitalized at the cost of the respective fixed assets provided that they augment the useful economic life, increase the production level or improve the efficiency of the respective fixed assets.

Tangible fixed asset items are eliminated from the balance sheet on disposal or withdrawal or when no further economic benefits are expected from their continued use. Gains or losses resulting from the elimination of an asset from the balance sheet are included in the income statement of the fiscal year in which the fixed asset in question is eliminated.

Depreciation of tangible assets is calculated according to the straight-line method using rates that approximate the relevant useful life of the respective assets. Useful life per category of fixed asset has as follows:

Tangible Assets	Useful life (in years)

Buildings and technical works	25
Machinery and technical installations	4-25
Furniture and fixtures	1-10

Tangible assets under construction include fixed assets that are work in progress and are recorded at cost. Tangible assets under construction are not depreciated until the asset is completed and put into operation.

c) Leases

The Company as a lessee

The Company assesses whether an agreement is or contains a lease, on the effective date thereof and it recognizes a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the leases. If this rate cannot readily be determined, the Company uses its incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise:

- fixed lease payment (including in-substance fixed payments), less any lease incentives,
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date
- amounts expected to be payable by the lessee under the residual value guarantees
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The Company reassesses the lease liability (and makes a corresponding adjustment to the related right-of-use asset) if:

- The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is reassessed by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is measured by discounting the revised lease payments using the initial discount rate.
- A lease agreement is modified and the lease modification is not accounted for as a separate lease, in which case, the lease liability is reassessed by discounting the revised lease payments using a revised discount rate.

The lease liability is presented as a separate line in the Statement of Financial Position.

The **right-of-use assets** comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. The Company applies IAS 36 to determine whether a right-of-use asset is impaired.

Where the Company contractually undertakes the obligation to dismantle and remove the underlying asset, restore the site in which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under IAS 37. The costs are included in the related right-of-use asset. The Company did not incur any such costs during the periods presented in these financial statements.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease agreement entails the transfer of ownership of the underlying asset or the cost of the right of-use asset incorporates the purchase price of the underlying asset, given that the Company expects to exercise the purchase option for such asset, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the lease commencement date.

The right-of-use assets are presented as a separate line in the Statement of Financial Position.

Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and consequently they do not constitute a main component of the book value of the right-of-use asset. The relevant payments are recognized as an expense in the period in which the event or condition that triggers those payments occur and are included in the sums "Administrative expenses" and "Selling expenses" in the Statement of Comprehensive Income.

According to the provisions of the IFRS 16, the Company applied the practical accommodation of IFRS 16, according to which a lessee is not required to separate non-lease components and as such, it accounts for any lease and associated non-lease components as a single agreement.

d) Impairment of Non-Financial Assets

The book values of long-term assets, other than tangible fixed assets with an indefinite life, are reviewed for impairment purposes when facts or changes in circumstances imply that the book value may not be recoverable. When the book value of an asset exceeds its recoverable amount, the respective impairment loss is recorded in the net earnings. The recoverable amount is defined as the largest between the fair value minus the sale cost and the value in use.

The fair value minus the sale cost is the plausible income from the sale of an asset, in which all parties have full knowledge and willingness, after the deduction of each additional direct sales cost for the asset, while the value in use consists of the net present value of future estimated cash flows expected to occur from the continuous use of the asset and from the income expected to arise from its sale at the end of its estimated useful life. In order to determine the impairment, the assets are grouped at the lowest level for which cash flows can be recognized separately.

Reverse entry of an impairment for the value of assets accounted for in previous years, takes place only when there are sufficient indications that such impairment no longer exists or it has been reduced. In these cases the above reversal is treated as income in net profits.

e) Inventories

Inventories include spare parts and other material. Inventories are valued at the lower of cost and net realizable value.

A provision for impairment is made if it is deemed necessary.

f) Financial Assets – Trade receivables

I. Recognition and derecognition

The financial assets are recognized in the Statement of Financial Position when and only when the Company becomes a party to the financial instrument.

The Company ceases to recognize a financial asset when and only when the contractual rights in the cash flows of the financial asset expire or when the financial asset is transferred, and all the risks and benefits associated with the specific financial asset are substantially transferred. A financial liability is derecognized from the Statement of Financial Position when, and only when, it is repaid that is, when the commitment set out in the agreement is fulfilled, canceled or expires.

II. Classification and initial recognition of financial assets

With the exception of trade receivables that do not include a significant finance item and are measured at the transaction price in accordance with IFRS 15, other financial assets are initially measured at fair value by adding the relevant transaction cost except in the case of financial assets measured at fair value through profit or loss.

Financial assets, except those defined as effective hedging instruments, are classified into the following categories:

- Financial assets at amortized cost,
- Financial assets at fair value through profit & loss, and
- Financial assets at fair value through other comprehensive income without recycling cumulative profit and losses on derecognition (equity instruments)

Classification of every asset is specified according to:

- the Company's business model regarding management of financial assets, and
- the characteristics of their conventional cash flows.

All income and expenses related to financial assets recognized in the Income Statement are included in the items "Other financial results", "Financial expenses" and "Financial income", except for the impairment of trade receivables included in operating results.

III. Subsequent measurement of financial assets

Financial assets at amortized cost

A financial asset is measured at amortized cost when the following conditions are met:

(i) Financial asset management business model includes holding the asset for the purposes of collecting contractual cash flows.

(ii) Contractual cash flows of the financial asset consist exclusively of repayment of capital and interest on the outstanding balance (“SPPI” criterion).

Following the initial recognition, these financial assets are measured at amortized cost using the effective interest method. In cases where the discount effect is not significant, the discount is omitted.

The measurement at amortized cost category includes non-derivative financial assets such as loans and receivables with fixed or pre-determined payments that are not traded on an active market, as well as cash and cash equivalents, trade and other receivables.

Financial assets classified at fair value through total income (equity instruments)

Pursuant to the relevant provisions of IFRS 9, at initial recognition, the Group may irrevocably choose to disclose to other profit or loss directly in equity the subsequent changes in the fair value of an equity investment that is not intended for trading purposes.

Profits and loss from these financial assets are never recycled to the income statement. Dividends are recognized as other income in the income statement when the payment entitlement has been proved, unless the Company benefits from such income as a recovery of part of the cost of the financial asset, then such profit is recognized in the statement of comprehensive income. Equity interests designated at fair value through total income are not subject to an impairment test. This option is effective for each equity instrument separately.

IV. Impairment of financial assets

The adoption of the IFRS 9 led to a change in the accounting treatment of impairment losses for financial assets, as it replaced the treatment of IAS 39 for recognition of realized losses by recognizing the expected credit loss.

Impairment is defined in IFRS 9 as an Expected Credit Loss (ECL), which is the difference between the contractual cash flows attributable to the holder of a particular financial asset and the cash flows expected to be recovered, i.e. cash deficit arising from default events, discounted approximately at the initial effective interest rate of the asset.

The Company recognizes provisions for impairment for expected credit loss for all financial assets except those measured at fair value through profit or loss. The objective of the IFRS 9 impairment provisions is to recognize the expected credit loss over the lifetime of a financial instrument whose credit risk has increased since initial recognition, regardless if the assessment is made at a collective or individual level, using all the information that can be collected on the basis of both historical and present data, as well as data relating to reasonable future estimates of the financial position of customers and the economic environment.

Further to the above, the company implements the simplified approach, according to which a distinction is made between:

- Financial assets whose credit risk has deteriorated significantly since initial recognition and which have no low credit risk (Stage 2). For these financial assets, the expected credit loss is recognized up to their maturity.
- Financial assets for which there is objective evidence of impairment at the reporting date (Stage 3) and for which the expected credit loss is recognized up to maturity.

Trade receivables, other receivables, and receivables from contracts with customers

The Company applies the simplified approach of IFRS 9 to its trade and other receivables by estimating the expected credit loss over the life of the above items. In this case, the expected credit loss represent the expected shortfall in the contractual cash flows, taking into account the possibility of default at any point during the life of the financial instrument. In calculating the expected credit loss, the Company uses a provisioning table by grouping the above financial instruments based on the nature and maturity of the balances and taking into account available historical data in relation to the debtors, adjusted for future factors in relation to the debtors and the economic environment.

a) Cash and Cash Equivalents

The Company considers time deposits and other highly liquid investments with an initial maturity less than three months, as cash and cash equivalents.

For the compilation of the cash flow statements, cash and cash equivalents consist of cash, banks savings accounts and cash and cash equivalents as defined above.

b) Financial Liabilities

Financial liabilities are recognized on the Statement of Financial Position when, and only when, the Company becomes a party to the financial instrument.

As the accounting requirements for financial liabilities remained similar to a great extent to those set in IAS 39, the Company's accounting policies regarding financial liabilities were not affected by the adoption of IFRS 9.

The Company's financial liabilities include mainly loan obligations under lease agreements, suppliers and other liabilities. Financial liabilities are initially recognized at cost, which is the fair value of the consideration received outside borrowing costs. After initial recognition, financial liabilities are measured at amortized cost using the effective interest rate method.

Financial liabilities are classified as current liabilities unless the Company has the unconditional right to transfer the settlement of the financial liability for at least 12 months after the financial statements reporting date.

c) Provisions for Staff Retirement Indemnities

According to the replaced provisions of L. 2112/1920 by L. 4093/2012, the Company indemnification its retiring or dismissed employees and the amount of the relevant indemnification depends on the years of service, the level of wages and the reason for exit from employment (dismissal or retirement).

Liabilities for severance pay/retirement are calculated using the discounted value of future benefits that have accrued at the end of the year, based on the recognition of the employees' benefit rights during the duration of their expected working years. The above liabilities are calculated based on the financial and actuarial assumptions and are defined using the projected unit method of actuarial valuation.

Net retirement costs for the period are included in the net earnings or the comprehensive income, as the case may be, and consist of the present value of benefits that have accrued during the year, the interest on the benefits' liability, the cost of prior service, the actuarial profit or loss and any other additional retirement costs. The prior service costs are recognized immediately. The liabilities for retirement benefits are not financed. Actuarial profits and loss are registered in other comprehensive income and are not recycled in the Income Statement.

d) Government Pension Plans

The Company's staff is mainly insured in the Government Social Security Fund for the private sector (EFKA) which provides pension and medical-pharmaceutical benefits. Each employee is required to contribute part of his/her monthly salary to the fund, while part of the total contribution is covered by the Company. At the time of retirement, the pension fund is responsible for the payment of retirement benefits to the employees. Consequently, the Company has no legal or constructive obligation for the payment of future benefits according to this plan.

e) Income Tax (Current and Deferred)

Income tax is calculated based on the earnings of the Company as such are reformed on the company's tax returns, additional income tax emerging from the Tax Authorities' tax audits, on deferred income tax based on the enacted tax rates, as well as any possible extraordinary tax contribution calculated on earnings.

Deferred income tax is calculated using the liability method on all temporary differences between the tax base and the book value of assets and liabilities on the date of the financial statements. Deferred tax liabilities are recognized for all taxable provisional differences.

Deferred tax assets are recognized for all deductible provisional differences and tax loss carried forward, to the extent a taxable profit is likely to be available which will be applied against the deductible provisional differences and the unused tax loss carried forward.

The deferred tax liabilities are estimated on each date of the financial statements and are reduced to the degree that it is not considered likely that there will be adequate taxable earnings against which part or the total of receivables from deferred income taxes may be used.

Deferred tax assets and liabilities are calculated according to the tax rates that are expected to be in effect during the fiscal year when the asset will be realized or the liability will be settled, and are based on the tax rates (and tax regulations) that are effective or enacted on the date of the financial statements.

Income tax that relates to items, which have been directly recognized in other comprehensive income, is also recognized in other comprehensive income.

f) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is possible that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The provisions are reviewed on each date of the financial statements and are adjusted in order to reflect the present value of expenses that are expected to be required for the settlement of the liability. If the effect of the time value of money is significant, then provisions are calculated by discounting the expected future cash flows with a pre-tax rate, which reflects the market's current estimations for the time value of money, and wherever considered necessary, the risks related specifically to the obligation. Contingent liabilities are not recognized in the financial statements but are being disclosed unless the possibility of an outflow of resources that include economic benefits is small.

Contingent assets are not recognized in the financial statements but are disclosed when an inflow of financial benefits is possible.

g) Revenue recognition

Revenue is recognized to the extent that it is possible that the economic benefits will result for the Company and that the relevant amounts can be accurately measured. The following specific recognition criteria must also be met for the recognition of revenue.

(i) Revenue from the sale of Electric Energy and Natural Gas

Revenue from the sale of Electric Energy is accounted for in the year in which it occurs.

Revenue from sales of electric energy to the INDEPENDENT POWER TRANSMISSION OPERATOR (IPTO) and the ENERGY EXCHANGE GROUP (EXE) that have not yet been invoiced are recognized as accrued non-invoiced income in the financial statements.

(ii) Interest

Interest income is recognized on an accrual basis .

II) Use of estimates, judgements and assumptions

The Company proceeds to estimates, assumptions and judgments in order to select the most suitable accounting principles in relation to the future progress of events and transactions. The said estimates, assumptions and judgments are periodically reviewed so as to be in line with actual circumstances and reflect the actual risks at the relevant time and are based on past experience of Management in relation to the level/volume of relevant transactions or events.

The basic estimates and judgments related to data whose development could affect the items of financial statements over the next 12 months are as follows:

i) Fixed assets depreciation: In order to calculate depreciation, the Company reviews the useful life and residual value of tangible and intangible assets having as criterion the technological, institutional and economic developments as well as its experience from their operation.

ii) Assets impairment and reversal: The Company evaluates the technological, institutional and economic developments by looking for indications of any type of impairment of its assets (fixed assets, trade and other receivables, financial assets, etc.) and of their reverse entry.

iii) Provision for severance pay/retirement: Based on the *IAS 19*, the Company assesses the assumptions according to which the provision for severance pay/retirement is calculated in an actuarial manner.

iv) Provision for income tax: Based on *IAS 12*, the Company makes a provision for current and deferred income tax. It also provides, as the case may be, for the additional taxes that may arise from tax audits. The final settlement of income taxes may differ from the relevant amounts that have been registered in the interim and annual financial statements.

v) *Provisions and Contingent Liabilities and Requirements:* Provisions are recognized when the Company has a present legal or presumptive obligation as a result of past events, its liquidation is probable through resource outflow and a reliable estimate of the obligation can be made. Provisions are being reviewed at each date of the financial statements and shall be adjusted so as to reflect the present value of expected output needed for the settlement of the obligation. If the effect of the time value of money is significant, provisions are being calculated by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the obligation. Contingent liabilities are not recognized in the financial statements but are being disclosed unless the possibility of an outflow of resources that include economic benefits is small.

In the context of its activities, the Company is a party of judicial claims and commercial disputes and differences. The Company's Management carries out provisions for risks and unforeseen events that may arise from legal cases and litigation/disputes that may lead to financial outflows for solving them. These provisions are entered, based on management's best estimate of the amounts that are expected to arise and the odds related to the final outcome of the case. The final outcome of such cases and any related amounts are likely to deviate from the amounts recorded in the financial statements.

4. INTANGIBLE ASSETS

The Intangible assets in the assets in the attached Financial Statements relate to software and their movement has as follows:

(All amounts are presented in thousands Euro)	SOFTWARE	
	2021	**2020**
Net book value as at 1.1	**92**	**3**
Additions	0	0
Transfer from /(to) tangible assets	3	96
(Amortization)	(29)	(7)
Net book value as at 31.12	**66**	**92**
Cost 1.1	403	307
Accumulated amortization	(311)	(304)
Net book value as at 1.1	**92**	**3**
Cost 31.12	406	403

Accumulated amortization 31.12	(340)	(311)
Net book value as at31.12	**66**	**92**

Amortization in this year have been recognized in the account Cost of Goods Sold account by € 29 thousand (€ 7 thousand for the FY 2020), in the Statement of Comprehensive Income.

5. RIGHT-OF-USE ASSETS

The analysis of the movement of the right-of-use assets is as follows:

	Land	Buildings & Facilities	Means of Transportation	Total
Net Book Value as of January 1 2021	**930**	**81**	**31**	**1,042**
Additions	0	0	0	0
Depreciation	(25)	(81)	(18)	(124)
December 31, 2021	**905**	**0**	**13**	**918**

Cost as of January 1	980	242	59	1.281
Accumulated depreciation	(50)	(161)	(28)	(239)
Net Book Value as of January 1	**930**	**81**	**31**	**1,042**

Cost as of December 31	980	242	59	1,281
Accumulated depreciation as of 31.12	(75)	(242)	(46)	(363)
Net Book Value as of December 31 2021	**905**	**0**	**13**	**918**

	Land	Buildings & Facilities	Means of Transportation	Total
Net Book Value as of January 1 2020	**955**	**161**	**49**	**1.165**
Additions	0	0	0	0
Depreciation	(25)	(80)	(18)	(123)
December 31, 2020	**930**	**81**	**31**	**1.042**

Cost as of January 1	980	242	59	1.281
Accumulated depreciation	(25)	(81)	(10)	(116)
Net Book Value as of January 1	**955**	**161**	**49**	**1.165**

Cost as of December 31	980	242	59	1.281
Accumulated depreciation as of 31.12	(50)	(161)	(28)	(239)
Net Book Value as of December 31 2020	**930**	**81**	**31**	**1.042**

Depreciation within the year correspond to Euro 124 thousand and are reflected in the Statement of Comprehensive Income, by Euro 18 thousand in the account Cost of Goods sold and by Euro 106 thousand in in the account Administrative and Selling expense account.

6. TANGIBLE ASSETS

The movement of the intangible fixed assets presented in the attached Financial Statements is broken down as follows:

(All amounts presented in thousands Euro)	Buildings	Machinery	Other	Fixed assets under construction	Total
Non-depreciated value on 1.1.2021	**10,379**	**108,040**	**167**	**3,308**	**121,894**
Additions	0	0	0	5,095	**5,095**
Transfer from/to tangible assets	0	0	0	(8,400)	**(8,400)**
Transfer from/to intangible assets	0	0	0	(3)	**(3)**
Transfer from fixed assets under construction	17	8,357	26	0	**8,400**
Sales cost / intangible fixed assets write-off	0	(2,566)	0	0	**(2,566)**
Depreciations	(761)	(9,634)	(47)	0	**(10,442)**
Accumulated depreciations of other written-off fixed assets		1,060	0	0	**1,060**
Non-depreciated value on 31.12.2021	**9,635**	**105,257**	**146**	**0**	**115,038**
Cost on 01.01.2021	18,223	263,033	618	3,308	**285,182**
Accumulated depreciations	(7,844)	(116,490)	(451)	0	**(124,785)**
Accumulated impairments	0	(38,503)	0	0	**(38,503)**
Non-depreciated value on 1.1.2021	**10,379**	**108,040**	**167**	**3,308**	**121,894**
Cost 31.12.2021	18,240	268,823	644	0	**287,707**
Accumulated depreciations	(8,605)	(125,063)	(498)	0	**(134,165)**
Accumulated impairments	0	(38,503)	0	0	**(38,503)**
Non-depreciated value on 31.12.2021	**9,635**	**105,257**	**146**	**0**	**115,038**

(All amounts presented in thousands of Euro)	Buildings	Machinery	Other	Fixed assets under construction	Total
Net book value 1.1.2020	**11,127**	**116,536**	**63**	**0**	**127,726**
Additions	0	0	0	3,826	**3,826**
Transfer (from)/to tangible fixed assets	0	0	0	(422)	**(422)**
Transfer (from)/to intangible assets	0	0	0	(96)	**(96)**
Transfer from assets under construction	12	243	169	0	**424**
Impairment loss of assets	0	0	0	0	**0**
Transfer (from)/to inventories	0	0	0	0	**0**
Cost of sold/written off fixed assets	0	0	0	0	**0**
Depreciation	(760)	(8,739)	(65)	0	**(9,564)**

Net book value 31.12.2020	**10,379**	**108,040**	**167**	**3,308**	**121,894**
Cost 01.01.2020	18,211	262,790	449	0	**281,450**
Accumulated depreciation	0	(107,751)	(386)	0	**(108,137)**
Accumulated impairment	(7,084)	(38,503)	0	0	**(45,587)**
Net book value 1.1.2020	**11,127**	**116,536**	**63**	**0**	**127,726**
Cost 31.12.2020	18,223	263,033	618	3,308	**285,182**
Accumulated depreciation	(7,844)	(116,490)	(451)	0	**(124,785)**
Accumulated impairment	0	(38,503)	0	0	**(38,503)**
Net book value 31.12.2020	**10,379**	**108,040**	**167**	**3,308**	**121,894**

Depreciation in this fiscal year have been recognized in in the account Cost of Goods Sold by Euro 10,441 thousand (Euro 9,563 thousand in 2020) and in the Administrative and Selling Expenses by Euro 1 thousand (Euro 1 thousand in 2020), in the Statement of Comprehensive Income.

7. OTHER INVESTMENTS

Other investments presented in the attached financial statements relate to the participation in the non-profit association under the name "Hellenic Association of Independent Power Producers" which aims at the joint promotion of all the issues related to the production and sale of electricity by independent producers. This association was incorporated in March 2010 and the Company participates in its capital by 16.67%.

8. OTHER LONG-TERM RECEIVABLES

Long-term receivables in the attached financial statements are broken down as follows:

(All amounts presented in thousands Euro)	**31.12.2021**	**31.12.2020**
Guarantees granted	17	17
Pre-paid leases	106	115
Total	**123**	**132**

Pre-paid leases (up-front rental payment) concern a plot of land owned by a third party (non-related party) where drilling will take place for water pumping so as to use it in the production process. The leasing is long-term for 25 years and there is still 11 years until it expires.

9. Inventories

The account "Inventories" in the attached financial statements exclusively concerns privately owned spare parts and consumables for fixed assets.

10. TRADE RECEIVABLES

"Trade receivables", presented in the attached financial statements are broken down as follows:

(All amounts presented in thousands Euro)	31.12.2021	31.12.2020
Customers - Public Entities (Administrators)	1,578	2,236
Customers – Individuals	1,940	411
Unbilled receivables - Public Entities (Administrators)	437	1.645
Unbilled receivables - Individuals	0	5,900
Customers – Doubtful and litigious	7,462	7,462
Provisions (impairment) for doubtful customers	(7,220)	(5,655)
	4,197	**11,999**

The above trade receivables include mainly receivables from the INDEPENDENT POWER TRANSMISSION OPERATOR (IPTO), part of which is related to invoices related to Ancillary Services, issued in the name of IPTO for the amount of € 7.462 m. including VAT, claimed judicially by a Lawsuit of the Company against IPTO, before the Multimember Court of First Instance of Athens, with Filing Number 29533/822/25-2-2013, claiming the payment of the invoices for Ancillary Services of November and December 2011 and January, February and March 2012. The Company's lawsuit was heard on 19/11/2015 and the Court ruled (with its Judgement No 700/11.03.2016) to postpone its judgement until the Council of State's final judgement on the (relative) Administrative procedure i.e. regarding the Company' appeal with Filing Number 822/20-02-2013 against the RAE's decision on the Ancillary Services which was accepted by the Administrative Court of Appeals of Athens' Judgement No 1579/17.03.2014 and a petition for cassation was filed by RAE before the Council of State. After several adjournments, the said petition for cassation was eventually discussed on 02/04/2019 and the Council of State dismissed RAE's petition. Given the above, the Company restated its Lawsuit against IPTO before the Multimember Court of First Instance of Athens, and February 20, 2020 was scheduled as the hearing date. The Company's lawsuit was discussed on the trial date of February 20, 2020 and the relevant Judgement of the Multimember Court of First Instance of Athens has been issued but until the date these financial statements were approved, it has not yet been served upon the Company. Nevertheless, the Company, given the irrevocable judgement of dismissal of its claim against IPTO, proceeded with the formation of an addition provision in order to reduce the sum of the said claim, by encumbering the fiscal year's results and specifically the account "Other Income-Expenses".

The Company holds the trade and other receivables aiming at collecting the contractual cash flows and therefore measures them subsequently at amortized cost using the effective interest method. Trade and other receivables that are interest free are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts, whereas those with a significant financing component are initially recognized at their fair value.

In order to measure the expected credit loss (ECL), customers and other short-term receivables have been grouped based on the credit characteristics and their ageing (days past due) on the reporting date. Measurement of ECL is based on specific credit risk metrics (i.e. Probability of Default-PD, Loss Given Default), which are calculated based on historical data, existing market conditions as well as forward looking estimates at the end of each reporting period.

Before accepting any new customer, the Company uses an external credit scoring system to assess the potential customer's credit worthiness and solvency and thus to define such customer's credit limits. Credit limits are reviewed on a periodical basis.

There has been no change in the assessment techniques or significant assumptions made for the ECL assessment during the current reporting period.

The following tables depict the credit risk profile of customers and other short-term receivables based on the Company's provision matrix. As the Company's historical credit loss experience does not show significantly different loss patterns for different customers' fields of activity, the provision for expected credit loss is based on the days past due status and is not distinguished at a further level.

(All amounts presented in thousands Euro)

December 31 2021	**Non outstanding balances**	**0-180 days**	**181-365 days**	**365 days and more**	**Total**
Expected credit loss rate	0.00%	0%	1.46%	85.37%	**63.24%**
Expected amount to be received	2,084	0	891	8.442	**11,417**
Expected credit loss 31/12/20	0	0	(13)	(7.207)	**(7,220)**
Total	**2,084**	**0**	**878**	**1235**	**4,197**

December 31 2020	**Non outstanding balances**	**0-180 days**	**181-365 days**	**365 days and more**	**Total**
Expected credit loss rate	0.29%	1.69%	1.39%	71.53%	**32.03%**
Expected amount to be received	7,545	1,422	862	7,825	**17,654**
Expected credit loss 31/12/19	(22)	(24)	(12)	(5,597)	**(5,655)**
Total	**7,523**	**1,398**	**850**	**2,228**	**11,999**

Given the application of the simplified approach of the IFRS 9, the Company calculates the expected credit loss always at an amount that represents cash flows shortfalls throughout the lifetime of financial receivables, weighed against the risk of default. Consequently, customers receivables and other short-term receivables are classified either at stage 2 of at stage 3. An analysis of the said classification is presented in the following table:

(All amounts presented in thousands Euro)

	31.12.2021	
	Stage 2	**Stage 3**
Expected credit loss rate	0.40%	96.54%
Expected amount to be received	3,955	7,462
Expected credit loss	16	7,204

	31.12.2020	
	Stage 2	**Stage 3**
Expected credit loss rate	0,57%	75,00%
Expected amount to be received	10.191	7.463
Expected credit loss	58	5.597

The Expected amount to be collected for the fiscal year 2020 includes an amount of Euro 5,900 thousand which concerns a provision for part of the insurance compensation to be collected due to the suspension of the plant's operation for the period from August 2020 to March 2021, during which scheduled maintenance works were performed. The said amount was recognized in the Turnover Sum (Note 22) of the Income Statement for the fiscal year 2021 and was entirely collected until April 2021.

The impairment of trade receivables for the fiscal year is broken down as follows:

(All amounts presented in thousands of Euro)

	2021	2020
Balance of trade receivables impairment on 01.01	**(5,655)**	**(6,670)**
Loss /(Profit) from trade receivables impairment for 2021 (Note 27)	(1,565)	1,015
Total Impairment	**(7,220)**	**(5,655)**

11. OTHER RECEIVABLES

"Other receivables" in the attached financial statements are broken down as follows:

(All amounts presented in thousands of Euro)	31.12.2021	31.12.2020
Advances to Suppliers	86,474	7,419
Other receivables	558	896
VAT for rebate – offsetting	1,036	2,894
	88,068	**11,209**

From the advances to suppliers, the largest part concerns a prepayment for the purchase of Natural Gas. The amount of Euro 558 thousand of the account "Other Receivables" includes the amount of Euro 500 thousand which concerns expenses incurred in future fiscal years (mostly insurance premium).

12. CASH AND CASH EQUIVALENTS

The cash and cash equivalents as at December 31st 2021 presented in the attached financial statements relate to bank deposits. The level of cash on December 31st, 2021 amounts to Euro 31,805 thousand (against Euro 8,466 thousand for the comparable fiscal year).

13. LOANS

The account present the Shareholder's Subordinated Bond Loan by the amount of Euro 53.38 m. and the Short-term Loan from Optima bank S.A. by the amount of Euro 11.58 m.
On 12.07.2021, GEK TERNA announced that came toan agreement for the acquisition of 75% of the shares of HERON II VIOTIAS S.A. Upon the finalization of the agreement which was originally subject to the approval by the competent authorities, GEK TERNA acquired 100% of the above company. On 11.10.2021, in performance of the above agreement dated 12.07.2021 and following the approval by the competent authorities, the parent company of the Group GEK TERNA acquired a percentage of 75% in HERON II VIOTIAS S.A. As a result of the newacquisition, the Company was given on 08.10.2021 a long-term loan mounting to Euro 34.5 m. from its parent company GEK TERNA. The main financial terms of the new loan of Euro 34.5 m. given by GEK TERNA are summarized as follows:

1. The maturity date of the bonds and the repayment date of the Loan is 31/12/2027
2. A fixed interest rate at 3.1% applies throughout the loan
3. Interest accrual period is annual, on 31/12 of each year.

With the money of the above loan, the Company repaid the loans to the shareholders that left from the company. The previous shareholders wrote-off loans owed to them (interest and principal amount) of Euro 19,110, an amount which was directly recognized in Equity since the benefit concerned a transaction of the shareholders and not a transaction related to the operation of the Company.
Moreover, on 14/10/2021 the subordinated debt agreement dated 24/11/2010 with the other shareholder TERNA S.A., with a principal amount balance of Euro 9.75 m. was amended. More specifically, the main terms of the new agreement are summarized as follows:

1. The maturity date of the bonds and the repayment date of the Loan is 31/12/2027
2. A fixed interest rate at 3.1% applies throughout the loan
3. Interest accrual period is annual, on 31/12 of each year.

The break-down between current and long term is reported below:

(All amounts presented in thousands Euro)	31.12.2021	31.12.2020
Up to 1 ear	11,578	15,180
1 -5 years	0	66,180
Over 5 years	53,388	0
	64,966	**81,360**

The following table presents the movement of long-term loans in the fiscal year:
(All amounts presented in thousands Euro)

	2021	2020
Balance 1.1	**67,360**	**80,981**
New loans and renewals	34,520	0
Capital payments	(34,519)	(19,956)
Interest payments	(414)	(790)
Loan interest in financial results (see Note 26)	5,929	6,867
Loan write-off	(19,110)	0
Loan expenses	0	258
Balance 31.12	**53,766**	**67,360**

The Short-Term loan derived through an open overdraft account granted by Optima Bank S.A. The interest rate of the short-term loan is 3-month Euribor plus spread (3.50%) plus the Interest Rate Levy (0.60%).

The following table describes the movement of short-term loans in the financial year:
(All amounts presented in thousand Euro)

	2021	2020
Balance 1.1	**14,000**	**0**
New loans and renewals	0	14,000
Capital payments	(2,800)	0
Interest payments	(523)	(147)
Loan interest in financial results (see Note 26)	523	147
Loan write-off	0	0
Loan expenses	**11,200**	**14,000**

14. LIABILITIES FROM LEASES

The following table describes the movement of leases in the fiscal year:
(All amounts presented in thousand Euro)

	2021	2020
Balance 1.1	**1,077**	**1,185**
Interest in financial results (Note 26)	46	51
Capital payments	(113)	(108)
Interest Payments	(46)	(51)
Balance 31.12	**964**	**1,077**

The financial leases liabilities repayment period is broken down in the following table:

	31.12.2021	31.12.2020
Up to 1 year	25	113
2-5 years	49	61
Over 5 years	890	903

15. PROVISIONS FOR STAFF RETIREMENT INDEMNITIES

According to the Greek labor law, every employee is entitled to a lump-sum indemnification in case of dismissal or retirement. The amount of indemnification depends on the past service time and the salary of the employee on the day of his dismissal or retirement. Employees that resign or are justifiably discharged are not entitled to any indemnification. The indemnification payable in case of retirement in Greece is equal to 40% of the amount which would be payable upon dismissal without justifiable cause.
Estimates for staff retirement indemnities were specified via the actuarial study where the Projected Unit Credit Method was used. The tables below present the composition of the expenditure for the relevant provision recognized in the statement of comprehensive income of the year ended on December 31st 2021 and the movement of the relevant provisions account for staff retirement indemnities presented in the attached Statement of Financial Position of the year ended on December 31st, 2021.
The expenditure for staff retirement indemnities was recognized in the Income Statement and is broken down as follows:

(All amounts presented in thousands Euro)	2021	2020*
Current service cost	(3)	3
Recognition of actuarial (profits)/losses	5	2
Total	**2**	**5**

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

(All amounts presented in thousands Euro)	2021	2020*
Balance 1.1	**22**	**279**
Adjustments due to retrospective application of change in IAS 19 accounting policy (See Note 2.b.3)*	**0**	**(261)**
Balance 31.12	**22**	**18**
Provision recognized in Net earnings	(3)	3
Provision recognized in other comprehensive income	5	1
Balance 31.12	**24**	**22**

* The comparative figures of the Company for the year 2020 have been revised due to the impact from the change of the accounting policy of IAS 19 (see Note 2.b.3).

The key actuarial assumptions for the years 2021 and 2020 are as follows:

	2021	**2020**
Discount rate	0.60%	1.00%
Future salaries increases	1.80%	1.25%
Inflation	1.80%	1.50%
Movement of salaried workers (departure under their own will)	Table 1	Table 1
Mortality	EVK 2000	EVK 2000

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

16. PROVISION FOR REMOVAL OF MECHANICAL EQUIPMENT

The Company has set up a provision for the dismantling expenses of the electricity power plant that are expected to occur after the termination of the plant's operation, based on its contractual obligations, the present value of which at 31-12-2021 amounted to Euro 1.586 thousand (€1.459 thousand, 31-12-2020). This provision is calculated based on the expected cash flows necessary for fulfilling this obligation at the year's end. This amount was then inflated based on the average estimated expected inflation and was discounted according to the required discount rate. The provision is increased compared to the previous year due to maturity by one year and there was no change in the amount of future flow.

17. SUPPLIERS

The account "Suppliers" is broken down as follows on December 31st 2021, in the attached financial statements:

(All amounts presented in thousands Euro)	**31.12.2021**	**31.12.2020**
Production Suppliers	4,866	5,236
Obligations from customers contracts	632	0
	5,498	**5,236**

The Obligations from customer contracts concern advance payments given by a public operator.

18. ACCRUED, OTHER LIABILITIES AND PROVISIONS

On December 31st 2021, the account "Accrued and other liabilities" which is presented in the attached financial statements, is broken down as follows:

(All amounts presented in thousand Euro)	31.12.2021	31.12.2020
Accrued expenses –cost of production	8,401	218
Accrued expenses – third parties fees	76	63
Accrued expenses – insurance premiums	407	0
Liabilities for taxes-duties	101	233
Accrued expenses relating to bank expenses and guarantee fees	76	71
Social security funds	96	92
Other	449	311
Other short-term liabilities	34,468	1,055
	44,074	**2,043**

The amount of Euro 8,401 thousand of the account "Accrued expenses – production cost" mainly relates to the amount of Euro 7,993 thousand which is accrued cost for CO_2 and the amount of Euro 408 thousand which is the Natural Gas cost for December 2021 (Euro 216 thousand in 2020). The change compared to the preceding fiscal year is attributed to the fact that for the period from August 2020 to March 2021 scheduled maintenance (outage) works were performed thus the operation of the plant was suspended and along therewith, any expenses related to production. The amount of Euro 34,468 of the sum "Other short term liabilities" concerns the amount of Euro 1,055 thousand for a credit invoice that will be issued to IPTO (return of "ADI") and the amount of Euro 33,413 for the purchase of CO_2 due to resale of a respective quantity to the National bank of Greece.

19. SHARE CAPITAL

On 31st December 2021, the Company's share capital amounts to Euro six million four hundred and forty thousand (€6,440,000.00) it is fully paid-up and divided into 64,400 ordinary shares each of a nominal value of € 100.00.
The share capital is held by 75% by GEK TERNA S.A. (48,300 shares), which is a listed to the Athens Stock Exchange and by 25% by TERNA S.A. (16,100 shares), which is a subsidiary of GEK TERNA.

20. RESERVES

The Company's reserves at the end of the presented year are analyzed to the statutory reserves of amount € 1,439 thousand (€ 1,439 thousand at 2020) and the reserves from actuarial losses minus € 5 thousand (minus € 1 thousand at 2020).

21. INCOME TAX

With the Law 4799/2021 which amended par. 1 of article 58 of the Law 4172/2013, the tax rate for income of legal entities in Greece from 2021 and forth, is reduced by 2% and is fixed at 22% against 24% for 2020.

The effect from the change of the tax rate for the FY 2021 resulted to revenues of 2,020, which was recognized in the Income Statement.

The effective tax rate is different from the nominal rate. Various factors affect the determination of the effective tax rate, the most important of these are some expenses that are not tax deductible, the differences in depreciation rates that arise between the useful life of fixed assets and the rates specified by the tax law, the option of companies to set up tax-free discounts and tax-free reserves.

(a) Current tax

Income tax in the year results in the statement of comprehensive income is broken down as follows:

(All amounts presented in thousands Euro)	2021	2020*
Deferred tax	(3,049)	3,390
Total	**(3,049)**	**3,390**

The reconciliation of the actual income tax and the accounting profit multiplied by the applicable tax rate is depicted below.

(All amounts presented in thousands Euro)	2021	2020
Earnings/(loss) before taxes	**39,434**	**4,864**
Nominal Tax Rate	**22%**	**24%**
Income Tax Expense/ (Income) based on applicable nominal tax rate	**8,675**	**1,168**
Adjustments for:		
Expenses not included in the tax calculation – permanent differences	4,897	2,222
Effect from the change in tax rates	(2,020)	0
Effect of tax losses carried forward for offset	(14,829)	
Write-off Deferred Tax Assets of tax losses carried forward	228	0
Income tax expense	**(3,049)**	**3,390**

Tax returns are filed annually. The Company has been audited by tax authorities until the year 2008. Due to POL 1154/2017, POL 1191/2017, POL 1192/2017, POL 1194/2017 and POL. 1208/2017, the Governor of the Independent Public Revenue Authority, issued directions on the uniform application of what was accepted from the decisions of the Council of the State (CoS) 1738/2017, CoS 2932/2017, CoS 2934/2017 and CoS 2935/2017, as well as the no. 268/2017 Opinion of the State Legal Council. From the aforementioned decisions a five-year limitation period on the basis of the general rule – is provided for, for the fiscal years from 2012 and onwards, as well as for the fiscal years that the Code of Tax Procedure – CTP (from 2015 onwards), except for the specific exceptions specified in the relevant provisions of CTP.

Consequently, and in accordance with the foregoing in POL. 1192/2017, the right of the State to charge a tax up to and including the fiscal year 2015 is time-barred unless the specific provisions on 10-year, 15-year and 20-year limitation periods apply.

Tax compliance report

For the fiscal years 2011-2012-2013, the Company is subject to the tax audit by Certified Auditors Accountants as defined by the provisions of article 82 par. 5 of L. 2238/1994 (MD 1159/26/7/2011), whereas for the years 2014, 2015, 2016, 2017, 2018, 2019 and 2020 it is subject to the tax audit by Certified Auditors Accountants as defined by the provisions of

article 65A, par. 1, Law 4174/2014 (Min. Dec. 1124/22/6/2015). The finalization of the tax audit from the Ministry of Finance is pending for all the above fiscal years.
For the fiscal year 2021, the Company is subject to the tax audit by Certified Auditors Accountants as defined by the provisions of article 65A, par. 1, Law 4174/2013 (MD 1124/22/6/2015). This audit is in progress and the relevant tax certificate is expected to be issued following the publication of the Financial Statements for the fiscal year.
The tax liabilities for these years have not been finalized and therefore additional contingencies may arise when the relevant tax audits are carried out.
The Management estimates that the taxes that may arise from the audit by the tax authorities will not have a material effect on the Financial Statements.

(b) Deferred tax

Deferred income tax is calculated using all temporary tax differences between the book value and the tax value of assets and liabilities. Deferred income tax is calculated by using the expected applicable tax rate at the time the tax asset/liability will mature.

(All amounts presented in thousand Euro)	31.12.2021	31.12.2020*
Net deferred tax asset/(liability)	**(21,238)**	**(24,289)**
Opening balance		
Net deferred tax asset/(liability)	**(24,289)**	**(20,836)**
Change of accounting policy (Note. 2.b.3)	0	(63)
Revised opening balance	**(24,289)**	**(20,899)**
(Expense) /Income recognized in net profits	3,050	(3,390)
(Expense) /Income recognized in other comprehensive income	1	0
Closing Balance	**(21,238)**	**(24,289)**

The deferred tax for the fiscal years 2021 and 2020 is broken down as follows:

(All amounts presented in thousands Euro)	01.01.2021	Change of accounting policy (Note 2.b.3)	Revised balance 01.01.2021	Net profit (Debit)/ Credit	Other comprehensive income (Debit)/Credit	31.12.2021
Deferred tax asset						
Recognized tax losses	301	0	301	(301)	0	0
Other provisions	3,548	0	3,548	424	0	3,972
Staff compensation provision	4	0	4		1	5
Leases	8	0	8	2	0	10
Deferred tax liability						
Depreciation differences	(20,684)	0	(20,684)	2,847	0	(17,837)
Expensing of intangible fixed assets	(7,466)	0	(7,466)	79	0	(7,387)
Net deferred tax asset /(liability)	**(24,289)**	**0**	**(24,289)**	**3,051**	**1**	**(21,238)**

(All amounts presented in thousands of Euro)	01.01.2020	Change of accounting policy (Note 2.b.3)	Revised balance 01.01.2020	Net profit (Debit)/ Credit	Other comprehensive income (Debit)/Credit	31.12.2020
Deferred tax asset						
Recognized tax losses	301	0	301	0	0	301
Other provisions	3,466	0	3,466	82	0	3,548
Staff compensation provision	67	(63)	4	0	0	4
Leases	5	0	5	3	0	8
Deferred tax liability						
Depreciation differences	(17,464)	0	(17,464)	(3,220)	0	(20,684)
Expensing of intangible fixed assets	(7,211)	0	(7,211)	(255)	0	(7,466)
Net deferred tax asset /(liability)	**(20,836)**	**(63)**	**(20,899)**	**(3,390)**	**0**	**(24,289)**

22. REVENUE

(All amounts presented in thousand Euro)	2021	2020
Revenue from electricity production & cost recovery	273,990	64,329
Revenue from insurance compensations	11,003	5,900
Revenue from natural gas	42	17
Revenue from capacity	0	2,682
Revenue from CO2 rights sales	3,195	1,238
Other Thermoelectric Energy Sector Revenue	0	94
Total	**288,230**	**74,260**

Total revenue from electricity production of € 273,990 thousand derived from public entities (Euro 64,329 thousand in 2020). The variation compared to the preceding fiscal year is attributed to the fact that from March 2021 when the maintenance (outage) works of the plant were completed, its operation is fully restored and so the Turnover increased.
Total revenues from insurance compensations of Euro 11,003 thousand derived from private entities (Euro 5,900 thousand in 2020).
Total income from capacity of Euro 3,195 thousand derived from private entities (Euro 1.238 thousand in 2020).
Total Revenues concerns transfer of commodities effected at a given time.

23.COST OF GOOD SOLD AND ADMINISTRATIVE AND SELLING EXPENSES

On 31 December 2021, the Cost of Goods Sold, administrative and selling expenses presented in the attached financial statements are broken down as follows:

Cost of Goods Sold (All amounts presented in thousands Euro)	2021	2020*
Natural gas consumption cost	170,446	30,109

Depreciation	10,470	9,570
Right-of-use amortization	18	18
Personnel cost	2,285	1,905
Contractor's services	10	21
Maintenance from General Electric	3,687	3,868
CO2- Cost of Emission Rights	38,019	11,594
Other Energy Debtors	436	385
Other services	4,031	390
Insurance charges	3,041	1,792
Maintenance	3,442	261
Leases	99	76
Utilities (electricity and water sup-plies, etc.)	156	107
Taxes – duties	199	204
Other expenses	102	90
	236,441	**60,390**

Administrative and selling expenses

(All amounts presented in thousands Euro)	2021	2020
Personnel cost	165	175
Professional fees	1,178	977
Consultancy fees	2	51
Auditors' fees	26	28
Leases	0	51
Depreciation	1	1
Right-of-use amortization	106	105
Insurance charges	17	23
Contributions to professional associations	48	38
Taxes – duties	6	5
Other expenses	68	84
	1,617	**1,538**

24. CERTIFIED AUDITORS FEES

(All amounts presented in thousands of Euro)	2021	2020
Fees for statutory audits	9	15
Fees for tax compliance audits	17	13
	26	**28**

All the above fees have been recognized in the administrative and selling expenses.

25. PERSONNEL COST

The expenses for personnel cost on 31 December 2021 are broken down as follows:

(All amounts presented in thousands Euro)	2021	2020*
Personnel salaries and benefits	2,027	1,673
Social security fund contributions	426	404
Provision for staff retirement indemnities	(3)	44
Total expenses	**2,450**	**2,121**

26. FINANCIAL INCOME / (EXPENSES)

On December 31st 2021, the financial income /(expense) in the attached financial statements are broken down as follows:

(All amounts presented in thousands Euro)	2021	2020*
Interest on bank accounts	0	28
Total Financial Income	**0**	**28**
Interest and expenses for long-term financing	(4,105)	(533)
Interest on loans from related entities	(1,824)	(6,592)
Interest on short-term bank loans	(523)	(147)
Interest on leases	(46)	(51)
Bank guarantee fees and other financial expenses	(17)	(1,425)
Discounting expense relating to provision for dismantlement	(127)	(117)
Total Financial Expenses	**(6,642)**	**(8,865)**

27. OTHER INCOME / EXPENSES

On December 31st 2021, other Income /(Expenses) are broken down as follows:

(All amounts presented in thousands of Euro)	2021	2020
Other income:		
Provision of administrative services	430	330
Other income	33,428	55
	33,858	385
Other expenses:		
(Loss)/Profit from impairment of receivables based on IFRS 9	(1,565)	1.015
Impairments/Write off fixed assets	(1,506)	0
Impairments/Write off inventories	(1,448)	
Other taxes	0	(2)
Other expenses	(33,434)	(29)
	(37,953)	984
Total income/(expenses)	**(4,095)**	**1,369**

The total of Other Income € 33,428 thousand (€ 55 thousand in 2020) resulted mainly from the sale of CO_2 rights to the National Bank of Greece (€ 33,413 thousand). For this matter, an equal recognition has been recognized in Other expenses amounting to € 33,434 thousand (Euro 29 thousand in 2020).

28.TRANSACTIONS WITH RELATED PARTIES

Transactions as well as open balances of the Company with related parties for the fiscal years 2021 and 2020 are broken down as follows:

2021

Related party (All amounts presented in thousands of Euro)	**Sales**	**Purchases**	**Debit balance**	**Credit balance**
Jointly controlling companies – HERON ENERGY S.A. (other services)		53		66
Jointly controlling companies – HERON ENERGY S.A. (leases)		53		55
Jointly controlling companies – HERON ENERGY S.A. (administration services)	424	767	933	951
Jointly controlling companies – HERON ENERGY S.A. (hedging)		3,910		331
Jointly controlling companies – HERON ENERGY S.A. (Advances to suppliers)			84,136	
Jointly controlling companies – GEK TERNA Group (administrative services)	6	8	7	10
Jointly controlling companies - GEK TERNA Group (other services)		7		1
Jointly controlling companies – GEK TERNA Group (Loans)		1,824		53,388
Jointly controlling companies – HERON ENERGY S.A. (trade of Electricity and Natural Gas)	982	162,730	982	-
Jointly controlling companies – GEK TERNA Group (trade of Electricity and Natural Gas)	42	-	18	-
Jointly controlling companies –ENGIE Group (Administrative services)		218		14
Jointly controlling companies –ENGIE Group (Loans)		2,710		-
Jointly controlling companies –ENGIE Group (Maintenance (Outage) Works)		252		5
Jointly controlling companies –ENGIE Group (Hedging)	-	47	-	-
Jointly controlling companies –QPI Group (loans)		1,395		-
Total	1,453	173,974	86,076	54,821

2020

Related party (All amounts presented in thousands of Euro)	**Sales**	**Purchases**	**Debit balance**	**Credit balance**
Jointly controlling companies – HERON ENERGY S.A. (other services)		54		-
Jointly controlling companies – HERON ENERGY S.A. (leases)		54		-
Jointly controlling companies – HERON ENERGY S.A. (administration services)	330	584	410	-
Jointly controlling companies – HERON ENERGY S.A. (default interest)		1,225		-

Jointly controlling companies – GEK TERNA Group (administrative services)		45		56
Jointly controlling companies - GEK TERNA Group (other services)		7		9
Jointly controlling companies – GEK TERNA Group (Loans)		1,699		17,116
Jointly controlling companies – HERON ENERGY S.A. (trade of Electricity and purchase of spare parts)		30,801		2,706
Jointly controlling companies – ENGIE Group (purchase of carbon emission rights & spare parts)		16		16
Jointly controlling companies –ENGIE Group (Administrative services)		419		47
Jointly controlling companies –ENGIE Group (Loans)		3,323		32,409
Jointly controlling companies –ENGIE Group (Maintenance (Outage) Works)		448		403
Jointly controlling companies –ENGIE Group (Hedging)	93	81	-	-
Jointly controlling companies –QPI Group (Loans)		1,658		16,655
Total	423	40,414	410	69,417

Remuneration to the members of the Board of Directors and senior officers of the Company: The remuneration of the members of the Board of Directors and of the senior officers of the Company which were recognized on December 31st 2021 and 2020 have as follows:

(All amounts presented in thousands of Euro)	**2021**	**2020**
Fees for services received	557	457

29.RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activity is subjected to various risks and uncertainties, such as the recurrence of macroeconomic uncertainty, the change of the legislative framework with respect to the operation of the production plants, market risk, credit risk and liquidity risk, uncertainty of the effects of extraordinary events (COVID-19) which may have a prolonged and unanticipated duration.

1) Financial risks

In order to deal with financial risks, the Company has established a management plan which aims at mitigating the negative impact on the financial results of the Company which derives from the inability to foresee the court of money markets and the fluctuation in sales cost variables.

The financial products used by the Company mainly consist in bank savings, long-term mostly, but also short-term loans, trade debtors and creditors, other accounts receivables and accounts payable. The effect of the major risks and uncertainties on the Company's activity is broken down below.

In order to deal with the results of COVID-19 that was an extraordinary event, the Company implements a band of measures whose main axis is the protection of the Company's personnel and the minimization of the economic consequences that derive from the preventive measures adopted by the Greek State.

Credit risk

Almost all trade receivables and other receivables derive from the wider public sector, which represents the major energy authorities. Consequently, the relevant credit risk is deemed to be negligible with respect to the main activity of the Company (electricity generation) and the natural gas and electricity market regulations. The same applies for short-term financial assets (cash), since its counterparties are banks whose credit rating by widely recognized foreign credit rating agencies is deemed satisfactory.
Credit risk for cash, as well as for all other receivables is deemed limited, given that the counterparties are Banks with high quality capital structure, the Hellenic Republic or entities of the wider public sector or strong business Groups.
The Company's exposure to credit risk is limited to financial assets which on the date of the Financial Statements are broken down as follows:

(All amounts presented in thousands of Euro)	31.12.2021	31.12.2020
Other long-term receivables (Note 8)	17	17
Trade receivables (Note 10)	4,197	11,999
Other receivables (Note 11)	28	27
Cash and cash equivalents	31,805	8,466
Total	**36,047**	**20,509**

Foreign exchange risk

Foreign exchange risk is the risk that arises when the fair value or future cash flows of a financial instrument are subject to fluctuations due to changes in exchange rates. This type of risk may arise from exchange differences in the valuation of financial assets, mainly receivables and financial liabilities, from transactions denominated in a currency other than the Company's operating currency, which is the Euro.
The Company is not exposed to foreign exchange risk as all its financial instruments (receivables and liabilities) are denominated in Euro.

Interest rate risk

Interest rate risk is the probability that the fair value of a financial instrument's future cash flows will fluctuate due to changes in market interest rates.
Bank loans are denominated in Euros and are subject to floating interest rates. The Company has not entered into interest rate hedging contracts. Regarding the Subordinated Bond Loan of Shareholders, since it is based on fixed interest rate, there is no risk of interest rate change.
The Company's Management monitors and evaluates the evolution of interest rate fluctuations and every time makes sure that it will take, if necessary, the appropriate measures to minimize the risks.
The table below presents the sensitivity of the results for the period to a reasonable change of interest rate of +/-200 basis points (bps) (2020 +/-200 bps) on all variable rate financial instruments, assets or liabilities, derived from Euribor or the spread. Changes in interest rates are estimated to range within a reasonable basis, taking into account recent market conditions.

(All amounts presented in thousands Euro)	2021	2020

	+200 bps	-200 bps	+200 bps	-200 bps
Profit and loss	(103)	103	(10)	10

Market risk analysis

During its activity in the market, the Company generates and supplies with Electricity the Market and Energy System Operator (Hellenic Energy Exchange). Fluctuation of the prices of main goods and sizes that affect the shaping of the electricity generation cost is occasionally rather high and directly linked with the both global trends, e.g. gas prices, carbon dioxide option prices, as well as local-national conditions, such as changes in demand in times of crisis or economic recovery, and are greatly influenced by regulatory changes in markets' planning. At the same time, the shaping of sale prices of both energy and services for the market operator and for the system administrator, respectively, is dictated by the conditions of market competition, mainly in the context of short-term energy and equilibrium markets. In the context of the futures market, the formation of energy selling prices can take the form of a variable sale price based on the purchase cost plus a bonus or a fixed price. In the above context, the Company analyses its exposure to the ever changing prices of the electricity market in relation to the selling prices agreed with its customers and based on the conditions of competition in short-term energy and equilibrium markets, and develops a dynamic risk hedging strategy through the various tools available (indicatively: forward contracts for the sale of energy and the purchase of natural gas at a fixed price for long periods of months or one year, financial dispute agreements for individual market prices/costs, direct participation in the carbon dioxide options market, etc.).

Liquidity risk analysis

The Company manages its liquidity risks by carefully monitoring its financial liabilities as well as the payments effected on a daily basis. The liquidity needs are monitored in various time zones, on a daily and weekly basis as well as in a rolling 30-days period. The liquidity risks for the following 6 months and the year to follow are specified on a monthly basis.
The Company has sufficient cash in Banks in order to cover its liquidity needs for a period of up to 30 days.
The maturity of financial liabilities of the Company on December 31st, 2021 is broken down as follows:

(All amounts presented in thousands Euro)	0 to 12 months	1st -5th year	After the 5th year
Long-term loans	378	53,388	0
Short-term loans	11,200	0	0
Leases	25	49	890
Suppliers	4,866	0	0
Accrued and Other short-term liabilities	42,822	0	0
Total	**59,291**	**53,437**	**890**

The respective maturity of the financial liabilities of the Company on December 31st, 2020 is broken down as follows:

(All amounts presented in thousands Euro)	0 to 12 months	1st -5th year	After the 5th year
Long-term loans	1,180	66,180	0
Short-term loans	14,000	0	0
Leases	113	61	903
Suppliers	5,236	0	0
Accrued and Other short-term liabilities	663	0	0
Total	**21,192**	**66,241**	**903**

30. PRESENTATION OF FINANCIAL ASSETS AND LIABILITIES PER CATEGORY

Financial assets and liabilities on the date of the financial statements can be classified as follows:

Financial Assets	**31.12.2021**	**31.12.2020**
(All amounts presented in thousands Euro)		
Non-current Assets		
Other non-current financial receivables	17	17
Other investments – Fair value via other through Other Comprehensive Income	10	10
	27	**27**
Current Assets		
Trade receivables	4,197	11,999
Other receivables –short-term financial receivables	28	27
Cash and cash equivalents	31,805	8,466
Total	**36,030**	**20,492**

Financial liabilities	**31.12.2021**	**31.12.2020**
Non-current Liabilities		
Long-term loans –Financial liabilities at amortized cost	53,388	66,180
Leases – Financial liabilities at amortized cost	939	964
	54,327	**67,144**
Current Liabilities		
Short-term Loans	11,200	14,000
Long term liabilities payable within the following year - Financial liabilities at amortized cost	378	1,180
Leases – Financial liabilities at amortized cost	25	113
Suppliers - Financial liabilities at amortized cost	5,498	5,236
Liabilities from customers - Financial liabilities at amortized cost	0	0

Accrued and other liabilities - Financial liabilities at amortized cost	42,822	663
Total	**59,923**	**21,192**

31. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The objectives of the Company in relation to capital management are the following:

- To ensure its ability to continue its operation (going-concern) and
- To ensure a satisfactory return for its shareholders, by billing products and services proportionally to the risk level.

The Company specifies the level of capital proportionately to the risk of activities, monitors developments in the economic environment and their effect on risk characteristics, manages capital structure (debt to equity ratio) by adjusting the level and duration of loans, the issuance of new shares or the capital refund to the shareholders, the adjustment of dividends payable and/or the sale of individual or groups of assets.
In this context, the Company monitors its capital based on leverage ratio which is defined as follows: Net debt/ Equity where Net debt shall mean the total Liabilities from loans and finance leases less cash, as presented in the Statement of Financial Position.

At the end of the fiscal years 2021 and 2020, the said ratio has as follows:

(All amounts presented in thousands of Euro)	**31.12.2021**	**31.12.2020**
Interest-bearing loans	64,966	81,360
Less:		
Cash and Cash equivalents	(31,805)	(8,466)
Net debt	**33,161**	**72,894**
Equity:	**104,954**	**43,151**
Leverage Ratio	**316,50%**	**59.20%**

32. EXISTING LIENS AND OTHER ENCUMBRANCES

There are no liens or other encumbrances on the Company's assets.

33. COMMITMENTS AND CONTINGENT LIABILITIES/RECEIVABLES

The Company may face possible litigations iniitated by third parties. According to the Management and the Head of the Litigation Department of the Company, any such claims pursued in court are not expected to materially affect the operation and the financial position of the Company on December 31st, 2021.

34. EVENTS AFTER THE FINANCIAL STATEMENTS DATE

From 01.01.2022 and until the date these financial statements are approved, the following material events occurred:

In mid-February 2022, the recent geopolitical developments in Ukraine led to a substantial increase of the price of specific imported products (fuels, wheat, fertilizers etc.) from the countries involved, this substantially encumbering the economies of the member-states of the European Union, among which the Greek Economy, based on their dependency on the said countries.
The Company constantly assesses the geopolitical risks to which it is exposed, having created specific policies and procedures so as to mitigate the risk to the extent possible.

35. APPROVAL OF THE FINANCIAL STATEMENTS

The Financial Statements for the fiscal year that ended on 31.12.2021 were approved by the Board of Directors on April 27, 2022.

THE CHAIRMAN OF THE BoD	THE MEMBER OF THE BoD
GEORGIOS KOUVARIS	STYLIANI ZACHARIA
THE CHIEF FINANCIAL OFFICER	THE ACCOUNTANT
EMMANUEL FAFALIOS	ALEXANDRA ZARIMBA