HERON II VIOTIA THERMOELECTRIC POWER PLANT SOCIETE ANONYME

85 Mesogeion Avenue, 115 26 Athens, Greece

General Electronic Commercial Registry No. 007798101000

ANNUAL FINANCIAL REPORT

For the year

January 1st to December 31st 2022

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Share Capital € 6,440,000
85 Mesogeion Avenue, 115 26 Athens, Greece
General Electronic Commercial Registry (G.E.MI.) No.: 007798101000
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Board of Directors

Georgios Kouvaris	Chairman of the Board of Directors
Loukas Dimitriou	Member of the Board of Directors & General Manager
Styliani Zacharia	Member of the Board of Directors
Emmanuel Moustakas	Member of the Board of Directors
Panagiotis Pervanas	Member of the Board of Directors

Auditing Firm

Grant Thornton Certified Auditors-Accountants and Business Consultants Société Anonyme

I. ANNUAL MANAGEMENT REPORT OF THE BOARD OF DIRECTORS FOR THE FINANCIAL YEAR 2022

Dear Shareholders,

According to the provisions of Law 4548/2018 and of the Articles of Association of the Company, we are hereby submitting the Annual Management Report of the Board of Directors for the financial year from 01.01.2022 to 31.12.2022.

This Report discloses financial and non-financial information of the Company HERON II VIOTIA THERMOELECTRIC POWER PLANT S.A., for the year 2022 and the most important events that occurred before and after the financial statements reporting date. In addition, the major risks and uncertainties that the Company may face in 2023 are described and the important transactions between the Company and its related parties are also presented.

A. *Financial Developments and Performance for the Financial Year 2022*

Performance of the economy during the year 2022

Despite the challenges presented since the beginning of the year, the Greek economy in 2022 managed to achieve a significant increase, higher than the European average and almost twice the estimates at the beginning of last year (after the start of the war in Ukraine). According to the provisional data of ELSTAT, the Greek economy grew at a rate of 5.9% for 2022 as, despite high inflation, investments supported by the RRF and government measures to deal with high energy prices in households and businesses absorbed significantly its impact on the economy.

More specifically, in the first half of the year, the economy recorded a strong growth rate (+7.5%) supported mainly by private consumption and investments, which recorded a double-digit growth, but also by the lower base level. From the third quarter of the year, however, the rate of expansion slowed as high inflation now appeared to affect consumer spending more, while the higher base level should also be noted.

Investments made a significant contribution in 2022, with the public investment program amounting to 11.0 billion for 2022. Foreign direct investment also noted a historic record in 2022 and amounted to 6.24 billion euro compared to 5.56 billion in 2021. Here it should also be noted the significant contribution of the money from the recovery fund, with the country presenting one of the highest absorption rates in the European Union with 11.4 billion (about 6.4% of GDP) having been distributed in the country from August 2021 until now. Finally, the significantly improved liquidity conditions are noted, with deposits exceeding 180 billion, the highest level since 2011.

The Consumer Price Index according to ELSTAT's latest data for the whole of 2022 was 9.6%, showing a steady deceleration during the last quarter of the year as a result of the decline in energy prices and the higher base rate. In December the index stood at 7.2%, lower than the corresponding index in the Eurozone which was at 9.2%.

Further decline in unemployment had a positive impact on the consumer spending, with the seasonally adjusted unemployment rate in December 2022 reaching 11.6%, compared to 12.9% in December 2021, levels seen before 2010.

In the export sector, tourism recorded a very strong performance with total receipts amounting to 17.6 billion (97% compared to 2019) and visitors reaching 27.8 million (89% compared to 2019). On the other hand, imports also marked a significant improvement due to higher energy prices, resulting to an increase of the current account balance compared to 2021.

In the fiscal sector, according to the latest figures Greece recorded a primary surplus of 0.1% of GDP (or 273 million) for 2022 against the target for a primary deficit of 1.6% following improved tax revenues and higher growth despite measures to support households from inflationary pressures. It should be noted that based on the data of the Ministry of Finance, the Government supported households and businesses against the energy crisis with 10.7 billion in 2022 (not all of them had a fiscal footprint).

The interest rate on the benchmark Greek ten-year bond at the end of December 2022 reached 4.3%, compared to 1.2% at the beginning of the year as a result of the upward cycle of interest rates in global markets, with the spread against German bonds widening by about 50 basis points to 200 points. In total for 2022, the Hellenic Republic borrowed 8.3 billion euro from the markets through bond issuance, while the country's credit rating was upgraded by one notch in 2022 by 3 rating agencies (S&P, DBRS, R&I). Greece is currently one point below investment grade according to Scope, DBRS, S&P and R&I, 2 points below according to Fitch and 3 for Moody's.

Prospects of the Greek Economy

The growth of the Greek economy is expected to continue in 2023, but at lower rates as a result of lower growth in the Eurozone and the inflationary pressures expected to affect private consumption. In addition, the change in monetary policy to a more restrictive one is expected to have a dampening effect on economic activity. However, the effective use of the resources of the long-term EU budget 2021-2027 and the European Recovery and Resilience Mechanism can mitigate the effects of the energy crisis on the economy.

According to the Bank of Greece, the Greek Economy is expected to grow at a rate of 2.2% for 2023, remaining however above the European average (+1.0% according to the Commission and the ECB).

The fall in inflation is expected to gradually moderate the impact on households, supporting consumption along with announced increases in wages and pensions. A positive contribution is also expected from investments with the public scheme amounting to 12 billion for 2023 according to the budget and the utilization of the money from the RRF. Tourism is also expected to move positively for another year. Finally, there have been a number of positive developments for the European economy in recent months, with lower energy prices due to a milder winter and a diversified mix of imports, business and labor market resilience helping the European economy to avoid recession in late 2022 and early 2023.

In the longer term, the outlook for the Greek economy remains positive with the Government in its Medium Term Program (2023-26) predicting growth of 3.0% for 2024 and 2025 (versus 1.6% and 1.6% respectively for the Eurozone based on the ECB) on the condition of de-escalation of the geopolitical crisis and reduction of energy prices, a good course of tourism and implementation of the important investment plans.

Developments in the energy sector and effects of the crisis

Since the Fall of 2021 the global energy system has been under severe disruption, which was further exacerbated in early 2022 with Russia's military attack against Ukraine. The steep rise in energy prices created significant inflationary pressures but also questions regarding energy security.

The energy needs of the country are covered mainly by imports (crude oil and natural gas) and to a lesser extent, by domestic production of solid fuels and renewable energy sources (RES). The dependence index on primary energy imports in Greece amounts to approximately 85% compared to 60% in the EU, indicating the high energy dependence of the country. However, this dependence is partially offset by the country's diversified sources of supply as a result of its geographical location and the investments made in relevant infrastructure.

As a result of this, the country was able to meet its energy needs in 2022 without significant problems. It is worth mentioning that natural gas imports from Russia for internal consumption as well as for export in 2022 decreased by 16% (with the total of demand to increase by 11%) and to be limited to 33% of the total against 45% in 2021.

After a period of particularly low international gas prices, reflecting reduced demand due to the pandemic, prices have shown a strong upward trend since mid-2021. As a result the average import price for Greece increased from 15.2 Euro/MWh in January 2021 to 98.2 Euro/MWh in January 2022, reaching 175.5 Euro/MWh in September 2022. Since then there has been a steadily declining trend following international markets.

The rise in natural gas supply prices dragged along wholesale electricity prices on the Greek energy exchange, which recorded an equally steep rise. In August 2022, wholesale electricity prices including surcharges (for balancing and other ancillary services) reached 454.9 Euro/MWh against 251 Euro/MWh in January before falling to 311.9 Euro/MWh in December. Overall for 2022 the wholesale price amounted to 306.6 Euro/MWh against 132.1 Euro/MWh in 2021. The increase in the price of CO_2 emission rights has also contributed to the increase in electricity prices but their effect on electricity prices is smaller than the effect from the increase in natural gas prices.

Given the increase in the import prices of natural gas and wholesale electricity, the retail prices of natural gas and electricity showed a significant increase, effectively forcing the Government to subsidize energy bills for businesses and households. Overall for the year it is estimated that after the subsidies the burden on households and businesses amounted to 20%-50% (depending on consumption).

In its effort to limit the effects of energy crises, the Greek Government instituted a series of regulated interventions in the energy market to reduce costs for consumers. The most basic of these were:

i) Imposing a ceiling from July 1, 2022 to June 30, 2023 on the compensation of producers of electricity from lignite, natural gas (the ceiling is adjusted monthly based on the international prices of natural gas and CO2), hydroelectric plants and RES. Indicatively for December 2022 the ceiling was 196.5 Euro/MWh for lignite, 326.9 Euro/MWh for natural gas units, 112.0 Euro/MWh for large hydro and 85.0 Euro/MWh for RES portfolios. Thus, the additional revenue from the wholesale electricity market, after compensating producers, is allocated to the Energy Transition Fund and used to subsidize consumers.
ii) Research on excess earnings in the production and trading of electricity and natural gas, with any resulted revenue being allocated to the Energy Transition Fund and used to subsidize consumers.
iii) A fee of 10 Euro/MWh on the price of natural gas used for electricity generation was imposed from November 2022.

Other interventions included changing the pricing of electricity consumers, by removing the readjustment clause, suspending the delignitization program with an increase in lignite production, additional subsidy from the state gas company to consumers.

Overall, it is estimated that Greece allocated one of the highest amounts at European Union level to support the economy against the energy crisis, amounting to approximately 5.0% of GDP.

Electricity production and developments in RES

Electricity consumption in the country for 2022 fell by 3.4% (interconnected system) mainly as a result of reduced demand in the system due to milder temperatures. As a result, natural gas production decreased by 14%, while hydroelectric production decreased by 24.4%, on the contrary, RES production increased by 14.2% as a result of increased installed capacity, while lignite production increased by 4.6 %. Finally, net imports decreased by 6.4%. It is worth noting that the contribution of RES increased to 39% compared to 33% last year, while including large hydroelectric plants, renewable sources covered 47% of the country's total demand, compared to 43% in 2021 and 35% in 2020.

At the end of 2022, the total installed RES capacity in the country stood at 9.9GW compared to 8.8GW at the end of 2021. The total installed capacity of wind parks in the country reached 4,681MW, with the addition of 230MW over the year. Accordingly, the installed capacity of PV parks in the country reached 4,592 (excluding PV on roofs) marking an increase of 922MW. It is worth noting that according to ELETAEN, at the end of 2022 over 840MW of new wind parks were under construction, the vast majority of which are expected to be connected to the grid within the next 18 months. Another 450MW are in the phase of contracts' signing or about to start their construction. As a result, the total wind capacity will reach around 6GW within the next three years.

In September 2022, RAE proceeded to conduct a joint competitive bidding process for RES stations. A total of 524MW of power was auctioned, which was allocated to wind technology at a rate of 30.9% (166.25MW) and to photovoltaic technology at a rate of 69.1% (372.16MW). The weighted average price for photovoltaics rose to 47.98 Euro/MWh and for wind to 57.66 Euro/MWh. It is recalled that in the previous joint tendering process (May 2021) the weighted average price for photovoltaics amounted to 37.6 Euro/MWh with the reservation of 350MW, while there was no wind farm that was selected, resulting in 88MW remaining unallocated.

Recently the Greek Government presented the draft of the new National Energy and Climate Plan (ESEK) using the Repower EU policy package as a reference. The new ESEK aims to:

i) Reduction of greenhouse gas emissions by 55% in 2030, compared to the level of emissions in 1990, and achieving climate neutrality in 2050;
ii) Indicator for RES as a percentage of gross final energy consumption in 2030 equal to 40% (or 45%), accompanied by individual targets per consumption sector (electricity, heating-cooling and transport)
iii) Energy efficiency in 2030 equal to -13%, measured as a percentage change in final energy consumption compared to the 2030 projection of the 2020 Reference Scenario
iv) Targets for blending biofuels (advanced and upper limit in conventional) and renewable gases of non-biological origin as % in transport fuels

In the electricity sector, ESEK (National Energy and Climate Plan) aims to increase the installed RES capacity in the country to 25GW by 2030, with RES covering approximately 80% of the demand for electricity and 45% of the total demand for energy.

In this changing economic and geopolitical environment, the Company, HERON II VIOTIA THERMOELECTRIC POWER PLANT S.A., has captured a leading position in the area of electricity generation via the use of natural gas possessing at the same time an especially strong capital structure. Furthermore, the Company has already demonstrated 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 continuing operations amounted to 772,253 thousand euros in 2022 compared to 288,230 thousand euros in 2021, posting an increase of 168% (a) mainly due to the global energy crisis and the war in Ukraine which resulted in the operation of the plant at full capacity and (b) the increased sale prices that had been established in the electricity market.

EBITDA plus the non-cash results (adjusted EBITDA from continuing operations) amounted to 137,418 thousand euros in 2022 and to 58,178 thousand euros in 2021, recording an increase due to the higher turnover and the improvement of gross profit.

The Operating Results before interest and taxes (EBIT) from continuing activities amounted to 123,240 thousand euros compared to 47,583 thousand euros in the corresponding period of 2021 and are significantly increased due to the stronger EBITDA for the year.

Earnings before taxes amounted to 123,480 thousand euros compared to 39,435 thousand euros in the corresponding period of 2021, positively affected by the above mentioned factors.

Earnings after taxes amounted to 97,915 thousand euros in 2022 compared to 42,484 thousand euros in 2021.

The Company's Net Debt/(Surplus) (loan liabilities minus cash) amounted to (37,757) thousand euros on 31.12.2022 compared to 33,161 thousand euros on 31.12.2021 posting an improvement by (70,918) thousand euros.

The investment expenditures for the year 2022 amounted to 308 thousand euros.

The Company's Total Assets on 31.12.2022 amounts to 346,631 thousand euros, compared to 243,304 thousand euros on 31.12.2021.

The Company HERON II VIOTIA THERMO-ELECTRIC POWER PLANT S.A. operates a CCPP (Combined Cycle Gas Turbine Power Plant) which has been constructed on a plot leased for a long time period from an affiliated company of GEK TERNA Group. The nominal capacity, on the preparation date of the present financial statements, had settled at approximately 441 MW, while the Company's Commercial Activity Effective Date was August 4, 2010. The Company's Power Plant is based on one axis and specifically one air turbine and one steam turbine. The Plant operates exclusively on 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 rate of the Power 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 producer after the RES (Renewable Energy Sources) operators.

B. Significant Events in the Period 01.01 – 31.12.2022

During the year 2022, the most important event at global level, which fundamentally affected the energy markets, was the war in Ukraine and the consequent surge in clearing prices and volatility of energy products, but also the reduced availability of these, especially of natural gas. The energy crisis took on large dimensions, especially in Europe, which can only be compared to the great global oil crisis of the 1970s. The reason was clearly the great dependence of European countries on Russian gas imports, the notable lack of liquefied natural gas' import infrastructure that would allow its immediate replacement by imports from other countries and the delayed reaction at the level of the European Union strategy in view of the winter 2022-23.

In Greece, the crisis manifested itself mainly in the form of a leap in the cost of natural gas supply and the cost of electricity production. Regarding the availability of natural gas supply and the security of energy supply, our country was in a more favorable position than many other European countries, thanks to the possibility of uninterrupted import of liquefied natural gas and the import of natural gas from Azerbaijan through the TAP pipeline. In fact, Greece became an exporter of natural gas to neighboring countries, especially to Bulgaria, significantly strengthening their energy security.

In this context, the Company was mainly asked to face stability risks of its cash flows, especially during periods of its participation in natural gas imports, which as a rule require prepayment of part or all of the imported quantities. Much more important was the effect of the continuous extraordinary changes in the regulatory framework, which were launched and implemented with the aim of extracting financial resources from the direct and horizontal taxation of the revenues of electricity production companies and using them to mitigate the socio-economic consequences of the increase in energy cost. In particular, the following important facts can be identified:

- The imposition of an extraordinary levy on electricity production companies, which for the year 2022 concerned the period January – June 2022.
- The establishment by the Ministry of Environment & Energy of a temporary ceiling (July 8, 2022 to June 1, 2023, which was then extended until September 30, 2023) on producers' revenues from the Day-Ahead Market (Article 122 "Temporary Mechanism of Return Part of Revenue from Day-Ahead Market", Law 4951/2022).
- The extension of the cap a few months later (from October 2022) on producers' revenues from the intraday market and the re-extension of the cap also on producers' revenues from their transactions on the intraday continuously traded market (XBID).
- The imposition of a special levy of 10 Euro for each thermal megawatt-hour consumed by natural gas-fired power plants from November 2022.
- The assignment of the obligation to the Company to maintain a significant safety stock in the form of liquefied natural gas in floating storage tank (FSU) for the period November 2022 – March 2023.

Notable developments, in terms of reforming and developing the wholesale natural gas and electricity markets and creating better conditions for optimizing the economic performance of gas-fired power stations, were the launch of the Natural Gas Trading Platform on 21/03/2022 and the Continuous Intraday Transaction (XBID) on 30/11/2022, respectively.

In the fourth quarter of 2022, the Company acquired 51% of OPTIMUS ENERGY S.A., which is the first and largest Renewable Energy Representative in Greece with an active portfolio of over 2 GW, and 100% of the companies TERNA ENERGY TRADING LTD based in Cyprus, TERNA ENERGY TRADING DOO based in Serbia, TERNA ENERGY TRADING EOOD based in Bulgaria, TETRA DOOEL SKOPJE based in North Macedonia, TERNA ENERGY TRADING SHPK based in Albania. The Company also proceeded with its participation by 100% in the capital of the newly established company FIER HELIOS SHPK based in Albania. The aim of the above corporate actions is to improve the organizational structure of the Group through an even stronger vertical integration in energy trading and production and provision of energy services.

C. Significant events after the period 01.01 – 31.12.2022

From 01.01.2023 until the date of approval of the accompanying financial statements, the following important events occurred:

The Company paid an amount of € 5.5 million for the acquisition of 12,344 common registered shares of the company under the name "Optimus Energy Societe Anonyme" representing 51% of the share capital as provided for in paragraph 3.5 of the respective Share Transfer Agreement from TERNA ENERGY SA to HERON II VIOTIA SA.

From 01/01/2023 a special levy of 5% was imposed on the basic natural gas configuration index (Title Transfer Facility_Month Ahead - TTF_MA) and the special levy of 10 Euro for each thermal megawatt hour consumed by natural gas-fired power plants ceases to apply that had been imposed from November 2022.

Apart from the above, until the date of this report, no other important event has occurred.

D. Risk factors and Uncertainties

The Company's activity is exposed to various risks and uncertainties, as the recurrence of macroeconomic uncertainty, the 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, there has been 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 analyzed 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 originate from the wider public sector, which represents the main 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.

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 foreign 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

The risk of interest rate fluctuations 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 based on 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 a fixed interest rate, there is no risk of any 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 such risks.

The following table presents the sensitivity of the results for the period in a rational change of the interest rate by +/-200 unit basis (UB) (2021: +/-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 rational basis with regard to the recent market conditions.

(Amounts in Euro thousand unless stated otherwise)

	2022		2021	
	+200 bps	**-200 bps**	**+200 bps**	**-200 bps**
Net earnings before taxes	**(0.036)**	**0.036**	**(0.103)**	**0.103**

Market risk analysis

During its activity in the Market, the Company produces and supplies Electricity and provides balancing services to the Market Operator (Hellenic Energy Exchange) and to the Independent Power Transmission Operator (IPTO or ADMIE). The fluctuation in the prices of basic goods and quantities that influence the formation of electricity production costs is at times particularly high and is being directly affected by global trends, e.g. natural gas prices, carbon dioxide option prices, as well as local-national conditions, such as the change in demand along the cycles of crisis or economic recovery, the emergence of new and competitive production units such as the Renewable Energy Sources (RES), while it is also largely affected by regulatory changes in relation to the market. At the same time, the formation of sale prices of energy and services at the level of the Market Operator and the System Administrator, respectively, is dictated by the conditions of competition, mainly in the context of the short-term energy and balancing markets. In the context of the futures market, the energy sale price can take the form of a variable sales price based on the purchase cost plus a premium or a fixed price. In the above context, the Company analyzes its exposure to the constantly changing electricity prices in relation to the sales prices it has agreed with its customers and the competitive conditions in the short-term energy and balancing markets. At the same time the Company develops a dynamic risk hedging strategy through various available tools (indicative: forward contracts for the sale of energy and the purchase of natural gas at a predetermined price for a long period or for a year, corresponding financial options contracts, contracts for financial differences for individual market prices / costs, direct participation in the market for carbon dioxide options, etc.).

Liquidity risk analysis

The Company manages its liquidity needs by carefully monitoring the financial liabilities as well as the payments made daily. Liquidity needs are monitored in various time zones, on a daily and weekly basis as well as in a rolling period of 30 days. Liquidity needs for the next 6 months and the following year are determined on a monthly basis.

The Company maintains sufficient cash in banks 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 from the current economic conditions prevailing in Greece, but also in the global economy

The report on the Greek economy for the year 2022 was positive, since the achieved growth amounted to 5.9% following the growth of 2021 (8.4%) and according to the existing estimates of the Bank of Greece for 2023 it will amount to 2.2%.

The Greek economy is developing at a faster rate compared to its European counterpart, due to its lower dependence on the ongoing energy crisis, which was augmented by the geopolitical developments in Ukraine. The effect of the reduced supply of natural gas from Russia to the European Union and its substitution with the more expensive solution of liquefied natural gas, negatively affected the electricity produced, resulting in an increase in the prices of the produced products, which fed into the already existing inflationary pressures on the European Union.

As a result of the above, inflation based on the harmonized Consumer Price Index, for the whole of the European Union in 2022, was 9.6%, due to the upward trend of energy needs as well as price increases in food items.

The level of inflation (Harmonized Index of Consumer Prices-E.D.T.K.) for 2023-2024, it is estimated to amount to 5.8% and 3.6% respectively, mainly due to the expected decline in energy prices and the negative effect on the basis of comparison.

The European Central Bank, in its attempt to control inflation, considering that this increase is due to increased demand, proceeded with repeated interest rate increases, where from July 2022 until the date of drafting the Financial Statements, they have risen to 3.5%, with the prospect of increasing even more if required by its plan to achieve the objective of reducing liquidity, so as to reduce demand and, by extension, inflation.

To date, with the existing estimates of the continuation of the energy crisis, as to the duration and intensity of the hostilities in Ukraine, as well as the continued increase in lending rates, which is considered to be the "only solution" to reduce inflation, the operations of the economies and especially of the European Union, are negatively affected resulting in the reduction or even zero growth.

The additional causes of uncertainty regarding the course of economic activity in Greece for the coming years that could work negatively or positively in terms of the achievement of development goals are listed below:

- A possible prolonged political uncertainty.
- The delay in reducing the public debt ratio.
- The continued increase in lending rates, which caused borrowers problems of not being able to repay the installments of the mortgage loans for the first residence and the agricultural land.
- The continued rise in inflation due to higher energy and consumer goods prices, which reduces real disposable income and household purchasing power, will create the need for additional fiscal measures to support vulnerable incomes.
- The reduction in Greek tourism receipts compared to 2022, due to a) the negative geopolitical developments and b) the weakening of the disposable income of many countries of origin of visitors, mainly the European Union.
- The effect of geopolitical developments on foreign direct investment, as increased uncertainty adversely affects the investment risk of a country that has not yet reached investment grade.
- The non-acceleration of structural reforms and the possibility of the Government's inability to disburse European funds on time and any obstacles to the implementation of investment plans.
- The continuing delay in the administration of justice.
- The inability of certain sectors of the Public Administration to overcome the bureaucracy in terms of solving the problems of the Greek economy.

On the contrary in this variable international environment, the development of the Country is significantly enhanced by the contribution of the Recovery and Resilience Fund (RRF) as more than 30 billion Euro are expected to flow into the Greek Economy during the coming years, with Greece to lead the absorption indices of the respective funds as a percentage of GDP. Additionally, the upgrading of the investment grade by the rating agencies for the Greek State is expected to have an additional positive effect, which would mean inflows of more investment funds into the Greek economy with more favorable terms for borrowing the funds required for the implementation of investments.

Despite the new conditions created by the geopolitical changes of the ongoing energy crisis and inflationary pressures, and given that the Company has no activity in Russia, Ukraine and Belarus, the outlook for it remains positive.

Global public health crisis from the coronavirus pandemic (COVID-19)

The decreasing effect of the pandemic resulted in the withdrawal of restrictive measures, among which was the free movement of populations, significantly improving the functioning of economies worldwide, since at the same time the movement of products was exempted from the existing prohibitions, which aimed the non-transfer of the virus from area to area.

The Company's Management continuously monitors and carefully evaluates the situation and its possible effects on the Company's activities by undertaking initiatives that deal with the effects of the pandemic as much as possible. The production of Electricity from Thermal Energy Sources in 2022, continued without particular problems due to COVID-19 and its mutations.

2) Other risks and uncertainties

<u>Geopolitical risk</u>

The ongoing and escalating hostilities between Ukraine and Russia with the indirect involvement of the European Union and the USA through the provision of support to the Ukrainian side resulted in the removal of the possibility of a ceasefire between the warring sides. The adoption of restrictive measures by the European Union and the USA regarding the movement of funds of Russian origin, as well as additional restrictive measures in the same direction (asset freezes, convictions, etc.), as well as bans on the sale of Russian products in the European Union and other countries, have resulted taking countermeasures by Russia against the European Union, including reducing the quantities sold of natural gas while significantly increasing the price, which is the main fuel for electricity generation in many European Union countries, including Greece. The result of this is the very large increase in the selling price of the electricity used, which is finally transferred to the final consumers, creating, among other problems, inflationary pressures in the entire economy.

In the effort to satisfy the demand for electricity of the European Union’s population, the states were forced to take fiscal measures to support consumers and especially vulnerable households at the expense of their development. At the same time, the European Central Bank, in its attempt to control the inflationary pressures of the economies, as early as the 4th quarter of 2022, has increased lending rates by 3.5% up to the date of drafting the Financial Statements, with the perspective to increase even more if required to achieve the goal of reducing liquidity, so as to reduce demand and, by extension, inflation, creating disincentives in the investment climate.

The Company continuously assesses the geopolitical risks to which it is exposed, having formulated specific policies and procedures, so as to mitigate the risk to the extent possible.

<u>E. Growth Outlook</u>

Due to the special conditions that emerged from the recent geopolitical events and the subsequent increase in the sale price of produced electricity, the Company's outlook is expected to be satisfactory.

(Amounts in Euro thousand unless stated otherwise)

F. Other Operating Ratios & Indicators

Net Debt / (Surplus)

It is a ratio, through which the Management of the Company assesses the cash position of an operating segment at any given time. The ratio is defined as the total liabilities from loans and finance leases less cash and cash equivalents. From the respective ratio if restricted deposits are subtracted and the grants to be returned are added, the "Net Debt/ (Surplus) after restricted deposits and grants to be returned" is also extracted.

The ratio on 31.12.2022 and 31.12.2021 was as follows:

	31.12.2022	31.12.2021
Long-term loans (Note 14)	27,520	53,388
Liabilities from bank leases	0	0
Short-term loans (Note 14)	8,401	11,578
Long-term loan liabilities payable within the next financial year	0	0
Total Loan Liabilities	**35,921**	**64,966**
Less: Cash and cash equivalent (Note 13)	(73,678)	(31,805)
Net Debt / (Surplus)	**(37,757)**	**33,161**
Less: Restricted bank deposit accounts	0	0
Plus: Approved and collected grants to be returned	0	0
Net Debt/(Surplus) with restricted deposits and grants to be returned	**(37,757)**	**33,161**

EBITDA (Earnings before Interest Taxes, Depreciation & Amortization)

It is a ratio; based on which Group's Management assesses the operational performance of an operating segment. The "EBITDA" ratio is defined as Earnings Before interest and Taxes "EBIT", plus depreciation of fixed assets and amortization, less the fixed assets grants, as presented in the accompanying financial statements.

EBITDA amounted to 137,418 thousand euros in 2022 and to 58,178 thousand euros in 2021, and is calculated as follows:

	01.01.-31.12.2022	01.01.-31.12.2021
Gross profit	125,455	51,790
Administrative and distribution expenses	(2,377)	(1,617)
Research and development expenses	0	0

(Amounts in Euro thousand unless stated otherwise)

Other income/(expenses) determining EBIT	162	(2,590)
Earnings before interest and taxes (EBIT)	**123,240**	**47,583**
Net depreciation for the year	14,178	10,595
EBITDA	**137,418**	**58,178**

G. Non-Financial Data Report 2022

Adopting the provisions of Law 4403/2016, a section of non-financial data is established, which relates to the areas with the largest impact on the Company in terms of environmental, social, labor issues and issues related to Human Rights, 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, the Regulatory Compliance, its insightful business strategy and the significant 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 driver for growth.

These are:

- Respect for humans and the natural environment
- Creating value for its employees, partners and customers
- Zero tolerance against incidents of bribery and corruption
- 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) <u>Occupational Health and Safety Issues</u>

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) <u>Labor Issues</u>

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 cares for 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, which the Company belongs to, "that it is 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 it 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.

(Amounts in Euro thousand unless stated otherwise)

H. Transactions with Related Parties

The transactions as well as the balances of the Company with related parties for the period ended on 31.12.2022 and 31.12.2021 are analyzed as follows, whereas they are presented in more detail in note 29 "TRANSACTIONS WITH RELATED PARTIES":

Financial Year 31.12.2022

Related party	Income	Purchases	Debit balances	Credit balances
Parent company GEK TERNA	0	1,217	0	27,553
Parent company TERNA	0	247	0	160
HERON ENERGY S.A.	24,158	520,314	127,500	3,872
Other related parties	37,966	70	53	5,568
Total	**62,124**	**521,848**	**127,553**	**37,153**

Financial Year 31.12.2021

Related party	Income	Purchases	Debit balances	Credit balances
Parent company GEK TERNA	0	265	0	34,520
Parent company TERNA	0	1,574	0	18,879
HERON ENERGY S.A.	1,406	167,513	86,051	1,403
ENGIE Group	0	3,227	0	19
QPI Group	0	1,395	0	0
Other related parties	47	0	25	0
Total	**1,453**	**173,974**	**86,076**	**54,821**

Remuneration of the members of the Board of Directors and senior managers of the Company recognized on December 31st 2022, as well as the respective balances have as follows:

	1.1-31.12.2022	1.1-31.12.2021
Services fee	465	558
Fees of Members of BoD	46	0
Total	**511**	**558**

	31.12.2022	31.12.2021
Liabilities	908	950
Receivables	0	0

Athens, 25 April 2023
For the Board of Directors

The Chairman of BoD
Georgios Kouvaris

Independent Auditor's Report

(This report has been translated from Greek original version)

To the Shareholders of HERON II THERMAL POWER STATION VIOTIAS S.A.

Report on the 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 31st, 2022, the income statement and statements of comprehensive income, changes in equity and cash flows statement for the year then ended, and a summary of significant accounting principles and methods 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 31st, 2022, and its financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards that have been adopted by the European Union.

Basis for opinion

We performed our audit in accordance with International Standards on Auditing (ISAs) as these have been integrated to the Greek Legislation. Our responsibilities, under those standards are 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 in Greek Legislation and the ethical requirements relevant to the audit of financial statements in Greece and we have fulfilled our responsibilities in accordance current legislation requirements and the requirements of the aforementioned IESBA Code. We believe that the audit evidence we have /obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information is included in the Board of Directors Report, also referred to in the section "Report on Other Legal and Regulatory Requirements", the Representations of the Members of the Board of Directors, but does not include the financial statements and our auditor's report thereon.

Our opinion on financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the management for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Reporting Standards, as 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor’s responsibilities for the audit of 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 in Greek Law, 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 in Greek Law, 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 for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.
- Evaluate the appropriateness of accounting methods and policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s 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 the fact that under the provisions of Par. 5, Article 2 (part B), Law 4336/2015, management is responsible for the preparation of the Board of Directors' Report, the following is to be noted:

a) In our opinion, the Board of Directors' Report has been prepared in compliance with the effective legal requirements of Article 150, L. 4548/2018, and its content corresponds to the accompanying financial statements for the year ended as at 31/12/2022.
b) Based on the knowledge we obtained from our audit, for the Company "HERON II THERMAL POWER STATION VIOTIAS S.A." and its environment, we have not identified any material misstatements to the Board of Directors' report.

Athens, 25 April 2023

The Certified Public Accountant

George Panagopoulos

SOEL Reg. No 36471

Grant Thornton

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

ANNUAL FINANCIAL STATEMENTS AS AT DECEMBER 31ST 2022
(1st January –31st December 2022)
In accordance with the International Financial Reporting Standards

The Financial Statements were approved by the Board of Directors of HERON II VIOTIA THERMOELECTRIC POWER PLANT S.A. (the "Company") on April 25th, 2023 and have been published online at the website of the Company, www.heron.gr , where they will remain available for at least a 5-year period from the date they were prepared and published. It is noted 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.

(Amounts in Euro thousand unless stated otherwise)

STATEMENT OF FINANCIAL POSITION
31st December 2022

	Note	31.12.2022	31.12.2021
ASSETS			
Non-current assets			
Intangible assets	4	36	66
Right-of-use assets	5	1,168	918
Tangible fixed assets	6	101,333	115,038
Participation in subsidiaries	7	24,200	0
Other investments	8	10	10
Other long-term receivables	9	100,113	123
Total non-current assets		**226,860**	**116,155**
Current Assets			
Inventories	10	4,081	3,065
Trade receivables	11	33,007	4,197
Other receivables	12	9,005	88,068
Income tax receivables		0	14
Cash and cash equivalents	13	73,678	31,805
Total current assets		**119,771**	**127,149**
TOTAL ASSETS		**346,631**	**243,304**
EQUITY & LIABILITIES			
Equity			
Share capital	20	6,440	6,440
Share premium account		63,296	95,496
Reserves	21	1,437	1,434
Profit/(Loss) carried forward		99,338	1,584
Total Equity		**170,511**	**104,954**
Non-current liabilities			
Long-term loans	14	27,520	53,388
Liabilities from leases	15	1,123	939
Provision for staff retirement indemnities	16	36	24
Provision for dismantlement	17	1,723	1,586
Deferred tax liabilities	22	19,833	21,238
Total Non-Current liabilities		**50,235**	**77,175**
Current liabilities			
Short-term loans	14	8,401	11,200
Long-term liabilities payable in the following year	14	0	378
Short-term part of liabilities from leases	15	108	25
Suppliers	18	8,930	5,498
Accrued and other short-term liabilities	19	83,320	44,074
Income tax payable	22	25,126	0
Total current liabilities		**125,885**	**61,175**
TOTAL EQUITY AND LIABILITIES		**346,631**	**243,304**

The accompanying notes constitute an integral part of the attached financial statements.

(Amounts in Euro thousand unless stated otherwise)

STATEMENT OF INCOME AND OTHER COMPREHENSIVE INCOME

1st January to 31st December 2022

RESULTS FOR THE YEAR	**Note**	**1.1-31.12.2022**	**1.1-31.12.2021**
Revenue	23	772,253	288,230
Cost of goods sold	24	(646,798)	(236,441)
Gross profit /(loss)		**125,455**	**51,789**
Administrative and distribution expenses	24	(2,377)	(1,617)
Other income /(expenses)	28	764	(4,095)
Net financial income	27	1,622	0
Net financial expenses	27	(1,984)	(6,642)
Earnings/ (Loss) before income tax		**123,480**	**39,435**
Income tax	22	(25,565)	3,049
Earnings/ (Loss) after income tax		**97,915**	**42,484**
Other comprehensive income			
Other comprehensive results which will not be transferred to Income Statement in subsequent periods			
Actuarial gains/(losses)		4	(5)
Income tax	22	(1)	1
		3	**(4)**
TOTAL COMPREHENSIVE INCOME		**97,918**	**42,480**

The accompanying notes constitute an integral part of the attached financial statements.

(Amounts in Euro thousand unless stated otherwise)

STATEMENT OF CASH FLOWS

1st January to 31st December 2022

	Note	1.1-31.12.2022	1.1-31.12.2021
Cash flows from operating activities			
Profit/ (loss) before income tax		**123,480**	**39,435**
Adjustments for reconciliation of net flows from operating activities			
Depreciation	4, 5, 6	14,178	10,595
Impairment of assets	11	(603)	4,519
Provisions		16	(3)
Interest and related income	27	(1,622)	0
Interest and other financial expenses	27	1,984	6,642
Operating (loss) / profit before changes in working capital		**137,433**	**61,188**
(Increase)/Decrease in:			
Inventories		(1,016)	(530)
Trade receivables		(28,207)	6,237
Prepayments and other receivables		80,691	(76,848)
Increase /(Decrease) in:			
Suppliers		3,432	(370)
Liabilities from customers' contracts		0	632
Accrued and other liabilities		33,583	42,028
Income tax payments		(1,831)	8
Net cash flows from operating activities		**224,085**	**32,345**
Cash flows from investing activities			
Purchases of fixed assets and intangible assets		(308)	(5,095)
Receipt of interest and other financial income		4	0
Payments for acquisition of control in subsidiary	7	(18,702)	0
Granting of financial facilities and inter-company loans	9	(100,000)	0
Interest and related income received		0	0
Cash flows from investing activities		**(119,006)**	**(5,095)**
Cash flows from financing activities			
Payments for capital return	20	(32,200)	0
Net change in long-term loans	14	(25,868)	1
Repayment of liabilities from leases	15	(118)	(113)
Receipts from assumed short-term loans	14	(2,800)	(2,800)
Interest & other financial expenses payable		(2,220)	(999)
Cash flows from financing activities		**(63,206)**	**(3,911)**
Net increase in cash		**41,873**	**23,339**
Cash and cash equivalents at the beginning of the year		31,805	8,466
Cash and cash equivalents at the end of the year		**73,678**	**31,805**

The accompanying notes constitute an integral part of the attached financial statements.

(Amounts in Euro thousand unless stated otherwise)

STATEMENT OF CHANGES IN EQUITY

January 1st to December 31st 2022

		Share Capital	Share Premium Account	Reserves	Profit / (Loss) Carried Forward	Total
1st January 2021		**6,440**	**95,496**	**1,438**	**(60,010)**	**43,364**
Total comprehensive income		-	-	(4)	42,484	**42,480**
Other movements (note 13)		-	-	-	19,110	**19,110**
31st December 2021		**6,440**	**95,496**	**1,434**	**1,584**	**104,954**
1st January 2022		**6,440**	**95,496**	**1,434**	**1,584**	**104,954**
Total comprehensive income		-	-	3	97,915	**97,918**
Capitalization of reserves	20	32,200	(32,200)			
Share capital return	20	(32,200)		-	(161)	**(32,361)**
31st December 2022		**6,440**	**63,296**	**1,437**	**99,338**	**170,511**

The accompanying notes constitute an integral part of the attached financial statements.

NOTES ON THE FINANCIAL STATEMENTS

1. ESTABLISHMENT AND COMPANY ACTIVITY

HERON II VIOTIA THERMOELECTRIC POWER PLANT S.A. (hereinafter the "Company") is a company incorporated in Greece and was set up as a Société Anonyme on 27.09.2007. The Company has its registered office at 85 Mesogeion Avenue, 115 26 Athens, Greece and its term has been set at fifty (50) years. The Company is registered in the General Electronic Commercial Registry under No. 0007798101000 and at the Greek Registry of Société Anonyme Companies under No. 64277/06/B/07/608.

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

The Company has completed the construction of the 441 MW combined cycle electricity generation plant in the industrial zone of Thebes, Greece, at the site "Haraintini" and has set the plant into operation since August 2010.

The Company is by 75% owned by the company GEK TERNA SA (48,300 shares) which is listed on the Athens Exchange, Greece and by 25% by TERNA SA (16,100 shares), which is a subsidiary of the company GEK TERNA SA. The financial data of the Company are fully incorporated in the consolidated financial statements of GEK TERNA SA.

2. BASIS FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

2.1. 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 also prepared in compliance with International Financial Reporting Standards (IFRS) which have been issued by the International Accounting Standards Board, as well as with their Interpretations which have been issued by the Standards Interpretations Board, as adopted by the European Union until December 31st, 2022. There are no standards that have been adopted before their effective date.

2.2. Going concern

The Company's management estimates that it has sufficient resources to ensure the smooth continuation of its operation as a "Going Concern" in the foreseeable future. Management's decision to use the going concern principle is based on considerations related to the potential effects of the war that has erupted between Russia and Ukraine, the impact of which is entirely evident on electricity market which is the main field of business activity of the Company.

The Management has assessed that there is no substantial uncertainty regarding the continuation of the Company's activity, thereby implementing the corresponding framework for the preparation of the financial statements for the year ended on 31.12.2022.

2.3. Basis of measurement

The attached Financial Statements as of December 31, 2022 have been prepared in accordance with the historical cost principle.

2.4. Presentation Currency

The presentation currency is the Euro and all amounts are presented in thousands of Euros unless stated otherwise.

2.5. 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, 2021, except for the adoption of new standards and interpretations, whose application is mandatory in the European Union for the fiscal years from January 1st 2022 onwards (see Notes 2.b.1, 2.b.2 and 2.b.3.).

2.5.1 New Standards, Interpretations, revisions and amendment of existing Standards which have 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 01/01/2022 or at a later date.

- Amendments to IFRS 3 "Business Combinations", IAS 16 "Property, plant and Equipment (Tangible Assets)", 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 loss-making.
- The **Annual Improvements to the IFRS – 2018-2020 Cycle** concern minor amendments to IFRS 1 "First-time Adoption of International Financial Reporting Standards", to IFRS 9 "Financial Instruments", to IAS 41 "Agriculture" and to the Explanatory Examples (Effects Analysis) accompanying the IFRS 16 "Leases".

The amendments have no impact on the separate Financial Statements.

2.5.2. New Standards, Interpretations, Revisions and Amendments to existing Standards which have not yet entered into force or have not been adopted by the European Union

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

- IFRS 17 "Insurance Contracts" (applicable for annual periods beginning on or after 01/01/2023)

In May 2017, the IASB issued a new Standard, IFRS 17, which replaces an interim Standard, IFRS 4. The purpose of the IASB's work was to develop a single principle-based Standard for the accounting treatment of all types of insurance contracts, including reinsurance contracts held by an insurance company. A single principle-based Standard will enhance the comparability of financial reporting across financial entities, jurisdictions and capital markets. IFRS 17 sets out the requirements that an entity should apply to the financial information relating to the insurance contracts it issues and reinsurance contracts it holds. In addition, in June 2020, the IASB issued amendments which, however, do not affect the fundamental principles introduced when IFRS 17 was originally issued. The amendments are designed to reduce costs by simplifying certain requirements of the Standard, lead to more easily explainable financial performance, as well as facilitate the transition by postponing the implementation date of the Standard to the year 2023, while providing additional assistance in reducing the effort required when first implementing the Standard. The Company will consider the impact of all the above on its Financial Statements, although they are not expected to have any. The above has been adopted by the European Union with an effective date of 01/01/2023.

- Amendments to the IAS 1 "Presentation of Financial Statements" (applies for annual periods starting on or after 01/01/2023)

In February 2021, IASB issued 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 consider the impact of all the above on its Financial Statements, although they are not expected to have any. The above have been adopted by the European Union, with effective date on 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 distinguish the difference between changing an accounting estimate and changing an accounting policy. This distinction is important, since the change of an accounting estimate applies only to future transactions and other future events, in contrast with the change in accounting policy which applies retrospectively and applies also to past transactions and other past events. The Company will consider the impact of all the above on its Financial Statements, although they are not expected to have any. The above have been adopted by the European Union, with effective date on 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 consider the impact of all the above on its Financial Statements, although they are not expected to have any. The above have been adopted by the European Union, with effective date on 01/01/2023.

- Amendments to IFRS 17 "Insurance Contracts: First-time Adoption of IFRS 17 and IFRS 9 – Comparative Information" (applicable for annual periods beginning on or after 01/01/2023)

In December 2021, the IASB issued a limited-purpose amendment to the transition requirements in IFRS 17 to address a significant issue related to temporary accounting mismatches between insurance contract liabilities and financial assets in comparative information in the context of the first application of IFRS 17 "Insurance Contracts" and IFRS 9 "Financial Instruments". The amendment aims to improve the usefulness of the financial information presented in the comparative period for users of the Financial Statements. The Company will consider the impact of all the above on its Financial Statements, although they are not expected to have any. The above has been adopted by the European Union with an effective date of 01/01/2023.

- Amendments to IAS 1 "Classification of Liabilities as Current or Non-current" (applies for annual periods starting on or after 01/01/2024)

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 for at least 12 months after the reporting 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 possibly 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 outbreak of the COVID-19 pandemic. However, in October 2022, the IASB issued an additional amendment aimed at improving the information provided by companies about long-term debt obligations. IAS 1 requires a company to classify a loan as non-current only if the company can avoid settling the loan within 12 months after the reporting date. However, a company's ability to do so often depends on compliance with its commitments. The amendments to IAS 1 specify that commitments to be met after the reporting date do not affect the classification of the loan as short-term or long-term at the reporting date. Instead, the amendments to the standard require a company to disclose information about these commitments in the notes to the financial statements. The amendments are effective for annual periods beginning on or after January 1, 2024, while early adoption is also permitted. The Company will consider the impact of all the above on its Financial Statements, although they are not expected to have any. The above have not been adopted by the European Union.

- Amendments to IFRS 16 "Leases: Lease Liability in a Sale and Leaseback" (applicable for annual periods beginning on or after 01/01/2024)

In September 2022, the IASB issued limited-purpose amendments to IFRS 16 “Leases” which add requirements on how a company accounts for a sale and leaseback after the date of the respective transaction. A sale and leaseback is a transaction in which, a company sells an asset and leases the same asset back for a period of time from the new owner. IFRS 16 includes requirements regarding the accounting treatment of a sale and leaseback at the date when the transaction takes place. However, the

Standard had not specified specify how to measure the transaction after that date. The issued amendments add to the requirements of IFRS 16 regarding sale and leaseback, thus supporting the consistent application of the accounting standard. These amendments will not change the accounting treatment for leases other than those arising from a sale and leaseback transaction. The Company will consider the impact of all the above on its Financial Statements, although they are not expected to have any. The above have not been adopted by the European Union.

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 mostly comprise the software sales cost and all expenses realized in order to render the software operational. Depreciations of software are calculated based on the straight-line depreciation method for a period of three (3) years.

b) Tangible Fixed Assets

Fields, 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	Economic life (in years)
Buildings and technical works	20-25
Machinery and technical installations	4-20
Furniture and other equipment	1-10

Tangible fixed assets under construction include fixed assets under construction and are depicted at cost. Tangible fixed assets under construction are not depreciated until the fixed 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:

- variable leases that depend on an index or an interest rate, which are initially measured using the index or interest rate at the commencement date of the lease term;
- amounts that the lessee is expected to pay based on the residual value guarantees,
- the exercise price of the right if it is reasonably certain that the lessee will exercise the particular option, and
- the payment of a penalty for termination of the lease, if the term of the lease reflects the exercise of the lessee's right 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 "Sales expenses" in the Statement of Income and Other 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 earnings.

e) Inventory

Inventory includes spare parts and other material. Inventory is 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 de-recognition

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 de-recognized 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 de-recognition (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 under customer agreements

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.

g) 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.

h) 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.

i) Provision for staff retirement indemnities

According to the replaced provisions of L. 2112/1920 by L. 4093/2012, the Company indemnifies 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.

j) State Pension Plans

The Company's staff is mainly insured in the State Social Insurance Find 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.

k) 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.

l) 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.

m) Revenues recognition

Revenues are 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 during 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.

(i) *Interest*

Revenues from interest are 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 staff retirement indemnities: Based on the *IAS 19*, the Company assesses the assumptions according to which the Provision for staff retirement indemnities is calculated in an actuarial manner.

(Amounts in Euro thousand unless stated otherwise)

<u>iv) Provision for income tax:</u> 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.

<u>v) Provisions and Contingent Liabilities and Receivables:</u> Provisions are recognized when the Company has a current legal or implied obligation as a result of past events and when such obligation is likely to be settled through an outflow of resources and a reliable estimate of the particular obligation can be made. Provisions are reviewed at each financial statements' date and adjusted to reflect the present value of the outflow expected to be required in order to settle the liability. If the effect of the time value of money is significant, the provisions are calculated by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and, where appropriate, the risks associated with the specific obligation. Contingent liabilities are not recognized in the financial statements however they are disclosed unless the probability of an outflow of resources involving economic benefits is quite limited.

The Company in the context of its business activity might be a party to legal claims and commercial disputes. The Company's management makes provisions for risks and unforeseen events, which may arise from legal cases and disputes that may lead to economic outflows for their resolution. These provisions are recorded based on the management's best estimate of the outflows expected to arise as well as the probabilities associated with the final outcome of each legal case. The final outcome of these cases as well as any related amounts may differ from the corresponding amounts recorded in the financial statements.

4. INTANGIBLE ASSETS

The intangible assets of the Company and their movement for the periods 1 January to 31 December of 2022 and 2021, presented in the attached financial statements, are analyzed as follows:

Book value	**2022**	**2021**
1st January	**406**	**403**
Additions	0	3
Sales	0	0
Write off	0	0
Transfers	0	0
31st December	**406**	**406**
Accumulated depreciation and impairment		
1st January	**(340)**	**(311)**
Amortization	(30)	(29)
Sales	0	0
Write off	0	0
Impairment	0	0
31st December	**(370)**	**(340)**
Net book value 31st December	**36**	**66**

(Amounts in Euro thousand unless stated otherwise)

Amortization during the present financial year have been recognized in the account "Cost of Goods Sold" by € 30 thousand (€ 29 thousand for the year 2021) in the Statement of Comprehensive Income.

5. RIGHT-OF-USE ASSETS

The right-of-use assets and their movement for the periods 1 January to 31 December of 2022 and 2021, presented in the attached financial statements, are analyzed as follows:

	Land	Buildings & Facilities	Means of Transportation	Total
Acquisition cost/Book value				
1st January 2022	**980**	**242**	**59**	**1,281**
Additions	0	341	44	**385**
Termination of contracts	0	0	0	**0**
31st December 2022	**980**	**583**	**103**	**1,666**
Accumulated depreciation and impairment				
1st January 2022	**(75)**	**(242)**	**(46)**	**-363**
Depreciation	(25)	(86)	(24)	**(135)**
Termination of contracts	0	0	0	**0**
31st December 2022	**(100)**	**(328)**	**(70)**	**-498**
Net book value				
31st December 2022	**880**	**255**	**33**	**1,168**

Depreciation for the year 2022 corresponds to 135 thousand euros and is depicted in the Statement of Comprehensive Income in the account "Cost of Goods Sold" by 24 thousand euros and by 111 thousand euros in the account "Administration and Distribution Expenses".

6. TANGIBLE ASSETS

The tangible fixed assets of the Company and their movement for the periods January 1 to December 31, 2022 and 2021, in the attached financial statements, are analyzed as follows:

	Buildings	Machinery	Other	Fixed assets under construction	Total
Book Value					
1st January 2022	**18,240**	**268,823**	**644**	**0**	**287,707**
Additions	0	0	0	308	**308**
Transfer (from)/to tangible fixed assets	0	0	0	-308	**-308**
Transfer (from)/to intangible assets	0	0	0	0	**0**

(Amounts in Euro thousand unless stated otherwise)

Transfer from assets under construction	64	174	70	0	**308**
Cost of sold/written off fixed assets	0	0	0	0	**0**
31st December 2022	**18,304**	**268,997**	**714**	**0**	**288,015**

Accumulated depreciation and impairment	**Buildings**	**Machinery**	**Other**	**Fixed assets under construction**	**Total**
1st January 2022	**-8,605**	**-163,566**	**-498**	**0**	**-172,669**
Depreciation	-746	-13,215	-52	0	**-14,013**
Impairment	0	0	0	0	**0**
Termination of contracts	0	0	0		**0**
31st December 2022	**-9,351**	**-176,781**	**-550**	**0**	**-186,682**
Non-depreciated value					
31st December 2022	**8,953**	**92,216**	**164**	**0**	**101,333**

The Company, for the calculation of depreciation, examines in each reporting period the economic life and residual value of the tangible assets based on technological, regulatory and financial developments, as well as the evidence from their utilization. In this context, in the financial year 2022, the Company reduced the economic life of the thermoelectric power plant, from 25 to 20 years. The above was based on new estimates that emerged during the evaluation of the conditions that have emerged in the operation and technological development of similar infrastructures in general. The change in economic life led to an increase in depreciation by an amount of 3,038 which was recorded in the Cost of Goods Sold and led to an equal charge to the results for the year.

Depreciation in the current financial year has been recognized in the "Cost of Goods Sold" account by 14,012 thousand euros (10,441 thousand euros in 2021) and in the "Administration and Distribution Expenses" account by 1 thousand euros (1 thousand euros in 2021), of the Statement of Comprehensive Income.

7. PARTICIPATION IN SUBSIDIARIES

Analysis of investments in subsidiaries for the year 2022

The change in the book value of the participations in subsidiaries presented in the attached financial statements is analyzed as follows:

	31.12.2022	**31.12.2021**
Opening balance	**0**	**0**
Additions	24,200	0
Closing balance	**24,200**	**0**

(Amounts in Euro thousand unless stated otherwise)

The additions of € 24,200 thousand euros which were recorded within the financial year2022, specifically concern the following:

- The purchase of 161,000 common registered voting shares of the limited liability company under the name "Terna Energy Trading LTD" representing 100% of its share capital at a price of 3,200 thousand euros as well as the purchase of 100% of the companies “TERNA ENERGY TRADING D.O.O.” based in Serbia, “TERNA ENERGY TRADING E.O.O.D.” based in Bulgaria, “TETRA DOOEL SKOPJE” based in North Macedonia, and “TERNA ENERGY TRADING S.H.P.K.” based in Albania.
- The purchase of 12,344 common registered voting shares of the company under the name "Optimus Energy Societe Anonyme" representing 51% of its share capital at a price of €20,900 thousand euros.
- The establishment of a new company in Albania under the name "FAETHON SH.P.K." fully owned, i.e. 100%, by the company under the name "HERON II VIOTIA THERMOELECTRIC POWER PLANT S.A.". The initial capital payment amounted to 1,000 euros and the subsequent Share Capital increase to 100,000 euros.

8. OTHER INVESTMENTS

The other investments presented in the attached financial statements concern the participation in the non-profit entity under the name "Hellenic Association of Independent Electricity Companies" (ESAI) which aims at the joint promotion of all issues related to the production and sale of electricity by independent producers. The Association was incorporated in March 2010 and the Company participates in its capital by 16.67%.

9. OTHER LONG-TERM RECEIVABLES

The other long-term receivables in the attached financial statements are analyzed as follows:

	31.12.2022	31.12.2021
Loans to related company	100,000	0
Guarantees granted	17	17
Pre-paid leases	96	106
Total	**100,113**	**123**

During the year 2022, a Common Bond Loan for the amount of € 100,000 thousand was granted to a related company under the name "HERON SINGLE MEMBER S.A. ENERGY SERVICES". The Loan was divided into 100,000,000 registered bond securities with a nominal value of € 1 and an issue price at par. The purpose of the Bond Loan was to be used entirely for working capital needs, whereas the Loan had a duration until 31/12/2025 and carried an annual interest rate of 4.30%.

The pre-paid leases concern a land plot owned by a third party (non-related party) on which a well will be drilled to pump water that will be used in the production process. This is a long-term lease with a duration of 25 years with 11 years remaining at this stage.

(Amounts in Euro thousand unless stated otherwise)

10. INVENTORY

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

	31.12.2022	31.12.2021
Spare parts of fixed assets	5,529	4,513
Impairment of inventory	(1,448)	(1,448)
Total	**4,081**	**3,065**

As of 31 December 2022, there was no need to form an additional provision for obsolete or slow-moving inventories.

There were no encumbrances on the inventory.

11. TRADE RECEIVABLES

The "Trade receivables" of the Company on 31.12.2022 and 31.12.2021 in the attached financial statements, are analyzed as follows:

	31.12.2022	31.12.2021
Customers - Public Entities (Administrators)	5,372	1,578
Customers – Individuals	26,811	1,940
Non-invoiced receivables - Public Entities (Administrators)	837	437
Customers – Doubtful and litigious	0	7,462
Provisions (impairment) for doubtful customers	(13)	(7,220)
	33,007	**4,197**

The increase in the Company's trade receivables, and specifically to "Customers – Individuals" is mainly due to intercompany receivables due to a private agreement for the sale of a quantity of Electricity by the Company in accordance with the Hourly Energy Curve. The above was performed for financial risk hedging purposes following the Company's participation in the wholesale Electricity market, and it was primarily performed due to the observed volatility of the Next Day Market settlement prices.

The change in the accounts "Customers – Doubtful and litigious" and "Provisions (impairment) for doubtful customers" is due to the finalization of a court case regarding the receivables from the Independent Power Transmission Operator (IPTO or ADMIE) for a total amount of € 7,462 thousand based on the 3270/2022 decision of the Multi-Member Court of First Instance of Athens which was issued with a negative outcome for the Company (see Note 28).

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.

(Amounts in Euro thousand unless stated otherwise)

In order to measure expected credit losses, customers and other short-term receivables have been grouped according to their credit characteristics and maturity (days overdue) at the reporting date. The measurement of the expected credit losses is based on specific credit risk parameters (i.e. probability of default (PD), loss given default (LGD)) which are calculated after analyzing and processing historical data, existing market conditions as well as future estimates performed at the end of each reporting period. There was no change in the estimation techniques or in the significant assumptions made in estimating expected credit losses during the current reporting period.

The following tables illustrate the credit risk profile of customers and other short-term receivables based on the Company's relevant forecast table. As the Company's experience in credit losses demonstrates that the credit behavior of its customers does not differ according to their sector of activity, the forecast of expected credit losses is based on the maturity of the receivables and is not separated at a further level.

31 December 2022	**Non-overdue balance**	**0-180 days**	**181-365 days**	**Over 365 days**	**Total**
Expected credit loss rate	0.00%	0.00%	0.17%	0.00%	**0.04%**
Expected amount to be received	837	22,703	7,526	1,954	**33,020**
Expected credit loss 31/12/22	0	0	(13)	0	**(13)**
Total	**836**	**22,703**	**7,513**	**1,953**	**33,007**

31 December 2021	**Non-overdue balance**	**0-180 days**	**181-365 days**	**Over 365 days**	**Total**
Expected credit loss rate	0.00%	0.00%	1.46%	85.37%	**63.24%**
Expected amount to be received	2,084	0	891	8,442	**11,417**
Expected credit loss 31/12/21	0	0	(13)	(7,207)	**(7,220)**
Total	**2,084**	**0**	**878**	**1235**	**4,197**

The Company, given the application of the simplified approach of IFRS 9, always calculates expected credit losses in an amount that represents cash flow delays throughout the lifetime of their financial receivables weighted by the risk of default. As a consequence of this, receivables from customers and other short-term receivables are classified either in stage 2 or in stage 3. The table below analyzes this classification:

	31.12.2022	
	Stage 2	**Stage 3**
Expected credit loss rate	0.04%	100.00%
Expected amount to be received	32,162	858
Expected credit loss	13	0

	31.12.2021	
	Stage 2	**Stage 3**

(Amounts in Euro thousand unless stated otherwise)

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

The movement of impairment of trade receivables in the financial year is analyzed as follows:

	31.12.2022	**31.12.2021**
Balance of trade receivables impairment on 01.01	**(7,220)**	**(5,655)**
Provision for the year (note 28)	0	(1,565)
Reversion of provision (note 28)	7,207	0
Total	**(13)**	**(7,220)**

12. OTHER RECEIVABLES

The "Other receivables" in the attached Financial Statements are analyzed as follows:

	31.12.2022	**31.12.2021**
Advances to Suppliers	5,245	86,474
Other receivables	2,142	558
VAT for rebate – offsetting	0	1,036
Short-term part of receivables from long-term intercompany loans	1,618	0
	9,005	**88,068**

On 31/12/2022, in the account "Short-term part of receivables from long-term intercompany loans" of the Company, the amount of € 1,618 thousand concerns a transfer to the short-term receivables from a long-term intercompany loan, i.e. a common bond loan of initial amount of € 100,000 thousand between "HERON SINGLE MEMBER S.A. ENERGY SERVICES" and the Company having a maturity date on 31/12/2025. The amount of 2,142 thousand euros of the account "Other Receivables" includes an amount of 2,016 thousand euros, which concerns expenses for future years mainly related to insurance premiums.

The decrease in the Company's other receivables is mainly due to the drop in the advance payments made to suppliers for pre-purchase of Natural Gas.

13. CASH AND CASH EQUIVALENTS

The cash and cash equivalents on December 31, 2022 in the attached financial statements refer to bank deposits. The level of cash and cash equivalents on December 31, 2022 amounted to 73,678 thousand euros (31,805 thousand euros for the comparative year).

14. BORROWINGS

(Amounts in Euro thousand unless stated otherwise)

On 12/07/2021, GEK TERNA announced the conclusion of an agreement for the acquisition of 75% of the shares of HERON II VIOTIA SA. 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 GEK TERNA Group acquired a percentage of 75% in HERON II VIOTIA SA. As a result of the above acquisition, the Company was granted on 08/10/2021 a long-term loan of 34.5 million Euros from its parent company GEK TERNA. The main financial terms of the new loan of 34.5 million Euros granted by GEK TERNA are summarized as follows:

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

During the financial year 2021, with the proceeds of the above loan, the Company repaid the loans owed to the shareholders who exited the Company. The previous shareholders, in this context, wrote off loans owed to them (interest and capital) amounting to 19,110, an amount which was recognized directly in the Equity as the benefit related to a transaction of shareholders and not a transaction from the operation of the Company.

Furthermore, on 14/10/2021 there was an amendment of the subordinated loan agreement with the other shareholder TERNA SA dated 24/11/2010. The loan concerned a principal amount balance of Euro 9.75 million. 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 on 31/12/2027,
2. A fixed interest rate at 3.1% is applicable throughout the loan period,
3. Interest accrual period is annual, on 31/12 of each year.

Within the financial year 2022, and specifically on 26/05/2022, the Company proceeded with the re-payment of the above secondary debt to the other shareholder TERNA SA, i.e. of a total outstanding amount of 19.23 million euros consisting of the loan principle as well as of the interest.

The "Short-term Loans" account concerns a short-term loan of 8.4 million Euros disbursed to the Company from Optima bank SA.

The time distribution of the borrowing is presented below:

	31.12.2022	**31.12.2021**
Up to 1 year	8,401	11,578
1-5 years	0	0
Over 5 years	27,520	53,388
	35,921	**64,966**

The following table presents the movement of long-term loans in the financial year:

	2022	**2021**
Balances 01/01	**53,766**	**67,360**
New loans and renewals	0	34,520
Outflows / (payments) for capital	(25,868)	(34,519)

(Amounts in Euro thousand unless stated otherwise)

Interest payments	(1,698)	(414)
Interest in financial results (note 27)	1,320	5,929
Loan write off	0	(19,110)
Loans' expenses	0	0
Balances 31/12	**27,520**	**53,766**

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

The following table presents the movement of short-term loans during the financial year:

	2022	2021
Balances 01/01	**11,200**	**14,000**
New loans and renewals	0	0
Outflows / (payments) for capital	(2,800)	(2,800)
Interest payments	(433)	(523)
Interest in financial results (note 27)	434	523
Loans' expenses	0	0
Balances 31/12	**8,401**	**11,200**

15. LIABILITIES FROM LEASES

The following table presents the movement of leases in the financial year:

	2022	2021
Balances 01/01	**964**	**1,077**
Additions and changes from amendment of existing contractual agreements	385	0
Interest in financial results (note 27)	58	46
Repayment of principal	(118)	(113)
Interest payments	(58)	(46)
Balances 31/12	**1,231**	**964**

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

	31.12.2022	31.12.2021
Up to 1 year	108	25
2-5 years	264	49
Over 5 years	859	890

(Amounts in Euro thousand unless stated otherwise)

16. PROVISION FOR PERSONNEL INDEMNITIES

According to the Greek labor law, every employee is entitled to a lump-sum indemnity in case of dismissal or retirement. The amount of indemnity 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 indemnity. The indemnity 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 determined through an 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 2022 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, 2022.

The expense for personnel indemnities was recognized in the statement of Comprehensive Income and is analyzed as follows:

	31.12.2022	31.12.2021
Current service cost	16	(3)
Recognition of actuarial (profit)/loss	(4)	5
Total	**12**	**2**

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

	2022	2021
Balance 1.1	**24**	**22**
Provision recognized in the results for the year	16	(3)
Provision recognized in other comprehensive income	(4)	5
Balance 31.12	**36**	**24**

The main actuarial assumptions for the financial years 2022 and 2021 have as follows:

	2022	2021
Discount rate	2.90%	0.60%
Future salaries increases	2.50%	1.80%
Inflation	2.80%	1.80%
Movement of salaried / wage-based workers (departure under their own will)	Table 1	Table 1
Mortality	EVK 2000	EVK 2000

Years of Service	Rate of Exit
From 0 to 1 year	1.50%
From 1 to 5 years	1.00%

(Amounts in Euro thousand unless stated otherwise)

From 5 to 10 years	0.50%
From 10 years and above	0.00%

17. PROVISION FOR DISMANTLEMENT OF MACHINERY EQUIPMENT

The Company has formed 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 those expenses on 31/12/2022 amounted to 1,723 thousand Euros (versus 1,586 thousand euros for the financial year 2021). This provision is calculated according to the expected cash flows required for fulfilling this obligation at the year end. This amount was then increased based on the average estimate of the expected inflation rate and discounted according to the appropriate discount rate. The provision was increased versus the previous year due to the one-year maturity and there was no change in the amount of the future flow.

18. SUPPLIERS

The account "Suppliers" is analyzed as follows on December 31st 2022, in the attached financial statements:

	31.12.2022	31.12.2021
Production Suppliers	8,298	4,866
Obligations from customers contracts	632	632
	8,930	**5,498**

The Obligations from customer contracts concern advance payments provided by a public entity.

19. ACCRUED, OTHER LIABILITIES AND PROVISIONS

On December 31st 2021, the account "Accrued and other liabilities" which is presented in the attached Financial Statements, is analyzed as follows:

	31.12.2022	31.12.2021
Accrued expenses –cost of production	63,676	8,401
Accrued expenses – third parties fees	1,918	76
Accrued expenses – insurance premiums	66	407
Liabilities for taxes-duties	7,865	101
Accrued expenses – commissions and expenses E/E	0	76
Social security funds	124	96
Other	1,355	449
Other short-term liabilities	1,055	34,468
Other liabilities to related parties	5,498	0
Liabilities for VAT	1,763	0
	83,320	**44,074**

(Amounts in Euro thousand unless stated otherwise)

The amount of 63,676 thousand euros of the account "Accrued expenses – cost of production" concerns by an amount of 61,989 thousand euros accrued CO2 cost and by an amount of 1,687 thousand euros Natural Gas cost for the period of December 2022 (i.e. 7,993 thousand euros versus 408 thousand euros in 2021). During the financial year 2021, the amount of 34,468 thousand euros of the account "Other short-term liabilities" concerns by the amount of 1,055 thousand euros, a credit invoice that will be issued to Independent Power Transmission Operator (IPTO or ADMIE) for an ADI amount, and by the amount of 33,413 euros, the purchase of CO2 due resale of a corresponding quantity to National Bank of Greece.

The amount of 5,498 thousand euros of the account "Other liabilities to related parties" concerns a potential liability to a related party for the acquisition of 12,344 common registered shares of a company under the name "Optimus Energy Societe Anonyme" which represents 51% of its share capital.

The amount of 7,865 thousand euros of the account "Liabilities for taxes - duties" concerns by the amount of 7,586 thousand euros, a special levy imposed in favor of the Energy Transition Fund for the months of November and December 2022 in accordance with the article 62 of Law 4986/ 2022 (Government Gazette 204 A/28.10.2022), which was imposed on each unit dealing with electricity production via the use of natural gas.

20. SHARE CAPITAL

As of December 31, 2022, the Company's share capital amounts to six million four hundred and forty thousand euros (6,440,000 euros), fully paid up and divided into sixty four thousand four hundred (64,400) common registered shares, with a nominal value of one hundred euros (100 euros) per share.

The share capital is 75% owned by the company GEK TERNA SA (48,300 shares) which is listed on the Athens Exchange, Greece, and 25% owned by TERNA SA (16,100 shares), which is a subsidiary of GEK TERNA SA.

Corporate events of the Financial Year 2022

The Extraordinary General Meeting of Shareholders on 02/08/2022 decided to increase the Company's share capital by the amount of thirty-two million two hundred thousand (32,200,000) euros, with the capitalization of part of its special “share premium” reserve and the issuance of three hundred and twenty two thousand (322,000) new shares, with a nominal value of One Hundred (100) euros each. At the same time, the Meeting decided the simultaneous reduction of the Company's Share Capital by the amount of thirty-two million two hundred thousand (32,200,000) euros, through the cancellation of three hundred and twenty two thousand (322,000) shares, with a nominal value of One Hundred (100) euros each. On 09/08/2022, the decision of GEMI Service with number 7777 / 09/08/2022 was registered in the General Electronic Commercial Registry (GEMI), with Registration Code 3000422, which approved the amendment of article 5 of the Company's Articles of Association.

21. RESERVES

The Company's reserves at the end of the presented period are analyzed into the statutory reserves of 1,439 thousand euros (1,439 thousand euros for the financial year 2021) and a reserve from actuarial losses of minus 2 thousand euros (minus 5 thousand euros for the financial year 2021).

	Ordinary Reserve	Reserves of actuarial income / (losses) from defined benefit plans	Total

1st January	**1,439**	**(1)**	**1,438**
Total comprehensive income	-	(4)	(4)
31st December 2021	**1,439**	**(5)**	**1,434**

	Ordinary Reserve	Reserves of actuarial income / (losses) from defined benefit plans	Total
1st January 2022	**1,439**	**(5)**	**1,434**
Total comprehensive income	-	3	3
31st December 2022	**1,439**	**(2)**	**1,437**

22. INCOME TAX

With the enactment of Law 4799/2021 which amended paragraph 1 of article 58 of Law 4172/2013, the tax rate for income of legal entities in Greece generated in the years 2021 and 2022 has been reduced by 2% and has been set at 22% versus 24% in the year 2020.

The effective tax rate is different from the nominal tax rate. The determination of the actual tax rate is influenced by several factors, the most important of which are the non-deductibility of certain expenses, changes in income tax rates, as well as the ability of companies to form tax-free discounts and tax-free reserves.

(a) Current Tax

The income tax in the statement of comprehensive income is analyzed as follows:

	31.12.2022	31.12.2021
Deferred tax	25,565	(3,049)
Total	**25,565**	**(3,049)**

The table below presents the reconciliation between the income tax and the accounting profit multiplied by the applicable tax rate.

	31.12.2022	31.12.2021
Earnings/(loss) before taxes	**123,480**	**39,434**
Nominal Tax Rate	**22%**	**22%**
Income Tax Expense/ (Income) based on applicable nominal tax rate	**27,166**	**8,675**
Adjustments for:		
Expenses not included in the tax calculation – permanent differences	96	4,897

(Amounts in Euro thousand unless stated otherwise)

Effect from change in the tax rate	0	(2,020)
Adjustments in previous years' taxes and additional taxes	1,018	0
Effect of tax losses carried forward for offsetting purposes	(2,715)	(14,829)
Write-off of Deferred Tax Asset of tax losses carried forward	0	228
Actual tax expense	**25,565**	**(3,049)**

Tax return statement is submitted annually. The Company has been audited by the tax authorities until the year 2008. Due to POL (Joint Ministerial Decision) 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's 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 provisions of 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 lapse periods apply.

Tax compliance certificate – Tax compliance report

For the financial years 2011, 2012 and 2013, the Company is subject to the tax audit performed by the Certified Auditors Accountants as defined by the provisions of article 82, paragraph 5 of L. 2238/1994 (JMD 1159/26/7/2011), whereas for the years 2014, 2015, 2016, 2017, 2018, 2019, 2020 and 2021 the Company has been subject to the tax audit performed by the Certified Auditors Accountants as defined by the provisions of article 65A, paragraph 1 of Law 4174/2014 (Joint Ministerial Decision 1124 / 22 / 6 / 2015). The finalization of the tax audit from the Ministry of Finance is pending for all the above financial years.

For the financial year 2022, the Company is subject to the tax audit by the Certified Auditors Accountants as defined by the provisions of article 65A, paragraph 1 of Law 4174/2013 (JMD 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 same financial year.

The Company's tax liabilities for these years have not been finalized and therefore additional contingencies may arise when the relevant tax audits are carried out by the Tax Authorities.

The Management estimates that the taxes which may arise from the audit by the Tax Authorities will not have a material effect on the Company's 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.

	31.12.2022	31.12.2021
Net deferred tax	**(20,851)**	**(21,238)**

(Amounts in Euro thousand unless stated otherwise)

Asset / (liability)		
Balance 01.01	**(21,238)**	**(24,289)**
(Expense) / Income recognized in net earnings	1,406	3,050
(Expense) / Income recognized in other comprehensive income	(1)	1
Balance 31.12	**(19,833)**	**(21,238)**

The deferred tax for the financial years 2022 and 2021 is analyzed as follows:

	Balance 01.01.2021	**Net profit (Debit)/ Credit**	**Other com-prehensive in-come (Debit)/Credit**	**31.12.2022**
Deferred tax asset				
Recognized tax losses	0	0	0	0
Other provisions	3,972	(1,275)	0	2,697
Provision for personnel compensation	5	4	(1)	8
Leases	10	4	0	14
Deferred tax liability				
Depreciation differences	(17,837)	2,673	0	(15,164)
Expensing of intangible fixed assets	(7,387)	0	0	(7,387)
Net deferred tax asset /(liability)	**(21,238)**	**1,406**	**(1)**	**(19,833)**

	Balance 01.01.2021	**Net profit (Debit)/ Credit**	**Other com-prehensive income (Debit)/Credi t**	**31.12.2021**
Deferred tax asset				
Recognized tax losses	301	(301)	0	0
Other provisions	3,548	424	0	3,972
Provision for personnel compensation	4		1	5
Leases	8	2	0	10
Deferred tax liability				
Depreciation differences	(20,684)	2,847	0	(17,837)
Expensing of intangible fixed assets	(7,466)	79	0	(7,387)
Net deferred tax asset /(liability)	**(24,289)**	**3,051**	**1**	**(21,238)**

23. REVENUE

	01.01.2022-31.12.2022	**01.01.2021-31.12.2021**

Revenue from electricity production and variable cost	772,210	273,990
Revenue from insurance compensations	0	11,003
Revenue from natural gas	0	42
Revenue from sale of CO2 rights	0	3,195
Other Thermoelectric Energy Sector Revenue	43	0
Total	**772,253**	**288,230**

The total revenue from electricity production of 772,210 thousand Euros was generated from state entities (273,990 thousand Euros in 2021). The significant change occurring versus the previous year is mainly due to the fact that the year 2022 saw increased allocation prices for the Electricity produced by the Power Plant as well as due to the fact that during the year 2022 the Power Plant was in full operation for the entire period in contrast to the financial year 2021, where the Plant had not been operational in the first 3 months due to maintenance works. The entire Revenue concerns transfers of goods taking place at a given point in time.

24. COST OF GOODS SOLD, ADMINISTRATIVE AND DISTRIBUTION EXPENSES

On December 31st, 2022, the cost of goods sold, administrative and distribution expenses presented in the attached Financial Statements are analyzed as follows:

Cost of Goods Sold	**01.01.2022-31.12.2022**	**01.01.2021-31.12.2021**
Natural gas consumption	507,874	170,446
Depreciation	14,066	10,488
Personnel fees	2,956	2,285
Maintenance services	6,093	3,687
CO2 cost	65,558	38,019
Forward products	24,416	3,597
Insurance charges	2,389	3,041
Maintenance	951	3,442
Leases	167	99
Utilities' expenses	185	156
Taxes – duties	21,535	199
Other expenses	608	982
	646,798	**236,441**

The change in the "Cost of Goods Sold" account is mainly due to the increase in the price of natural gas as reflected in the change of the "Natural gas consumption" account. Also, an increase is recorded in the "Taxes - duties" account, which is analyzed as follows: a) by an amount of 7,088 thousand Euros due to the special levy imposed in favor of the Energy Transition Fund for the months of November and December 2022 in accordance with the article 62 of Law 4986/ 2022 (Government Gazette 204 A/28.10.2022), which was imposed on each unit dealing with electricity production via the use of natural gas, and b) by an amount of 14,291 thousand Euros which is the final amount of the extraordinary levy imposed by the Energy Regulatory Authority according to the Joint Ministerial Decision YPEN / DIE / 111281 / 4111 / 26.10.2022 concerning the extraordinary levy imposed on electricity producers and in relation to the article 37 of Law 4936/2022 (A' 105). Finally, the cost increase in the "Forward products" account by an amount of 24,416 thousand Euros (€3,597 for 2021) comes mainly from intra-group transactions due to a private agreement for the sale of a quantity of Electricity by the Company in accordance with the Hourly Energy Curve. The above was performed for financial risk hedging purposes following the Company's participation in the wholesale Electricity market, and it was primarily performed due to the observed volatility of the Next Day Market settlement prices.

(Amounts in Euro thousand unless stated otherwise)

Administrative and distribution expenses

	01.01.2022-31.12.2022	01.01.2021-31.12.2021
Personnel cost	195	165
Professional fees	1,211	1,178
Consultancy fees	118	2
Auditors' fees	40	26
Leases	55	0
Depreciation	112	107
Insurance premiums	38	17
Contributions to professional associations	8	48
Taxes – duties	42	6
Other expenses	558	68
	2,377	**1,617**

25. AUDITORS' FEES

	01.01.2022-31.12.2022	01.01.2021-31.12.2021
Fees for statutory audits	19	9
Fees for tax compliance audits	16	17
Fees for eligible non-audit services	5	0
	40	**26**

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

26. PERSONNEL COST

The personnel cost on December 31st, 2022, is analyzed as follows:

	01.01.2022-31.12.2022	01.01.2021-31.12.2021
Personnel salaries and benefits	2,683	2,027
Social security fund contributions	453	426
Provision for staff retirement indemnities	15	(3)
Total expenses	**3,151**	**2,450**

(Amounts in Euro thousand unless stated otherwise)

27. FINANCIAL INCOME / (EXPENSES)

On December 31st 2022, the financial income/(expenses) presented in the attached financial statements are analyzed as follows:

	01.01.2022-31.12.2022	01.01.2021-31.12.2021
Interest on bank accounts	0	0
Income from interest on bonds and other inter-company loans	1,622	0
Total Financial Income	**1,622**	**0**

	01.01.2022-31.12.2022	01.01.2021-31.12.2021
Interest and expenses for long-term financing	0	(4,105)
Interest on loans from related entities	(1,320)	(1,824)
Interest on short-term bank loans	(434)	(523)
Interest on leases	(58)	(46)
Bank guarantee fees and other financial expenses	(34)	(17)
Discounting expense relating to provision for equipment dismantlement	(138)	(127)
Total Financial Expenses	**(1,984)**	**(6,642)**

28. OTHER INCOME EXPENSES

On December 31st 2022, the Other Income/(Expenses) are analyzed as follows:

	01.01.2022-31.12.2022	01.01.2021-31.12.2021
Other income:		
Provision of administrative services	670	430
Income from reversal of provision for bad receivables under IFRS 9	7,206	0
	7,876	**430**
Other expenses:		
(Loss) from impairment of receivables based on IFRS 9	0	(1,565)
Losses from impairments of fixed assets	0	(1,506)
Losses from impairments of inventories	0	(1,448)
Administrator Settlement Cost (note 11)	(6,603)	0
Other expenses	(17)	(6)
Taxes - duties	(482)	0

(Amounts in Euro thousand unless stated otherwise)

Foreign exchange differences / debit	(9)	0
	(7,111)	**(4,525)**
Total Other income/(expenses)	**764**	**(4,095)**

In the account "Administrator Settlement Cost", an amount of € 6,603 thousand concerns the formation of a provision for Administrator settlement costs in accordance with a court decision that was finalized in the year 2022 against the Company and for which a credit invoice was issued in January 2023 in the first month of 2023. In the account "Income from reversal of provision for bad receivables under IFRS 9", an amount of € 7,206 thousand concerns the reversal of provision of previous years in relation to a court case which is the same with the Administrator case mentioned above (see note 11).

29. TRANSACTIONS WITH RELATED PARTIES

The Company's Transactions and Balances with related parties for the financial years 2022 and 2021 are analyzed as follows:

2022

Related party	**Sales**	**Purchases**	**Debit balance**	**Credit balance**
HERON ENERGY S.A. (Loans)	1,618	0	101,618	0
HERON ENERGY S.A. (other services)	0	55	0	68
HERON ENERGY S.A. (leases)	0	69	(25)	69
HERON ENERGY S.A. (administration services)	548	732	1,613	908
HERON ENERGY S.A. (Risk hedging)	21,992	24,416	23,312	0
HERON ENERGY S.A. (Advances to suppliers)	0	0	0	0
HERON ENERGY S.A. (trade of Electricity and Natural Gas)	0	495,042	982	2,827
Related Company of GEK TERNA Group (Risk hedging)	37,923	70		70
Related Company of GEK TERNA Group (other services)	0	0	0	160
Related Company of GEK TERNA Group (administration services)	0	144	7	33
Related Company of GEK TERNA Group (Loans)	0	1,320	0	27,520
Related Company of GEK TERNA Group (trade of Electricity and Natural Gas)	43	0	46	0
Related Company of GEK TERNA Group (Acquisition)	0	0	0	5,498
Total	**62,124**	**521,848**	**127,553**	**37,153**

2021

Related party	**Sales**	**Purchases**	**Debit balance**	**Credit balance**
Jointly controlling companies – HERON ENERGY S.A. (other services)	0	53	0	66

(Amounts in Euro thousand unless stated otherwise)

Jointly controlling companies – HERON ENERGY S.A. (leases)	0	53	0	55
Jointly controlling companies – HERON ENERGY S.A. (administration services)	424	767	933	951
Jointly controlling companies – HERON ENERGY S.A. (Risk hedging)	0	3,910	0	331
Jointly controlling companies – HERON ENERGY S.A. (Advances from suppliers)	0	0	84,136	0
Jointly controlling companies – GEK TERNA Group (administrative services)	6	8	7	10
Jointly controlling companies - GEK TERNA Group (other services)	0	7	0	1
Jointly controlling companies – GEK TERNA Group (Loans)	0	1,824	**0**	53,388
Jointly controlling companies – HERON ENERGY S.A. (trade of Electricity and Natural Gas)	982	162,730	982	0
Jointly controlling companies - GEK TERNA Group (trade of Electricity and Natural Gas)	42	0	18	0
Jointly controlling companies –ENGIE Group (Administrative services)	0	218	0	14
Jointly controlling companies –ENGIE Group (Loans)	0	2,710	0	0
Jointly controlling companies –ENGIE Group (Maintenance Works)	0	252	0	5
Jointly controlling companies –ENGIE Group (Risk hedging)	0	47	0	0
Jointly controlling companies –QPI Group (Loans)	0	1,395	0	0
Total	**1,453**	**173,974**	**86,076**	**54,821**

Remuneration paid to the members of the Board of Directors and top executives of the Company:
The remuneration paid to the members of the Board of Directors and top executives of the Company which were recognized on December 31st 2022 and 2021 have as follows:

	01.01.2022-31.12.2022	**01.01.2021-31.12.2021**
Fees for services received	465	557
Fees of Board of Directors	46	0

30. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activity is exposed to various risks and uncertainties, such as the macroeconomic uncertainty, the change of the legislative framework with respect to the operation of the energy production plants, market risk, credit risk and liquidity risk, as well as the 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 course of money markets and the fluctuation in sales cost variables.

(Amounts in Euro thousand unless stated otherwise)

The financial products used by the Company mainly consist of bank savings, long-term mostly, but also of 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 analyzed below.

Credit Risk

Almost all trade and other receivables originate from the wider public sector, which represents the main 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 the financial assets, which at the preparation date of the financial statements are analyzed as follows:

	31.12.2022	31.12.2021
Other long-term receivables (Note 9)	100,017	17
Trade receivables (Note 11)	33,007	4,197
Other receivables (Note 12)	1,646	28
Cash and cash equivalents	73,678	31,805
Total	**208,348**	**36,047**

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 foreign 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 since all its financial instruments (receivables and liabilities) are denominated in Euro.

Interest rate risk

The risk of interest rate fluctuations 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 based on 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 a fixed interest rate, there is no risk of any 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 such risks.

The following table presents the sensitivity of the results for the period in a rational change of the interest rate by +/-200 unit basis (UB) (2021: +/-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 rational basis with regard to the recent market conditions.

(Amounts in Euro thousand unless stated otherwise)

	2022		2021	
	+200 bps	-200 bps	+200 bps	-200 bps
Earnings before taxes	(0.036)	0.036	(0.103)	0.103

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 fundamentals that affect the electricity generation cost is occasionally rather high and directly linked with both the global trends, e.g. gas prices, carbon dioxide option prices, as well as with local-national conditions, such as changes in demand in times of crisis or economic recovery, and are greatly influenced by regulatory changes in market 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 sale 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 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 taking place 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-day period. The liquidity needs for the following 6 months and the year to follow are specified on a monthly basis.

The Company maintains sufficient cash reserves in banks to cover liquidity needs for a period of up to 30 days.

The maturity of financial liabilities of the Company on December 31st, 2022 is analyzed as follows:

	0 - 12 months	1st – 5th year	After 5th year
Long-term loans	0	27,520	0
Short-term loans	8,401	0	0
Leases	108	264	859
Suppliers	8,298	0	0
Accrued and Other short-term liabilities	80,099	0	0
Total	**96,906**	**27,784**	**862**

(Amounts in Euro thousand unless stated otherwise)

The respective maturity of the financial liabilities on December 31st, 2021 is analyzed as follows:

	0 - 12 months	1st – 5th year	After 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**

31. PRESENTATION OF FINANCIAL ASSETS AND LIABILITIES PER CATEGORY

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

Financial Assets	**31.12.2022**	**31.12.2021**
Non-current Assets		
Other non-current financial receivables	100,017	17
Other investments – Fair value via other Comprehensive Income	10	10
	100,027	**27**
Current Assets		
Trade receivables	33,007	4,197
Other receivables –short-term financial receivables	1,646	28
Cash and cash equivalents	73,678	31,805
Total	**108,331**	**36,030**

Financial liabilities	**31.12.2022**	**31.12.2021**
Non-current Liabilities		
Long-term loans –Financial liabilities at amortized cost	27,520	53,388
Leases – Financial liabilities at amortized cost	1,123	939
	28,643	**54,327**
Short-term Loans	8,401	11,200
Long term liabilities payable within the following year - Financial liabilities at amortized cost	0	378
Leases – Financial liabilities at amortized cost	108	25
Suppliers - Financial liabilities at amortized cost	8,930	5,498

(Amounts in Euro thousand unless stated otherwise)

Liabilities from customers - Financial liabilities at amortized cost	0	0
Accrued and other liabilities - Financial liabilities at amortized cost	80,099	42,822
Total	**97,538**	**59,923**

32. 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 pricing products and services proportionally to the risk level undertaken.

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 structure based on the financial leverage ratio which is defined as follows: Net debt / Total Equity where Net debt is equal with the total Liabilities from loans and finance leases less cash and cash equivalents, as presented in the Statement of Financial Position.

At the end of the financial years 2022 and 2021, the above ratio has been as follows:

	31.12.2022	31.12.2021
Interest-bearing loans	35,921	64,966
Less:		
Cash and Cash equivalents	(73,678)	(31,805)
Net debt	**(37,757)**	**33,161**
Equity:	**170,511**	**104,954**
Leverage Ratio	**(22.14)%**	**31.60%**

33. EXISTING ENCUMBRANCES AND OTHER LIENS

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

34. COMMITMENTS AND CONTINGENT LIABILITIES / ASSETS

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

(Amounts in Euro thousand unless stated otherwise)

35. EVENTS AFTER THE REPORTING DATE OF THE FINANCIAL STATEMENTS

From 01.01.2023 until the date of approval of the attached Financial Statements, the following important events occurred:

- The Company paid an amount of € 5.5 million for the acquisition of 12,344 common registered shares of the company under the name "Optimus Energy Societe Anonyme" representing 51% of the share capital as provided for in paragraph 3.5 of the respective Share Transfer Agreement from TERNA ENERGY SA to HERON II VIOTIA SA.
- From 01/01/2023 a special levy of 5% was imposed on the basic natural gas configuration index (Title Transfer Facility_Month Ahead - TTF_MA). On the other hand, the domestic authorities abolished the special levy of 10 euros for each thermal MWh consumed by power generation units with natural gas fuel that had been imposed from November 2022.

Except for the above, no other significant event has taken place until the preparation date of the present financial report.

36. APPROVAL OF THE FINANCIAL STATEMENTS

The Financial Statements for the financial year that ended on 31.12.2022 were approved by the Board of Directors on April 25, 2023.

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