



HERON SOCIETE ANONYME ENERGY SERVICES

85 Mesogeion Avenue, 115 26 Athens, Greece

General Electronic Commercial Registry No 005805601000

ANNUAL FINANCIAL REPORT

For the year

January 1st to December 31st 2024

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HERON SOCIÉTÉ ANONYME ENERGY SERVICES

Annual Financial Report for the fiscal year from January 1st to December 31st 2024

(Amounts in Euro thousand, unless stated otherwise)



Share Capital € 8,856,202.74
85, Mesogeion Ave., GR-115 26 Athens
General Electronic Commercial Registry (GCR) No. 005805601000
Societe Anonyme Registration No. 56860/01/B/04/254

Board of Directors

Georgios Kouvaris	Chairman of the Board of Directors
Loukas Dimitriou	Chief Executive Officer
Penelope Lazaridou	Member of the BoD
Emmanouil Moustakas	Member of the BoD
Styliani Zacharia	Member of the BoD
Panagiotis Pervanas	Member of the BoD

Auditing Firm

Grant Thornton Certified Auditors-Accountants and Business Consultants Société Anonyme

ANNUAL MANAGEMENT REPORT OF THE BOARD OF DIRECTORS FOR THE FINANCIAL YEAR 2024

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 01.01.2024 to 31.12.2024.

This Report discloses financial and non-financial information of the Company HERON SOCIÉTÉ ANONYME ENERGY SERVICES, for the year 2024 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 2025 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 2024

Performance of the economy during the year 2024

The Greek economy has maintained its satisfactory growth rate for 2024 and at higher levels than the corresponding average of other European countries. This was achieved during a period when the global economy demonstrated resilience despite facing significant challenges, particularly at the geopolitical level with ongoing tensions in Ukraine and the Middle East.

Specifically, Greece's GDP for 2024 increased by 2.3% compared to the corresponding period of 2023, driven mainly by the rise in investments, the increase in private consumption as a result of the rise in household income and the reduction in unemployment. The momentum in tourism continued, leading to an increase in exports in the services segment, however growing domestic demand led to higher imports, with the balance remaining negative. Lastly, the restriction of public spending had a negative impact.

The harmonized inflation rate for 2024 stood at 3.0% compared to 4.2% for 2023, reduced by 1.2%, following the normalization of economic conditions which resulted in lower energy prices, the de-escalation of industrial goods and food prices, while the inflation of services remained at higher levels.

In the fiscal sector, the overperformance against targets continued as a result of the reduction in tax evasion, increased economic activity and profitability and expenditure control. According to the data from Eurostat, the primary surplus is expected to be 4.8% of GDP in 2024 (compared to 2.1% for 2023), while public debt as a percentage of GDP is also expected to decline significantly (153.8% in 2024).

Indicative of the improvement in macroeconomic conditions for the country is the fact that following the country's upgrade to investment grade in the second half of 2023 (by R&I, Scope, DBRS, S&P, and Fitch), in 2024 Scope Ratings further upgraded the Greek economy to "BBB". In the early 2025 Moody's also granted investment grade to Greece, with all rating agencies now placing the country in the investment grade while S&P upgraded the Greek economy by one additional level to "BBB". In this context, the spread of the Greek 10-year bond against the German bond decreased to 83 basis points in December 2024 (the lowest in the last 15 years) with the yield settling at 2.97%.

Finally, it is worth mentioning the absorption of Recovery Fund resources (which provide a significant boost to growth), with Greece continuing to maintain a leading position at the European level, having received approximately 60% (or 21.3 bn euros) of the total funds available.

For the coming years, the Greek economy is expected to remain on a positive path and continue to move at higher pace than the Eurozone. For 2025-26, GDP is expected to increase by 2.0%-2.5% according to the converging forecasts of the Bank of Greece, the European Commission and the Greek Government, compared to a rate of 1.3%-1.6% for the Eurozone. This is expected to be helped by the strong labor market, which will support consumption along with continued support from tourism, industry and construction.

A positive impact is also expected from the increasing liquidity from both the private and public sectors, which will be significantly supported by the absorption of European funds. It is worth noting that total investment expenditure from the public sector is expected to reach 6.0% of GDP for 2025-26.

In any case, external factors such as the controversial decisions announced on trade protectionism by the USA, as well as the manner in which serious geopolitical issues are being addressed by the USA, pose immediate and visible risks to European economies and the Greek economy, affecting the trajectory of growth and inflation.

Additionally, risks related to the Greek economy, such as delays in the absorption of Recovery Fund resources due to non-fulfillment of required reforms, natural disasters and labor market tightness, may have an impact on the maintenance of a strong growth rate.

Developments in the energy sector during the year 2024

From the beginning of the year and the partial de-escalation of geopolitical pressures and the identification of alternative routes for natural gas supply, the energy market has entered a phase of normalization with many parameters, however, remaining volatile, affecting visibility in the medium term. This development led to a de-escalation of energy prices, which began at the end of 2022, continued throughout 2023 and eventually stabilized in 2024. For instance, natural gas prices (TTF) dropped from an average of € 133.7/MWh in 2022 to € 48.5/MWh in 2023 and further to € 33.9/MWh in 2024. Similarly, electricity prices in the wholesale day-ahead market averaged € 101.37/MWh for the year, compared to € 119.78/MWh in 2023 and € 282.18/MWh in 2022.

Electricity demand in 2024 increased by 4.7% compared to 2023, primarily influenced by the unusually high seasonal temperatures during the summer months of the year (indicatively, June 2024 recorded a 25% increase in demand compared to June of the previous year), as well as a rise in industrial activity.

The increased demand led to an average rise of 22.35% in production from thermal power plants across the country, with electricity production from natural gas increasing by 38%. In contrast, lignite and large hydroelectric production decreased by 28.3% and 13.95%, respectively. Production from Renewable Energy Sources (RES) increased by 17.87%, following the continued rise in installed capacity. Furthermore, the country transitioned from being “a net importer” of electricity in 2023 (4,912 MWh) to “a net exporter” in 2024 (with 307 MWh of exports).

Overall, RES, excluding large hydroelectric plants, covered 48.62% of electricity demand in 2024—a historic high—compared to 43.18% for the same period in 2023. It is noteworthy that, including production from large hydroelectric plants, the total green energy production in the country covered 55.34% of demand in 2024 (compared to 51.36% in 2023). At the end of 2024, according to data maintained by DAPEEP, the total installed capacity in the country for photovoltaic systems (including rooftop PVs) reached 7.198 MW, while wind farms capacity stood at 4.856 MW. The revised National Energy and Climate Plan (NECP), published in December 2024, projects an increase in installed capacity to 13.5 GW for photovoltaics and 10.8 GW for wind farms (including offshore wind farms) by 2030.

Production, Supply of Electricity and Natural Gas

In the Electricity Generation Sector, the Company managed to ensure the uninterrupted, competitive and flexible supply of its production stations, successfully facing the challenges arising from the volatility

of international natural gas prices, the increased liquidity needs to ensure the supply, especially during the import of liquefied natural gas loads, but also the constantly changing competitiveness of the stations production costs, mainly in relation to the electricity clearing prices of the neighboring countries.

The total participation of the two energy production units of the Company, with a total capacity of 588 MW, was formed during the year 2024 at 9.04% of the production from natural gas units in Greece, constituting a strong pillar of ensuring the energy sufficiency of our country. The Company's production comes from the operation of the combined cycle unit of the HERON II plant and from the HERON I open cycle unit, which produced a total of 1,834 GWh during the 2024 fiscal year.

In the Electricity Supply Sector to final consumers, the gradual normalization of energy prices helped to stabilize the market. The Company managed to increase its market share to 10.30%, achieving its goal of establishing itself in the first positions of independent suppliers in terms of share, by 2024.

It should be noted that the risk of large sales contracts with a time horizon of more than one month is ensured through forward contracts for the purchase and sale of electricity and natural gas, so as to minimize the risk of changes in the purchase and sale of electricity. The existing experience in handling the trading of electricity and natural gas ensures the Company for the positive prospects of the operational sector of Electricity Production from Thermal Energy Sources and Energy Sales.

In the Natural Gas Supply Sector in terms of total sales of natural gas to industrial, commercial and residential customers, the Company maintained the share it held in the previous year. The Company for the year 2024 holds a market share of 10.58%, achieving its goal of establishing itself in the first positions of independent suppliers in terms of share, by 2024.

The main financial data from continuing operations for 2024 based on International Financial Reporting Standards compared to the corresponding financial data for 2023 are as follows:

The Turnover from ongoing activities amounted to € 1,556,895 thousand compared to € 1,547,396 thousand in the corresponding fiscal year 2023, marking an increase of € 9,499 thousand, i.e. an increase of 1% compared to the previous fiscal year.

Earnings before interest, taxes, financing, investment results and depreciation (EBITDA) amounted to € 103,653 thousand in 2024 compared to € 110,642 thousand in the corresponding year of 2023.

Profits before taxes from continuing activities amounted to € 81,655 thousand for 2024 compared to € 107,207 thousand in the corresponding year of 2023.

Profits after taxes from continuing operations amounted to € 63,827 thousand for 2024 compared to € 82,620 thousand in the corresponding year of 2023.

The Total Assets of the Company on 31.12.2024 amounts to € 853,621 thousand compared to € 705,646 thousand on 31.12.2023.

The Company's Liabilities on 31.12.2024 amounted to € 504,386 thousand compared to € 395,233 thousand on 31.12.2023.

The investment costs for the fiscal year 2024 amounted to € 5,043 thousand compared to € 2,241 thousand in the corresponding fiscal year of 2023.

The Cash and cash equivalents of the Company amounted to € 44,665 thousand for 2024 and has been placed in bank deposits, compared to € 60,958 thousand in the corresponding year of 2023.

HERON ENERGY SA is one of the major private Electricity Producers and has the same structure as other players in the Energy Market. More specifically, the Company owned an Open Cycle Gas Turbine (OCGT) power plant with a Generation License for a nominal capacity of 147 MW, located 4 Km south of Thebes, in the Prefecture of Viotia, until the end of June 2024, when it was decommissioned.

Also, the Company has CCPP (Combined Cycle Gas Turbine Power Plant). 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 the 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 (CO₂) emissions, a fact which renders HERON II as the most environmentally friendly electricity generation producer after the RES (Renewable Energy Sources) operators.

The efficiency of the plant with the use of natural gas is high and amounts to 40% for the HERON I unit which is open cycle and 57% for HERON II which is closed cycle, in full load operation conditions. The actual average annual efficiency rate, taking into account the start-up and stop cycles, as well as the operation of units in partial load, reaches 38% for the HERON I unit and 53% for the HERON II unit.

The Company owns 5 land parcels in the area CHARAINTINI OF THEBES in which the electricity power plant is located.

(B) Significant Events in the period 01.01 – 31.12.2024

In the Fiscal Year 2024, most of the extraordinary measures implemented by the State during the Fiscal Years 2022–2023 to address the energy crisis were discontinued. However, the following measures remained in effect:

- The suspension of the submission of Balancing Energy Offers with negative prices by Balancing Service Providers.
- State subsidies from the Energy Transition Fund (ETF) to consumers.
- The imposition of the special levy for each thermal megawatt-hour consumed by natural gas-fired power plants, during the month of August.

Furthermore, for the period following the extraordinary measures (from 1 January 2024 onwards), the State introduced a new type of tariff — the Special Tariff — to which consumers previously subject to the provisions suspending the adjustment clause were automatically transferred by law, unless they opted otherwise (article 138A of Law 4951/2022). Suppliers regained the ability to offer tariffs with an adjustment clause or other types of variable pricing tariffs, while a Ministerial Decision (Government Gazette B' 6600/2023) established transparency color codes for each tariff type.

In line with the Fiscal Year 2023, the Fiscal Year 2024 was also marked by the continued absence of a legislative and regulatory framework for several significant issues. This had a negative impact on (a) the uncertainties of the electricity supply activity, (b) the promotion of healthy competition in the retail market and (c) the balancing of the dominant company's position. Indicatively, the cumulative failure to establish effective provisions (a) to address energy tourism, (b) to prevent strategic defaulters from transitioning to the Universal Service, (a matter that appears to have been partially resolved only in May 2024), (c) to reduce non-technical losses in the Network and (d) to reduce the deficit of the Special Account for the Services of General Interest, which led to an increase in both the cost and risk of the final consumers' Supply activity. At the same time, for the Fiscal Year 2024, the energy market continued to lack the power compensation mechanism for generation units, which will ensure the adequacy of resources for the safe operation of the Transmission System on the one hand and contribute to the efficient operation of the markets on the other.

Evidently, during the fiscal year 2024, a regulatory framework was established that is expected to enhance the functioning of the energy market, including: (i) a law enabling the conversion of conventional power plants into electricity storage facilities, (ii) a law facilitating the conclusion of

bilateral contracts (Power Purchase Agreements – PPAs) with farmers and industrial consumers and (iii) the Ministerial Decision introducing simultaneous net billing.

(i) Litigation with the Independent Power Transmission Operator (IPTO)

The Company had filed on 23/11/2016 a lawsuit against Independent Power Transmission Operator S.A. (hereinafter “IPTO”) at the Multimember Court of First Instance of Athens (hereinafter “MMCFI Athens”), requesting the payment of unpaid or late payment invoices (as per principal amount) as well as default interest of the above-mentioned invoices, which IPTO owed to the Company on the basis of IPTO obligations arising from Code of Management of the Power Transmission System (System Management Code of SMC). These invoices were issued from October 2011 to May 2015.

The amounts claimed were as follows: € 7,851,652.64 for principal and € 1,634,691.37 (if the SMC applies) or € 1,826,483 (where the Civil Code applies) or 1,647,888 (if the provisions of commercial transactions apply) for default interest and € 1,215,461 as compensation for material damage incurred to the Company according to the lawsuit.

The decision No 1121/2018 of the MMCFI which was issued on 23/3/2018 and presented to the Company on 29/5/2018 dismissed the Company's lawsuit.

The Company filed on 28/6/2018 the Appeal against the above-mentioned Decision.

The Company's appeal was heard on 10/10/2019. The Decision 2799/2020 of the Athens Court dismissed the Company's Appeal.

On 30.07.2020 the Company filed an appeal against IPTO before the Supreme Court as well as against the decision No. 2799/2020 of the Three-Member Court of Appeal of Athens.

Pursuant to the above Judgement No 2799/2020, the Company's appeal for the elimination of the Judgement No 1121/2018 was dismissed.

The above Appeal of the Company was heard on 21.02.2022 before the A1 Department of the Supreme Court and the Decision No. 1589/2022 of the Supreme Court was issued with a ruling "Rejected", which, however, has not yet been notified to the Company.

(ii) Lawsuit of HERON against HEDNO (Multimember Court of First Instance of Athens)

On 9.06.2020, the Company filed a lawsuit in front of the MMCFI Athens against the company Hellenic Electricity Distribution Network Operator (hereinafter “HEDNO”) with the following claims:

- To acknowledge that HEDNO has systematically made illegal surcharges in the calculation of settlements in the Manual of Management of the Measurement and Periodic Settlement, that these surcharges are due to the fault of the defendant and, consequently, that the systematic calculation of energy losses at lower levels than the actual ones is illegal and culpable.
- To acknowledge that HEDNO incurred illegal and culpable damage during the period March 2017 – January 2018, which amounts to € 2,366,585.92 and to be obliged to pay the said amount to the Company.

HEDNO proceeded at the invitation of the Regulatory Authority for Energy, Waste & Water (RAAEY), formerly known as RAE and IPTO.

On 19.10.2020, the parties filed their pleadings and on 3.11.2020 the Addendum to the Pleadings. In the said Addendum, the Company reformed its request to € 1,362,751.03 and in any case, not less than € 850,892.49.

In this case, a non-final decision of the MMCFI of Athens was issued (No. 2509/2022), which declared the discussion of the case inadmissible due to a violation of Article 3 § 2 of Law 4640/2019, i.e. due to the failure to submit the information form, regarding the obligation of the attorney to inform his client

in writing about the possibility of mediation of the dispute before the appeal to the court, i.e. before the filing of the lawsuit.

The Company reinstated this case by filing an appeal for reinstatement of discussion with case numbers GAK 103044/2022 and EAK 1265/2022. The same request was discussed on February 1, 2024 and the Multimember Court of First Instance of Athens issued Decision No. 1943/05.07.2024, which rejected the Company's Claim. The Decision was served to the Company on 16 December 2024.

(iii) Significant events after the end of the year 01.01-31.12.2024

From January 1, 2025 until the date of approval of the attached financial statements, the following significant events have occurred:

- On 12 March 2025, the Company proceeded with the sale of its participation in SUSTAINABLE ENERGY SOLUTIONS S.M.S.A. to GEK TERNA S.A.

Apart from the above, no other significant events have occurred up to the date of this report.

(iv) Risk Factors and Uncertainties

The Company's activities is exposed to various risks and uncertainties, such as the recurrence of macroeconomic uncertainty, the market risk, credit risk and liquidity risk, wind and weather conditions, the uncertainty of the results in relation to the effect of extraordinary natural events, which may have prolonged and unpredictable duration.

1. Financial Risks

The Company's activities expose it to various financial risks, such as market risk (including foreign exchange risk, interest rate risk and price volatility risk), credit risk and liquidity risk.

To address financial risks and limit their negative impact on the Company's financial results, the Company has a management program that aims to limit the negative effects on its financial results that may arise from the inability to forecast financial markets and fluctuations in cost and sales variables that affect financial results.

The financial products used by the Company mostly comprise bank deposits, long-term in principal and secondarily short-term loans, derivatives for hedging interest rate risk, 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 below.

Credit risk

Credit risk entails the possibility that a counterparty will cause financial loss to the Company due to the breach of the counterparty's contractual obligations.

The Company continuously monitors its receivables, either separately or per group and encompasses all the arising information into the credit audit. When deemed necessary, external reports or analyses related to effective or potential clients are used.

The Company is not exposed to significant credit risk arising from trade receivables for its activities, except in the trading of electricity. This is attributed, on the one hand, to the Company's policy, which is focused on cooperation with reliable clients and, on the other hand, to the nature of the Company's operations.

In particular, total receivables, whether related to the narrow or the broader public sector, or private sector clients with significant financial position in Greece and abroad, are under special monitoring and

the Management constantly assesses the reliability of its customers, their financial sizes regardless of whether they are a broader public or private entity, for potential implications, in order to take the necessary measures to minimize any adverse effects for the Company.

The Company is exposed to credit risk from end consumers from the sale of electricity and natural gas. Controls to ensure the collectability of receivables are continuously monitored. Where required, adequate reserves are created through provisions to minimize potential adverse effects. In addition to the aforementioned measures, to further ensure collectability, monthly "advance" bills are issued for the estimated consumption per month, so that when the settlement bill is issued in the fourth month of consumption, there is no large balance to be settled. It should be noted that, at the beginning of the cooperation with customers, they are required to pay an amount equal to the indicative consumption cost for one month as a guarantee. The risk of large sales contracts with a time horizon of more than one month is secured through forward contracts for the purchase and sale of electricity and natural gas, thus minimizing the risk of fluctuations in the purchase and sale of electricity.

The credit risk regarding cash and cash equivalents and other receivables is considered limited, given that the counterparties are reliable Banks with high quality capital structure, the Greek State or companies of the broader public sector and strong Groups of companies.

The Management assumes that all the financial assets, with the exception of those for which necessary impairment is calculated, are of high credit quality.

Liquidity risk

Liquidity risk entails the risk that the Company will be in no position to meet their financial obligations when required. The Company maintains its liquidity risk at a low level.

In particular, the Company's liquidity is considered satisfactory, as apart from the existing cash reserves, the cash flows generated from the production and sale of electricity are continuous.

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 cash and cash equivalents in banks to meet liquidity needs for periods of up to 30 days. The funds for the medium-term liquidity needs are released from the time deposits and if deemed necessary, bank credits are also being used.

Market risk analysis

Foreign exchange risk

Foreign exchange risk 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, for the Company, from foreign exchange differences at the valuation and conversion into the Company's currency (Euro) of financial assets, mainly financial receivables and financial liabilities, related to transactions that are carried out in a currency other than the operating currency of the Company's entities. The transactions mainly concern purchases of fixed assets and inventories, commercial sales, investments in financial assets, loans, as well as net investments in foreign operations.

The Company operates mainly in Greece and is therefore not exposed to a high foreign exchange risk that may arise from Euro exchange rate with other currencies. To manage this risk category, the Company's Financial Management Department uses the financial instruments and offset the Company's exposure to foreign exchange risk on the basis of specific policies, whenever it is necessary.

Regarding the Company's transactions with foreign companies, these are usually carried out with European Groups, where the settlement currency is the euro. To reduce this risk, the Company utilizes the locally produced cash available in local currency to pay the expenses incurred, minimizing the creation of foreign exchange risk.

Interest rate risk

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

The Company's short-term borrowing is in Euro with a floating interest rate linked to the euribor. Short-term loans are taken primarily as working capital. The Company's policy is the conversion of these loans into a long-term loans with fixed spread linked to euribor and where necessary given the repayment schedule and with the aim of applying approved interest rate risk management policies through Interest Rate Swaps. During the fiscal year 2024, the Company's short-term loans, with the exception of one maturing in September 2025, were converted into bond loans with a fixed spread, linked to the euribor.

Market risk analysis

During its activity in the Market, the Company supplies all categories of customers with Electricity. Customers are divided into two major categories, B2C customers and B2B customers. The first category concerns customers of Low Voltage (Household consumers, small and medium-sized companies), who receive a standardized offer for programs that are already posted on the Company's site, while the second concerns customers of all Voltages [Low (store chains), Medium and High], who receive a specialized financial offer, which is based on the analysis of the energy characteristics of the specific facilities.

Regarding B2C customers, they may choose either fixed-rate tariffs for a defined period (e.g., six (6), twelve (12), or eighteen (18) months), or variable-rate tariffs. For customers opting for fixed-rate tariffs, in order to ensure the desired profit margin regardless of fluctuations in the Electricity Market, the Company undertakes risk hedging actions through various instruments (such as long-duration futures contracts, etc.).

Furthermore, with regard to variable-rate tariffs, the applicable charge fluctuates depending on the consumption period, as it reflects wholesale market prices and the individual cost components incurred by the Supplier in its operations within the Electricity Market, plus a reasonable profit margin. In conclusion, in the case of B2C customers, the Company follows strategies that allow it to avoid exposure to potential risks arising from unforeseen fluctuations in energy costs.

With reference to B2B customers, all of the Company's B2B customers have chosen to continue to be billed through a variable pricing formula, which captures the individual costs borne by the Supplier during its activity in the Electricity Market plus a reasonable profit margin, as this option does not incorporate any risk for the Supplier, which it would be translated to the Customer in increased charges for its compensation. Therefore, not even in the B2B customer category does the company present any risk.

In addition, the Company supplies natural gas to all categories of customers, industrial (B2B), commercial (B2C) and residential (B2C). For industrial (B2B) natural gas customers, the Company offers both variable and fixed price tariffs. Variable price tariffs are based on the Company's natural gas supply costs plus a reasonable profit margin, thus mitigating any risk from natural gas price fluctuations. Fixed price tariffs are covered by appropriate hedging activities conducted by the Company and are offered following an agreement with the end B2B customer. Consequently, there is no risk from price fluctuations in this tariff category either. For commercial and residential customers, the Company offers variable tariffs based on

the monthly variable price of natural gas supplied by the Company plus a reasonable profit margin. Therefore, in this tariff category as well, the Company is not exposed to any risk from natural gas price fluctuations.

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.

2. Risks from the current economic conditions prevailing in Greece, but also in the global economy

In 2024, the Greek economy continued its growth trajectory, having increased its GDP by 2.3%, driven mainly by the increase in investments, the rise in private consumption as a result of increased household income, as well as the reduction in unemployment. The momentum in tourism continued, leading to an increase in exports in the services segment, however, the rising domestic demand led to higher imports, with the balance remaining negative. It is noted that the Greek economy moved at a pace higher than the European Union.

To date, with the current estimates of the continuation of the energy crisis with reduced intensity in terms of duration, but with increased intensity of hostilities in Ukraine and the Middle East, as well as with the contradictory solutions proposed by the U.S., a likely resolution does not appear imminent.

At the same time, with the indicative decisions for tariff impositions by the U.S.A., for each individual country, have created negative conditions in the global economy and by extension in the Greek economy, should they ultimately be enforced.

The harmonized inflation rate for 2024 stood at 3.0%, with no further reduction in sight due to increased rental prices, food items and extraordinary events (e.g., severe weather, etc.) that create supply issues for goods and services.

At the same time, at the Eurozone level, decisions on tariffs and the armament of each member state with weapon systems, following the decisions of the USA, will result in a reduction of the disposable incomes of its residents.

With regard to the Greek economy, apart from the above, there are additional causes of uncertainty that need to be resolved to positively contribute to achieving the objective of further growth of the Greek economy, which are mentioned below:

- Strengthening competitiveness, so that the economy becomes export-oriented and addresses the current account deficit.
- Accelerating the reduction of the public debt ratio.
- Reducing high bank lending rates, which leads borrowers to face difficulties in repaying installments of their mortgage loans for the first residence and the agricultural land.
- Stabilizing the prices of consumer goods, which reduces the real disposable income and household purchasing power and deprives the ability to create savings for future investment.
- Increasing disposable income for citizens through real wage increases.
- Utilizing Recovery Fund resources by executing projects and reforms undertaken by the Government.
- Reforming the justice system to reduce the time for issuing decisions.

- Overcoming bureaucratic issues in Public Administration to become more functional and capable of making necessary plans, including emergency situations (natural disasters, fires, climate changes).

Despite the new conditions that have arisen due to the geopolitical developments, the contradictory decisions of the United States on the major problems (Ukraine, Middle East, equipment) and inflationary pressures, and given that the Group does not have any meaningful activity in Russia, Ukraine and the Middle East, the outlook for the Group remains positive in the medium term and long term due to the following factors: a) the occupied investment - even without the full upgrade by a specific rating agency, regarding the creditworthiness of the Greek economy, which entails more inflows of investment capital with favorable lending terms required for investments, b) investments with long-term yields in the form of Concessions and PPPs, c) significant signed and pending construction contracts for execution, d) the increase in the share of electricity generated in the Greek economy using natural gas as fuel, as well as the market share in electricity trading and e) the increase in energy storage capacity.

3. Other risks and uncertainties

Climate change risk

The increase in the average temperature of the planet has caused a series of extreme natural phenomena (disastrous floods, extreme natural phenomena, but also large-scale wildfires from prolonged drought, as well as damage to the primary food production sector).

The risks arising from the effects of climate change and the transition to a low-carbon economy are expected to affect most, if not all, business entities in matters related to their sustainability.

Taking into account the extreme natural phenomena that have occurred in recent years, the Company takes all necessary measures to eliminate or minimize the problems that may arise, in addition to insurance coverage for the risks that are insurable.

Cyber Security Risk

Potential violations in the security of networks, information and operating systems threaten the integrity of the Company's data, sensitive information, as well as the smooth operation of its business activities. Such a breach could adversely affect the Company's reputation and competitive position. Also, a possible occurrence of damages, release of fines or loss of business (including restoration costs) could have a significant negative impact on our financial position and operating results. In addition, managing cybersecurity breaches may require a significant investment of time by the management.

In order to avoid the Cyber Security risks, the Company has established and implements Cyber Security Policies and Procedures, with which all the executives and the external collaborators of the Company must comply. In cases where it is deemed necessary, the IT Department provides additional instructions and guidance.

The Company is in continuous cooperation with companies providing specialized Cybersecurity services as well as with experienced consultants in the field, in order to provide full technical and organizational coverage in terms of Cybersecurity.

(v) Other Operational 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 concluded.

The ratio is recorded as follows for 2024 and 2023:

	31.12.2024	31.12.2023
Long-term loans (Note 20)	155,446	0
Liabilities from bank leases	0	0
Short-term loans (Note 20)	2,977	69,127
Long-term loan liabilities payable within the next fiscal year	0	0
Total Loan Liabilities	158,423	69,127
Less: Cash and cash equivalents (Note 14)	(44,665)	(60,958)
Net Debt / (Surplus)	113,758	8,169
Less: Restricted bank deposit accounts	0	0
Plus: Approved and collected grants to be returned	0	0
Net Debt / (Surplus) after restricted deposits and grants to be returned	113,758	8,169

EBITDA (Earnings before Interest Taxes Depreciation & Amortization)

It is a ratio based on which Company'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.

EBIT (Earnings before Interest and Taxes)

Earnings before Interest and Taxes (EBIT) is defined as the Gross Profit less Administrative and Distribution Expenses, less Research and Development Expenses, plus/less Other Income/(Expenses) EBIT determinants.

Other Income/(expenses) EBIT determinants are defined as Other Income/(Expenses) in the Income Statement apart from the items of Foreign Currency Valuation Differences, Impairments/(Reversals of Impairments) of fixed, intangible assets, right of use assets and goodwill, as well as income from reversal of unused other provisions (see Note 29).

EBITDA amounted to € 103,653 thousand in 2024 and to € 110,642 thousand in 2023 and is calculated as follows:

	31.12.2024	31.12.2023
Gross profit	97,876	130,236
Administrative and distribution expenses	(29,294)	(27,016)
Research and development expenses	0	0
Other income/(expenses) determining EBIT	18,561	(11,077)
Earnings before interest and taxes (EBIT)	87,143	92,143
Net depreciation for the year	16,510	18,499
EBITDA	103,653	110,642

1. Transactions with related parties

Transactions, as well as the balances of the Company with the related parties for the period that ended on 31.12.2024 and 31.12.2023 are analyzed as follows:

Financial Year 31.12.2024

Related party	Income	Purchases	Debit balances	Credit balances
Parent company GEK TERNA	441	212	25,307	109
Other related parties	102,594	30,995	61,935	7,410
Total	103,035	31,207	87,242	7,519

Financial Year 31.12.2023

Related party	Income	Purchases	Debit balances	Credit balances
Parent company GEK TERNA	647	2160	159	105
Other related parties	26,336	53,016	19,738	13,437
Total	26,983	55,176	19,897	13,542

Remuneration of the members of the Board of Directors and senior managers of the Company recognized on December 31st 2024, as well as the respective balances have as follows:

	1.1-31.12.2024	1.1-31.12.2023
Services fee	523	366
Payroll	2,386	1,535
Total	2,909	1,901
	31.12.2024	31.12.2023
Liabilities	0	0
Receivables	0	0

Athens, 30 May 2025
For the Board of Directors

The Chairman of BoD
Georgios Kouvaris

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Independent Auditor's Report

(This report has been translated from Greek original version)

To the Shareholders of "HERON ENERGY S.A."

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of "HERON ENERGY S.A." (the Company), which comprise the statement of financial position as at December 31st, 2024, the income statement and statements of comprehensive income, changes in equity and cash flows statement for the year then ended, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company "HERON ENERGY S.A." as at December 31st, 2024, 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

1. Report of the Board of Directors

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 31/12/2024.
- b) Based on the knowledge we obtained from our audit, for the Company "HERON ENERGY S.A." and its environment, we have not identified any material misstatements to the Board of Directors' report.

2. Unbundled Financial Statements

Management is responsible for the preparation of the Company's unbundled financial statements in accordance with the provisions of Article 141, Law 4001/2011 and No. 301/2017 approving decision of the Regulatory Authority of Energy (RAE) as well as for those internal controls that the Management determines as necessary, in order to enable the preparation of the unbundled balance sheet as of December 31, 2024 and the Company's unbundled Income Statements before tax for the period from January 1, 2024 to December 31, 2024, that are free from material misstatement, whether due to fraud or error. The methodology used for the preparation of the Company's unbundled financial statements is described in Attachment I to the separate financial statements.

Based on our audit, we established that the Company's unbundled Financial Statements as of December 31, 2024, as presented in Attachment I to the separate financial statements, have been prepared in accordance with the provisions of Article 141 of Law 4001/2011 and No. 301/2017 approving decision of the Regulatory Authority for Energy (RAE).

Athens, 30 May 2025
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

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ANNUAL FINANCIAL STATEMENTS AS AT DECEMBER 31ST 2024

(January 1st – December 31st 2024)

In accordance with the International Financial Reporting Standards

The Financial Statements were approved by the Board of Directors of “HERON SOCIÉTÉ ANONYME ENERGY SERVICES” (the "Company") on May 30th 2025 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.

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STATEMENT OF FINANCIAL POSITION

	Note	31.12.2024	31.12.2023
ASSETS			
Non-current assets			
Intangible assets	5	2,258	1,657
Tangible Assets	6	84,777	95,998
Right-of-use assets	7	1,455	2,546
Participations in subsidiaries	8	45,121	44,321
Investments in equity securities	9	15	15
Receivables from Derivatives	24	12,041	21,865
Other long-term receivables	10	62,529	24,447
Total non-current assets		208,196	190,849
Current assets			
Inventory	11	8,819	10,128
Trade receivables	12	470,938	382,724
Advances and other receivables	13	80,917	44,874
Income tax receivables		19,499	6,026
Short-term receivables from derivatives	24	20,587	10,087
Cash and cash equivalents	14	44,665	60,958
Total current assets		645,425	514,797
TOTAL ASSETS		853,621	705,646
EQUITY AND LIABILITIES			
Share capital	21	8,856	8,856
Reserves	22	2,247	2,252
Share premium account		23,350	23,350
Retained earnings		314,782	275,955
Total Equity		349,235	310,413
Non-current Liabilities			
Long-term loans	20	155,446	0
Liabilities from leases	19	542	1,923
Liabilities from derivatives	24	16,494	12,758
Provision for staff retirement indemnities	15	193	154
Other Provisions	16	2,036	2,331
Deferred tax liabilities		21,317	16,316
Long-term liabilities from contracts with customers		5,780	4,898
Total non-current liabilities		201,808	38,380
Current liabilities			
Short-term loans	20	2,977	69,127
Short-term part of liabilities from leases	19	732	828
Short-term part of liabilities from derivatives	24	4,915	5,345
Suppliers	17	81,967	65,099
Accrued and other short-term liabilities	18	211,987	216,454
Total current liabilities		302,578	356,853
TOTAL EQUITY AND LIABILITIES		853,621	705,646

The accompanying notes constitute an integral part of the present Annual Financial Statements.

STATEMENT OF INCOME AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD**January 1st to December 31st 2024**

	Note	1.1-31.12.2024	1.1-31.12.2023
Results for the year			
Revenue	25	1,556,895	1,547,396
Cost of goods sold	26	(1,459,019)	(1,417,160)
Gross profit / (loss)		97,876	130,236
Administrative and distribution expenses	26	(29,294)	(27,016)
Other income/(expenses)	29	19,177	(11,077)
Financial income/(expenses)	31	(11,214)	6,905
Income/(Losses) from participations and other securities	30	5,110	8,159
Earnings/(Losses) before income tax		81,655	107,207
Income tax	23	(17,828)	(24,587)
Earnings/(Losses) after income tax		63,827	82,620
Other Comprehensive Income			
<i>Other Comprehensive Income not carried forward to FY results of future periods:</i>			
Actuarial gains/(losses) from defined benefit plans	15	(4)	5
Tax corresponding to the above result	23	(1)	(1)
		(5)	4
TOTAL COMPREHENSIVE INCOME		63,822	82,624

The accompanying notes constitute an integral part of the present Annual Financial Statements.

STATEMENT OF CASH FLOWS**31st December 2024**

	Note	1.1-31.12.2024	1.1-31.12.2023
Cash flows from operating activities			
Earnings for the period before income tax		81,655	107,207
<i>Adjustments for reconciliation of net cash flows from operating activities</i>			
Depreciation of fixed assets	5, 6, 7	16,510	18,499
Impairments	12	16,628	13,981
Provisions		(381)	78
Interest and related income	31	(272)	(5,976)
Interest and other financial expenses	31	8,856	9,100
(Profit)/Loss from derivatives		2,630	(10,029)
Results from participations and securities	30	(5,110)	(8,159)
Gains/(Losses) on sale of tangible fixed assets		(28,764)	0
Operating profit/(loss) before any changes in working capital		91,752	124,701
<i>(Increase)/Decrease in:</i>			
Inventory		1,309	(632)
Trade receivables		(105,006)	7,520
Prepayments and other receivables		(26,496)	4,172
<i>Increase/(Decrease) in:</i>			
Suppliers		16,868	21,236
Accrued and other liabilities		(3,482)	(17,817)
Income tax payments		(26,302)	(79,087)
Net cash flows from operating activities		(51,357)	60,093
Cash flows from investing activities			
Proceeds from sale of fixed assets		7,944	0
Payments for purchases of fixed assets	5, 6	(6,693)	(2,242)
Interest and related income received		7	383
Receipts of Dividends	30	5,110	8,159
Issued Loans		(25,000)	0
Cash reserves of company which was absorbed/consolidated for the first time or excluded from consolidation		0	73,678
Cash flows from investing activities		(18,632)	79,978
Cash flows from financing activities			
Payments from changes in subsidiaries without loss of control		(800)	(20,121)
Payments for share capital refund		0	(40,000)
Proceeds from short-term loans		43,000	0
Proceeds from long-term loans	20	105,446	0
Repayment of long-term loans		0	(110,020)
Payment of liabilities from leases	19	(1,043)	(735)
<i>Dividends paid to the shareholders of the parent company</i>		(25,000)	0
Repayments of short-term loans	20	(57,800)	(2,800)
Interest & related financial expenses paid		(10,107)	(8,097)
Cash flows from financing activities		53,696	(181,774)
Net increase/(decrease) in cash and cash equivalents		(16,293)	(41,703)
Cash and cash equivalents at the beginning of the period		60,958	102,661
Cash and cash equivalents at the end of the period		44,665	60,958

The accompanying notes constitute an integral part of the present Annual Financial Statements.

STATEMENT OF CHANGES IN EQUITY

31st December 2024

		Share Capital	Share Premium	Reserves	Retained Earnings	Total
January 1st 2023		2,416	0	811	94,248	97,475
Total comprehensive income		-	-	4	82,623	82,627
Capitalization of reserves	21	40,000	(40,000)	-	-	0
Refund of share capital	21	(40,000)	-	-	(200)	(40,200)
Absorption of company (Note 4.19)		6,440	63,350	1,437	99,284	170,511
December 31st 2023		8,856	23,350	2,252	275,955	310,413
January 1st 2024		8,856	23,350	2,252	275,955	310,413
Total comprehensive income			-	(5)	63,827	63,822
Distribution of dividends		-	-	-	(25,000)	(25,000)
December 31st 2024		8,856	23,350	2,247	314,782	349,235

The accompanying notes constitute an integral part of the present Annual Financial Statements.

NOTES ON THE FINANCIAL STATEMENTS

1. ESTABLISHMENT AND COMPANY ACTIVITY

HERON SOCIÉTÉ ANONYME ENERGY SERVICES (HERON ENERGY S.A.) was incorporated in Greece in 2001 at first as a general partnership and it was later transformed into a société anonyme in 2004. Its registered office is in Athens, at 85 Mesogeion Avenue and its duration is set to fifty (50) years.

The Company is registered in the Registry of Sociétés Anonyme with Reg. No 56860/01/B/04/254 and General Commercial Registry (GCR) No 005805601000. Its main activity is the construction, installation and operation of open-cycle thermoelectric power plants (using gas and fuel oil) of one plant, as well as combined cycle (using natural gas as fuel).

The company operates a combined cycle power plant with a power capacity of 441 MW in the industrial area of Thebes at the location of Tarantini and has put the station into operation since August 2010.

On 21.12.2023, a merger was completed via the absorption of Company HERON II THERMOELECTRIC STATION VIOTIAS SA by the company HERON ENERGY SA. From the exchange taking place between old and new shareholders, it emerged that the company TERNA SA which held 25% of the shares of HERON II THERMOELECTRIC STATION VIOTIAS SA, will now own an equity stake of 13.82% of HERON ENERGY S.A. whereas the company GEK TERNA will own the remaining equity stake of 86.18%.

The attached Financial Statements of the Group for the year ended 31 December 2024 were approved by the Board of Directors on 30/5/2025 and are subject to the final approval of the General Meeting of Shareholders. The financial statements are consolidated on the basis of equity method in the financial statements of GEK TERNA S.A., which has its registered office in Greece.

2. BASIS FOR THE PRESENTATION OF THE FINANCIAL STATEMENTS

2.1 Basis for the presentation of the Financial Statements

The Company's Financial Statements as of 31st December 2024 covering the annual period starting on January 1st until December 31st 2024 have been prepared according to the International Financial Reporting Standards (IFRS), which have been issued by the International Accounting Standards Board (IASB), as well as their interpretations, which have been issued by the International Financial Reporting Interpretations Committee (IFRIC) and adopted by the European Union until December 31st, 2024.

The Company applies all the International Accounting Standards, International Financial Reporting Standards, and their Interpretations, which apply to the Company's activities. The relevant accounting policies, a summary of which is presented below in Note 3, have been applied consistently in all the periods presented.

2.2 Going concern

The Company's management estimates that the Company has sufficient resources that secure the smooth continuance of its operation as a "Viable Financial Unit" (Going Concern) in the foreseeable future.

The decision of the Management to use the going concern principle is based on the estimates related to potential effects of the war conflict that is raging both in the wider region of Ukraine and in the Middle East.

The Management has estimated that there is no material uncertainty regarding the continuation of the activity of the Company, thus implementing the framework for preparing the financial statements for the financial year ended on 31.12.2024.

2.3 Basis of measurement

The attached Financial Statements as of December 31st, 2024, have been prepared according to the principle of historical cost, apart from the cases of investment property, investments in equity securities, derivative financial instruments, financial assets recorded at fair value through profit or loss and contingent consideration liabilities, which are measured at fair value.

2.4 Presentation currency

The presentation currency is Euro (the currency of the Group's parent domicile) and all the amounts are presented in thousand Euro unless otherwise mentioned.

2.5 Comparability

The comparative items of the Financial Statements for the year ended 31.12.2023 have not been revised.

2.6 Use of estimates

The preparation of the Financial Statements according to IFRS requires the use of estimates and judgments on the application of the Company's accounting policies. Judgments, assumptions and estimates of the Management affect the amount of valuation of several asset and liability items, the amount recognized during the year regarding specific income and expenses as well as the presented estimates of contingent liabilities.

Assumptions and estimates are assessed on an on-going basis according to historic experience and other factors, including expectations of future event outcomes, considered reasonable given the current conditions. The estimates and assumptions relate to the future and, consequently, the actual results may differ from the accounting calculations.

The areas that require the highest degree of judgment as well as the areas in which estimates and assumptions have a significant effect on the Financial Statements are presented in Note 3 of the Financial Statements.

2.7 New standards, Interpretations and amendments of Standards

The accounting principles applied during the preparation of the Financial Statements are the same as those followed for the preparation of the Group's and the Company's Financial Statements for the period ended on December 31, 2023, except for the adoption of new standards and interpretations, whose application is mandatory in the European Union for the fiscal years from January 1st 2024 onwards (see Notes 2.7.1 and 2.7.2).

2.7.1 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 01.01.2024 or at a later date.

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 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 amendments have no impact on its Financial Statements. The above have been adopted by the European Union with effective date of 01.01.2024.

Amendments to IAS 1 "Classification of Liabilities as Current or Non-current" (applies for annual periods starting on or after 01.01.2024)

The amendments clarify the principles of IAS 1 for the classification of liabilities as either current or non-current. The amendments clarify that an entity's right to defer settlement must exist at the end of the reporting period. The classification is not affected by management's intentions or the counterparty's option to settle the liability by transfer of the entity's own equity instruments. Also, the amendments clarify that only covenants with which an entity must comply on or before the reporting date will affect a liability's classification. The amendments require a company to disclose information about these covenants in the notes to the financial statements. The amendments are effective for annual reporting periods beginning on or after 1 January 2024, with early adoption permitted. **The amendments have no impact on its Financial Statements.** The above have been adopted by the European Union with an effective date of 01.01.2024.

Amendments to IAS 7 "Statement of Cash Flows" and IFRS 7 "Financial Instruments: Disclosures": Supplier Finance Arrangements (effective for annual periods beginning on or after 01.01.2024)

In May 2023, the International Accounting Standards Board (IASB) issued Supplier Finance Arrangements, which amended IAS 7 "Statement of Cash Flows" and IFRS 7 "Financial Instruments: Disclosures". The IASB issued Supplier Finance Arrangements to require an entity to provide additional disclosures about its supplier finance arrangements. The amendments require additional disclosures that complement the existing disclosures in these two standards. They require entities to provide users of financial statements with information that enable them: a) to assess how supplier finance arrangements affect an entity's liabilities and cash flows and b) to understand the effect of supplier finance arrangements on an entity's exposure to liquidity risk and how the entity might be affected if the arrangements were no longer available to it. The amendments to IAS 7 and IFRS 7 are effective for accounting periods on or after 1 January 2024. **The amendments have no impact on its Financial Statements.** The above have been adopted by the European Union with an effective date of 01.01.2024.

2.7.2 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 until 31.12.2024

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.

Amendments to IAS 21 “The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (effective for annual periods starting on or after 01.01.2025)

In August 2023, the International Accounting Standards Board (IASB) issued amendments to IAS 21 “The Effects of Changes in Foreign Exchange Rates” that require entities to provide more useful information in their financial statements when a currency cannot be exchanged into another currency. The amendments introduce a definition of currency exchangeability and the process by which an entity should assess this exchangeability. In addition, the amendments provide guidance on how an entity should estimate a spot exchange rate in cases where a currency is not exchangeable and require additional disclosures in cases where an entity has estimated a spot exchange rate due to a lack of exchangeability. The amendments to IAS 21 are effective for accounting periods on or after 1 January 2025. The Company will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have been adopted by the European Union with effective date of 01.01.2025.

IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” (effective for annual periods starting on or after 01.01.2026)

In May 2024, the International Accounting Standards Board (IASB) issued amendments to the Classification and Measurement of Financial Instruments which amended IFRS 9 “Financial Instruments” and IFRS 7 “Financial Instruments: Disclosures”. Specifically, the new amendments clarify when a financial liability should be derecognized when it is settled by electronic payment. Also, the amendments provide additional guidance for assessing contractual cash flow characteristics to financial assets with features related to ESG-linked features (environmental, social, and governance). IASB amended disclosure requirements relating to investments in equity instruments designated at fair value through other comprehensive income and added disclosure requirements for financial instruments with contingent features that do not relate directly to basic lending risks and costs. The amendments are effective from annual reporting periods beginning on or after 1 January 2026. The Company will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

Annual Improvements to IFRS-Volume 11 (effective for annual periods starting on or after 01.01.2026)

In July 2024, the IASB issued the Annual Improvements to IFRS Accounting Standards, which include minor amendments to the following accounting standards: IFRS 1 “First-time Adoption of International Financial Reporting Standards”, IFRS 7 “Financial Instruments: Disclosures”, IFRS 9 “Financial Instruments”, IFRS 10 “Consolidated Financial Statements” and IAS 7 “Statement of Cash Flows”. The above amendments are effective for accounting periods on or after 1 January 2026. The Company will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

Amendments to IFRS 9 and IFRS 7 – “Nature-dependent Electricity Contracts” (effective for annual periods starting on or after 01.01.2026)

On December 18, 2024, the International Accounting Standards Board (IASB) issued amendments to IFRS 9 “Financial Instruments” and IFRS 7 “Financial Instruments: Disclosures,” aimed at helping companies to present more accurately the financial impacts of nature-dependent electricity reference

contracts, known as Power Purchase Agreements (PPAs). These contracts are used by companies to secure the supply of electricity from renewable sources, such as wind and solar energy. However, the amount of energy produced can vary due to external factors, such as weather conditions. The amendments aim to optimally reflect these contracts in financial statements by: a) clarifying the requirements for applying the "own-use" concept, b) allowing hedge accounting when these contracts are used as hedging instruments and c) adding new disclosure requirements to help investors better understand the impact of these contracts on companies' financial results and cash flows. The amendments are effective for accounting periods beginning on or after 1 January 2026, with early adoption permitted. The Company will examine the impact of the above on its Financial Statements. The above have not been adopted by the European Union.

IFRS 18 "Presentation and Disclosure in Financial Statements" (effective for annual periods starting on or after 01.01.2027)

In April 2024, the International Accounting Standards Board (IASB) issued a new Standard, IFRS 18, which replaces IAS 1 "Presentation of Financial Statements". The objective of the Standard is to improve how information is communicated in an entity's financial statements, particularly in the statement of profit or loss and in its notes to the financial statements. Specifically, the Standard will improve the quality of financial reporting due to: a) the requirement of defined subtotals in the statement of profit or loss, b) the requirement of the disclosure about management-defined performance measures and c) the new principles for aggregation and disaggregation of information. The Company will examine the impact of the above on its Financial Statements. The above have not been adopted by the European Union.

IFRS 19 "Subsidiaries without Public Accountability: Disclosures" (effective for annual periods starting on or after 01.01.2027)

In May 2024, the International Accounting Standards Board issued a new standard, IFRS 19 "Subsidiaries without Public Accountability: Disclosures". The new standard allows eligible entities to elect to apply IFRS 19 reduced disclosure requirements instead of the disclosure requirements set out in other IFRS. IFRS 19 works alongside other IFRS, with eligible subsidiaries applying the measurement, recognition and presentation requirements set out in other IFRS and the reduced disclosures outlined in IFRS 19. This simplifies the preparation of IFRS financial statements for the subsidiaries that are in scope of this standard, while maintaining at the same time the usefulness of those financial statements for their users. IFRS 19 is effective from annual reporting periods beginning on or after 1 January 2027, with early adoption permitted. The Company will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND MANAGEMENT ASSESSMENTS

Preparation of Financial Statements in accordance with the International Financial Reporting Standards (IFRS) requires the Management to make judgments, estimates and assumptions which affect assets and liabilities, contingent receivables and liabilities disclosures, as well as revenue and expenses during the presented periods.

In particular, the amounts included in or affecting the financial statements, as well as the related disclosures, are estimated through making assumptions about values or conditions that cannot be known with certainty at the time of preparation of the financial statements and, therefore, actual results may differ from what has been estimated. An accounting estimate is considered significant when it is material to the financial position and income statement of the Company and requires the most difficult, subjective or complex judgments of the Management. Estimates and judgments of the Management are based on past experience and other factors, including expectations for future events, judged to be reasonable in the circumstances. Estimates and judgments are continually reassessed on the basis of all the available data and information.

Key estimates and evaluations referring to the data whose development could affect the financial statements items in the upcoming 12 months are as follows:

3.1 Significant judgments of the Management

The significant accounting estimates and assumptions concerning future and other key sources of uncertainty at the date of the financial statements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

i) Acquisition of "business" according to the definition provided in IFRS 3 or acquisition of assets

In accordance with IFRS 3 "Business Combinations", the Management determines whether a transaction or other event constitutes a business combination in accordance with the relevant definition of the Standard, i.e. whether the assets acquired and liabilities assumed constitute a "business". In the event the acquired assets do not constitute a business, then the Group manages the transaction or other event as an acquisition of an asset. According to IFRS 3, the term "business" is defined as an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs, or other economic benefits directly to investors or other owners, members, or participants. The accounting treatment of a business combination is carried out in accordance with the accounting policy described in Note 4.2, while the accounting treatment of acquisition of an asset (or group of assets) which do not constitute a "business" is carried out in accordance with the accounting policy described in Note 4.3.

ii) Energy sector revenue recognition (non-invoiced revenue)

The Company estimates the consumption of electricity and natural gas, which has not yet been invoiced for retail customers. In particular, the Company measures and records specific revenues from sales for which final clearances have not been received from IPTO and the Natural Gas Distribution Administrator. Such revenues are calculated using historical data and forecasts for the consumption of electricity and natural gas for each energy consumption meter.

3.2 Uncertainty of estimates and assumptions

Specific amounts that are either included or affect the Financial Statements and the related disclosures are estimated, necessitating to make assumptions about values or conditions that cannot be known with certainty during the period of the Financial Statements preparation. An accounting estimate is considered significant when it is material to the financial position and the income statement of the Group and requires most difficult, subjective or complex judgments of the Management. The Company assesses such estimates on an ongoing basis, based on historical results and experience, through meetings with specialists, applying trends and other methods considered reasonable in the circumstances, as well as making projections regarding potential changes in the future.

i) Recognition of deferred tax assets

The extent to which deferred tax assets are recognized for unused tax losses is based on the judgment regarding the extent to which it is probable that sufficient taxable profits will be offset with these tax losses. In order to determine the amount of a deferred tax asset that can be recognized, significant judgments and estimates of the Group's Management are required, based on future taxable profits, combined with future tax strategies to be pursued, as well as the uncertainties dominating in various tax frameworks within which the Group operates (for further information please refer to Note 23).

ii) Impairment of non-financial assets and goodwill

Non-financial assets are tested for impairment whenever events or changes in the effective conditions indicate that their book value may not be recoverable. Goodwill, intangible assets with indefinite economic lives and intangible assets with finite economic lives for which amortization has not yet begun are tested for impairment at least annually.

iii) Useful lives of depreciated assets

For the purpose of calculating depreciation, the Company examines the useful life and residual value of tangible and intangible assets in every reporting period in the light of technological, institutional and economic developments as well as the experience of their exploitation. As at 31.12.2024 the Management estimated that the economic life of the other depreciable assets represents their expected useful value.

iv) Fair value measurement

The Management uses valuation techniques to determine the fair value of financial instruments (when no active market prices are available) and non-financial assets. This procedure involves making estimates and assumptions about the consideration that market participants would pay to acquire these financial instruments.

The Management bases its assumptions on observable data, but it is not always feasible. In such cases, the Management uses the best available information for its estimates, based on its past experience, also taking into account the available information. Estimated fair values may differ from the actual values that would be made in the context of an ordinary transaction at the reporting date of the financial statements.

The Company uses derivative financial instruments to manage a range of risks including interest rate and commodity prices risks. For the purpose of determining an effective hedging rate, the Company requires both - to declare its hedging strategy and to estimate that the hedge will be effective throughout the term of the hedging instrument (derivative). Further information regarding the use of derivatives is provided in Note 24.

v) Inventory

To facilitate valuation of inventories, the Company estimates, based on statistical valuation reports and market conditions, the expected selling prices and the costs of processing and disposing the items per inventory category.

vi) Provision for income tax

Provision for income tax based on IAS 12 is calculated by estimating the taxes to be paid to tax authorities and includes the current income tax for every financial year and a provision for additional taxes that might arise during tax inspections.

The Company is subject to various income taxation legislations. Significant estimates are required in order to determine the total provision for income tax, as presented in the Statement of Financial Position.

The final tax determination is uncertain in respect of specific transactions and calculations. The Company recognizes liabilities for the projected tax issues based on the calculations to the extent to which additional taxation will arise. In cases where the final tax result differs from the initially recognized amount, the differences affect the provisions for income tax and deferred tax for the period when it had been determined (for further information please refer to Note 23).

vii) Provisions for rehabilitation of environment

The Company makes provision for its related obligations to dismantle the technical equipment of facilities and restoration of the environment resulting from the applicable environmental legislation or from binding practices of the Company. Provision for rehabilitation of environment reflects the present value, as at the reporting date (based on the appropriate discount rate) of the rehabilitation obligation less the estimated recoverable amount of the materials, estimated to be disposed of and sold (further information is provided in Note 16).

viii) Contingent liabilities and receivables

The existence of contingent liabilities and receivables requires the management to make assumptions and judgments on on-going basis about the probability that future events will occur or not occur as well as the possible consequences that these events may have on the Company's operations. Determining contingent liabilities and receivables is a complex procedure that includes judgments regarding future events, laws, regulations, etc. Changes in judgements or interpretations are likely to lead to an increase or decrease in the Company's contingent liabilities in the future. When additional information becomes available, the Company's Management reviews the facts, based on which it may also have to review its estimates.

ix) Provisions for expected credit losses from receivables from clients

The Company apply the simplified approach under the provisions of IFRS 9 for calculation of expected credit losses. Under the aforementioned approach, provision for impairment is measured at an amount equal to the expected lifetime loss for the receivables from customers and the contractual assets. The Company have made provisions for bad receivables in order to adequately cover the loss that can be reliably estimated and arises from these receivables. In every reporting period, the provision that has been made is adjusted and the changes are recognized in the income statement.

x) Acquisition of a company or business

At initial recognition, the assets as well as the liabilities of the acquired company are included in the consolidated financial statements at their fair values. In measuring fair values, Management uses estimates of future cash flows, however the actual results may differ. Any change in the measurement after initial recognition affects the measurement of goodwill.

xi) Valuation of cash flow hedging agreements

The Company uses financial derivatives and specifically it enters into interest rate swaps to hedge its risk linked to fluctuations of interest rates and into contracts to hedge the risks associated with volatile energy sale prices. The swap agreements are valued according to market estimations regarding the trend of relevant interest rates for periods up to thirty years and with regard to the course of energy prices accordingly in each case. Based on these estimates, the cash flows are discounted in order to determine the liability or asset at the reporting date of the financial statements.

4. SUMMARY OF KEY ACCOUNTING PRINCIPLES

Significant Accounting Principles

The key accounting principles adopted during the preparation of the attached financial statements are the following:

4.1 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.

Upon initial recognition, the intangible assets acquired separately are recorded at cost. Intangible assets acquired as part of business combinations are recognized at fair value at the acquisition date.

Following initial recognition, the intangible assets are measured at cost less accumulated amortization and any impairment loss. Amortization is recorded based on the straight-line method during the useful life of the said assets.

The period and method of amortization is redefined at least at the end of every reporting period. Changes in the expected useful life of each intangible asset are accounted for as a change in accounting estimates.

(a) Software

Maintenance of software programs is recognized as an expense when the expense is realized. On the contrary, the costs incurred for improving or prolonging the return of software programs beyond their initial technical specifications, or respectively the costs incurred for the modification of the software, are incorporated in the acquisition cost of the intangible asset, only if they can be measured reliably.

4.2 Tangible Fixed Assets

Tangible fixed assets are recognized in the Financial Statements at acquisition values, less accumulated depreciation and any potential impairment losses. The acquisition cost includes all directly reimbursable costs incurred for the acquisition of these assets.

Subsequent expenses are recorded as an increase in the book value of tangible assets or as a separate asset only to the extent that the said expenses increase the future economic benefits, expected to arise from the use of the fixed asset and that their cost can be measured reliably.

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

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.

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.

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

Tangible Assets	Useful life (in years)
Buildings and technical works	20-25
Machinery and technical facilities	4-20
Means of transportation	5
Furniture and fixtures	1-10

The useful lives of property, plant and equipment are subject to review at least at each end of every use.

When the book values of the tangible fixed assets are higher than their recoverable value, then the difference (impairment) is recognized directly as an expense in the Income Statement. Upon sale of tangible assets, the differences between the received consideration and their book value are recognized as profits or losses in the Income Statement.

Interest accrued on loans specifically or generally issued in order to finance the construction of tangible fixed assets is capitalized in the year when incurred, during the tangible assets construction period, provided that the recognition criteria are met.

4.3 Leases

Recognition and initial measurement of the right-of-use asset

The Company applies a single recognition and measurement approach for all leases (including short-term and low-value leases). The Company recognizes lease liabilities for lease payments and right-of-use assets representing the right to use the underlying assets.

At the lease period commencement date, the Company recognizes a right-of-use asset and a lease liability, measuring the right-of-use asset at cost, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of a low-value underlying asset. For these leases, the Company recognizes rentals as operating expenses using the straight-line method over the lease term.

The cost of the right-of-use asset comprises:

- the amount of the initial measurement of the lease liability (see below)
- any lease payments made at or before the commencement date, less any lease incentives received,
- the initial direct costs incurred by the lessee and
- an estimate of costs to be incurred by the Company in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

The Company undertakes the obligation for those costs either at the lease period commencement date or as a consequence of having used the leased asset during a particular period.

Initial measurement of the lease liability

At the lease period commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. When the interest rate implicit in the lease can be readily determined, the lease payments shall be discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the Company shall use the Group's incremental borrowing rate.

At the lease period commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right-of-use asset during the lease term that are not paid at the lease commencement date:

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1. fixed payments less any lease incentives receivable,
 2. any variable lease payments that depend on the future change in index or a rate, initially measured using the index or rate as at the lease period commencement date
 3. amounts expected to be payable by the Group under residual value guarantees,
 4. the exercise price of a purchase option if the Company is reasonably certain to exercise that option and
 5. payments of penalties for terminating the lease, if the lease term reflects the Company exercising an option to terminate the lease.

Subsequent measurement

Subsequent measurement of the right-of-use asset

After the lease period commencement date, the Company measures the right-of-use asset applying a cost model.

The Company measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any subsequent measurement of the lease liability.

The Company applies the requirements set in IAS 16 regarding the depreciation of the right-of-use asset, which it reviews for potential impairment.

Subsequent measurement of the lease liability

After the lease period commencement date, the Company measures the lease liability by:

1. increasing the carrying amount to reflect financial cost on the lease liability,
2. reducing the carrying amount to reflect the lease payments made, and
3. re-measuring the carrying amount to reflect any lease reassessment or modification.

Financial cost of a lease liability is allocated over the lease term in such a way that it results in a constant periodic rate of interest on the remaining balance of the liability.

After the lease period commencement date, the Company recognizes in profit or loss, (unless the costs are included in the carrying amount of another asset applying other applicable Standards), both:

1. financial cost of the lease liability, and
2. variable lease payments not included in the measurement of the lease liability in the period in which the event or condition that triggers those payments occurs.

The Company as lessor

Leases in which the Company is the lessor are classified as either finance or operating leases. When the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the lease is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessee, it accounts for the master lease and sublease as two separate contracts. A sublease is classified as either a finance lease or an operating lease depending on the right-of-use asset arising from the headlease.

Revenue from operating leases is recognized on a straight-line basis over the term of the lease. The initial direct costs of negotiating and arranging an operating lease agreement are added to the carrying amount of the underlying asset and recognized using the straight-line method over the lease term.

Amounts due from lessees under finance leases are recognized as receivables in the amount of the Company's net investment in the finance lease. The finance income from the lease is allocated to the reporting periods to reflect the Company's constant periodic rate of return on its remaining net investment in the finance leases.

When the lease includes both leasehold and non-leasehold elements, the Company applies IFRS 15 in order to allocate the contract price to each element separately.

The aforementioned transactions bear the characteristics of an alternative form of sale, where the Company acknowledges the following:

- Income from the sale, which is recognized at the beginning of the lease period at the lower value between the fair value and the present value of the receivables to which the Company is entitled, discounted at an interest rate deemed appropriate based on market standards.
- Financial income recognized throughout the lease period from the subsequent measurement of the receivable at amortized cost.

The receivables recognized, as a result of the above contracts, are included in their long-term part in the "Other long-term financial receivables" item and in their short-term part in the "Advances and other receivables" item. At the same time, the collections of the related receivables and of the corresponding interest income are presented as inflows from investment activities.

4.4 Impairment of Non-Financial Assets

The book values of long-term assets 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.

Reversal of impairment losses on assets recognized in previous years takes place only when there are sufficient indications that such impairment no longer exists or it has been reduced. In these cases, the above reversal is treated as income in net profits.

The Management estimates that no impairment of the value of the assets of the Company will occur, consequently it has not calculated any recoverable amounts for its assets.

4.5 Inventory

Inventory includes spare parts and other material (Diesel). Inventory is valued at the lower of cost and net realizable value.

Appropriate provisions are formed for obsolete inventory, if necessary. Impairment of inventory in net realizable value and other losses from inventory are recognized in profit or loss for the period in which they are incurred.

4.6 Financial instruments

I. Recognition and de-recognition

Financial assets and financial liabilities 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 amortized cost measured 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 measured at fair value through profit or loss

Financial assets measured at fair value through profit or loss include the financial assets held for trade, the financial assets specified on the initial recognition at the fair value through profit or loss or the financial assets which must mandatorily be measured at their fair value.

Financial assets are classified as held for trade if they are acquired for sale or buy-back purposes in the near future. Derivatives, including incorporated derivatives are also classified as held for trade, unless they are defined as effective hedging instruments.

Financial assets with cash flows that don't only comprise payments for principal amount and interest are classified and measured at their fair value through profit or loss, regardless of the business model.

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 Group 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 Group and the Company recognize 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.

In order to apply the above approach, a distinction is made among:

- Financial assets whose credit risk has not deteriorated significantly since initial recognition or which have a low credit risk at the reporting date (Stage 1) and for which the expected credit loss is recognized for the following 12 months,
- 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 customers agreements

The Group and the Company applies the simplified approach of IFRS 9 to its trade and other receivables, as well as to receivables from on construction contracts and receivables from leases, by estimating the expected credit loss over the life of the above items. In this case, the expected credit loss represents 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 Group 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.

4.7 Cash and Cash Equivalents

The Company considers term deposits and other highly liquid investments less than three months maturity as cash available.

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

4.8 Financial Liabilities, Recognition and De-recognition

Financial liabilities 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.

4.9 Provision for staff indemnities

According to Greek labor law, each employee is entitled to a lump-sum indemnity in case of dismissal or retirement. The amount of the indemnity depends on the length of service with the company and the employee's wages the day he/she is dismissed or retires. Employees that resign or are justifiably dismissed are not entitled to such indemnity.

The indemnity payable in case of retirement in Greece is equal to 40% of the indemnity calculated in case of dismissal. According to the practices in the countries where the subsidiaries of the Group are operating in, staff indemnity programs are usually not funded.

Estimates for staff indemnity liabilities were determined through an actuarial study. The following tables present an analysis of the net expenditure for the relevant provisions recorded in the consolidated Statement of Comprehensive Income for the year ended on 31 December 2023 and the change of the relevant provision accounts for staff indemnities presented in the attached consolidated Statement of financial position for the year ended on 31 December 2024.

Further analysis of the provision for staff indemnity is provided in note 15.

4.10 Staff Pension Plans

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

4.11 Income Tax (Current and Deferred)

Income tax burden for the year consists of current tax, deferred tax and tax differences from previous years.

Current Income Tax

Current tax is calculated on the basis of the tax Statements of Financial Position of every company, included in the consolidated Financial Statements, according to the tax regulation effective in Greece or other tax frameworks under which the foreign subsidiaries operate. Expenditure on current income tax includes income tax that is based on the profits of each company as restated in its tax returns and provisions for additional taxes and is calculated according to the statutory or substantially statutory tax rates.

Deferred Income Tax

Deferred taxes are taxes or tax relief related to financial burdens or benefits accruing in the year but already been accounted for or to be accounted for by the tax authorities in different years.

Deferred income taxes are calculated using the liability method in temporary differences at the date of the financial statements between the tax base and the carrying amount of assets and liabilities. Deferred tax liabilities are recognized for taxable temporary differences.

Deferred income tax is not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that, when the transaction took place, did not affect either the accounting or the tax profit or loss.

Deferred tax assets are recognized to the extent that there will be a future taxable profit for the utilization of the temporary difference that gives rise to the deferred tax asset.

Deferred tax assets are measured at every reporting date of the financial statements and are reduced to the extent that it is unlikely that there will be sufficient taxable profits against which part or all of the deferred income tax assets may be used.

Deferred tax assets and obligations are calculated at the tax rates expected to be effective for the year in which the asset is incurred or the liability will be settled and are based on the tax rates (and tax laws) that are in effect or effectively in force as at the financial statements reporting date. In the event the time of reversing temporary differences cannot be clearly identified, the tax rate applicable on the next FY date of the Statement of Financial Position will be applied.

Income tax related to items, recognized in other comprehensive income, is also recognized in other comprehensive income.

4.12 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized when the Company has present legal or imputed liabilities as a result of past events; their settlement is possible through resources' outflow and the exact liability amount can be reliably estimated. The provisions are reviewed on the reporting date of the Financial Statements and are reviewed and adjusted accordingly on every financial statements reporting date to reflect the present value of the expense expected for the settlement of the liability.

When the effect of the time value of money is significant, the provision is calculated as the present value of the expenses expected to be incurred in order to settle this liability.

If it is no longer probable that an outflow will be required in order to settle a liability for which a provision has been made, then it is reversed.

In cases where the outflow of economic resources due to current commitments is considered improbable or the provision amount cannot be reliably estimated, no liability is recognized in the financial statements. Contingent liabilities are not recognized in the financial statements but are disclosed unless the probability of an outflow of resources incorporating financial benefits is minimal. Potential inflows from economic benefits for the Group which do not meet the criteria of an asset are regarded as contingent assets and are disclosed when the inflow of the economic benefits is probable.

Provisions for rehabilitation of natural landscape

Concerning restoration of natural landscapes, the Company recognizes the provisions for dismantling of plants and the restoration of the surrounding area. Decommissioning and remediation provisions reflect the present value at the reporting date of the estimated cost less the estimated residual value of the recoverable materials. Provisions are reviewed at every reporting date of the Statement of Financial Position and are adjusted in order to reflect the present value of the expense, expected to be

disbursed for settling the liability regarding decommissioning and remediation. The effect of discounting the estimated cost is recognized in the income statement as an interest expense.

Emissions obligation

Emissions are recognized based on the net obligation method according to which the Company recognizes an obligation from emissions when the actual emissions exceed the emission rights allocated by the European Union. The amount is measured at fair values to the extent that the Company has the obligation to cover the deficit through purchases. Rights purchased in excess of those required to cover deficits are recognized as intangible assets at cost.

4.13 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) Revenues from the sale of Electricity & Natural Gas.

It refers to revenue from contracts with customers arising from performance commitments that are fulfilled over time. Revenues from the sale of Electricity & Natural Gas are considered within the year they are realized. During the preparation of the financial statements, they are considered to be payable non-invoiced revenues from the sale of electricity to the ENERGY EXCHANGE GROUP (EnEx), as well as the revenues from electricity purchased by EnEx, which have not yet been invoiced.

In order to reduce its exposure to the changes in energy prices in the specific market, the Company uses derivative instruments. The product of the settlement of these derivatives is included in the income from the sale of electricity.

(ii) Dividends

Dividends are accounted for, when the right to collect them is finalized. It is possible that the financial benefits associated with the transaction will flow to the entity and the amount of revenue can be calculated reliably.

(iii) Interest

Revenues from interest are recognized on an accrual basis.

(iv) Income from rentals

It refers to income from contracts with customers and arises from implementation commitments that are fulfilled over time. Rental income (operating leases) is recognized using the straight-line method according to the terms of the lease.

4.14 Agreement acquisition cost

According to the IFRS 15, the costs for acquiring an agreement is the cost undertaken by an entity in order to acquire an agreement with a customer. To the extent the entity is expected to recover such costs, it can recognize an asset and amortize it according to the recovery rate of the benefits of the agreement with the customer. In any different case, these costs are entered as expenses in the fiscal year. In performance of the above, the Company capitalizes the agent's procurement cost, also known as "Agency costs". More specifically, the Company uses agents/intermediaries in order to promote sales. First-connection success fees are capitalized and amortized with regard to the annual customers-recycling rate. This sum is depicted in the "Other Long-term receivables" item in the Statement of Financial Position.

4.15 Derivative financial instruments (derivatives) and hedging accounting

In the context of risk management, the Company uses:

- derivative financial instruments to hedge the risk of change in electricity and natural gas prices (options, forward contracts for the sale of electricity)
- fixed for floating swap contract derivatives to hedge the risks associated with the future fluctuation of income variables.

These derivative financial instruments are initially recognized at their fair value at the date of the contract and are subsequently measured at their fair value. Changes in the fair value of financial derivative instruments are recognized at every reporting date either in the Statement of Comprehensive Income, depending on the extent, to which the derivative financial instrument meets the requirements of hedge accounting and, if so, according to the nature of the hedging object.

On the transaction date, the Company records the relationship between the hedging instrument and the hedging item, as well as the risk management objective and risk hedging transaction strategy. The Company also records both - when creating the hedging transaction and afterwards – the extent to which the instruments used in these changes are effective in offsetting fluctuations in the cash flows of hedging items.

Derivative financial products are measured at fair value at the reporting date and the changes are recognized in the income statement. The fair value of these derivatives is determined primarily on a market value and is confirmed by the counterparty credit institutions.

A hedging relation is suitable for the hedging accounting when the following criteria are met:

- the hedging relationship includes only eligible hedging instruments and eligible hedged items.
- at the inception of the hedging relationship there is a formal determination and documentation of the hedging relationship and the entity's risk management objective and its hedging strategy. The documentation includes determination of the hedging instrument, the hedged item, the nature of the hedged risk and the manner in which the entity will assess whether the hedging relationship meets the effectiveness requirements (including an analysis of the sources of inefficiency of the hedge and the determination of the hedging factor).
- the hedging relationship covers all the following efficiency requirements: (a) there is an financial relationship between the hedged item and the hedging instrument, (b) the effect of the credit risk does not override the changes in value arising from this financial relationship and (c) the hedging rate of the hedging relationship is the same resulting from the amount of hedged item actually hedged by the entity and the amount of the hedging instrument the entity actually uses to offset this amount of hedging item.

The component of changes in fair value that is attributable to effective risk hedging is recognized in equity.

Any gain or loss arising from changes in fair value attributable to non-effective risk hedging is recognized directly in the Statement of Comprehensive Income in the item "Net financial Income/ (Expenses)". Cumulative amounts in equity are recycled through the Statement of Comprehensive Income to the income statement, in the periods in which the hedged item affects the income statement (when the projected hedged transaction is taking place). Hedge accountancy is discontinued when the hedging instrument expires or is sold, terminated or exercised, or when the hedge no longer meets the hedge accountancy criteria.

The cumulative amount of gains or losses recognized directly in equity until that date remains in the reserves until the hedged item affects the Statement of Comprehensive Income. In the event that a

hedged transaction is no longer expected to be realized, the net accumulated gains or losses recorded in the reserves are directly transferred to the Statement of Total Comprehensive Income.

4.16 Share capital, reserves and distribution of dividends

Common registered shares are recorded as equity. Costs directly attributable to a component of equity net of tax effect, are monitored as a deduction to the Balance of Retained Earnings in equity. Otherwise, this amount is recognized as an expense in the period in question.

In cases when the Company or its subsidiaries acquire part of the Company's share capital (treasury shares), the amount paid, including any expense, net of tax, is deducted from equity until the shares are cancelled or sold. The number of treasury shares held by the Company does not reduce the number of shares in circulation but affects the number of shares included in the calculation of earnings per share. Treasury shares held by the Company do not incorporate a right to receive a dividend.

In particular, the reserves are divided into:

Statutory reserve

In compliance with the Greek Commercial Law, companies shall transfer at least 5% of their annual net profits to a statutory reserve until such reserve equals 1/3 of the paid-up share capital. This reserve cannot be distributed during the Company's operations.

Other reserves

The category of other reserves comprises:

- (1) Actuarial gains/(losses) from defined benefit pension schemes arising from (a) empirical adjustments (the effect of differences between previous actuarial assumptions and those eventually occurring) and (b) changes in actuarial assumptions.
- (2) Changes in fair value of investments classified as equity investments.
- (3) Reserves formed based on the expenses recognized by the Company and the Group from services acquired in exchange for shares (equity settled transactions) or stock options.

4.17 Government grants

Government grants are recognized at fair value, when there is reasonable assurance that the grant will be collected and the Company will comply with all relevant conditions.

Government grants related to the grants for tangible fixed assets are recognized, when there is reasonable assurance that the grant will be collected and all relevant conditions will be met. These grants are recognized as deferred income and are transferred to the income statement during the period based on the expected useful life of the asset, for which the grant was received.

Government grants, relating to expenses, are recorded in transit accounts and recognized in the income statement over the period necessary to balance the expenses they are intended to compensate.

4.18 Employee benefits

Short-term benefits: Short-term employee benefits (except for termination of employment benefits) in cash and in kind are recognized as an expense when deemed accrued. Any unpaid amount is recorded as a liability, whereas in case the amount already paid exceeds the benefits' amount, the entity identifies the excessive amount as an asset (prepaid expense) only to the extent that the prepayment shall lead to a future payments' reduction or refund.

Retirement Benefits: Benefits following termination of employment include lump-sum severance grants, pensions and other benefits paid to employees after termination of employment in exchange

for their service. The Group's liabilities for retirement benefits cover both defined contribution plans and defined benefit plans. The defined contribution plan's accrued cost is recognized as an expense in the period to which it relates. Pension plans adopted by the Group are partly financed through payments to insurance companies or state social security funds.

(a) Defined Contribution Plan

Defined contribution plans pertain to contribution payment to Social Security Organizations and therefore, the Group does not have any legal obligation in case the Fund is incapable of paying a pension to the insured person. The employer's obligation is limited to paying the employer's contributions to the Funds. The payable contribution by the Group in a defined contribution plan is identified as a liability after the deduction of the paid contribution, while accrued contributions are recognized as expenses in the income statement.

(b) Defined Benefit Plan (non-funded)

Under Laws 2112/20 and 4093/2012, the Company must pay compensation to its employees upon their dismissal or retirement. The amount of compensation paid depends on the years of service, the level of wages and the way of leaving service (dismissal or retirement). The entitlement to participate in these plans is carried out through the distribution of benefits in the last 16 years until the date of retirement of employees following the scale of Law 4093/2012.

The liability recognized in the Statement of Financial Position for defined benefit plans is the present value of the liability for the defined benefit less the plan assets' fair value (reserves from payments to an insurance company), the changes deriving from any actuarial profit or loss and the previous service cost. The defined benefit commitment is calculated on an annual basis by an independent actuary through the use of the projected unit credit method. Regarding FY 2024, the selected interest rate follows the tendency of European Bonds of 10-year maturity as at December 31 2024, which is regarded as consistent with the provisions of IAS 19, i.e. is based on bonds corresponding to the currency and the estimated term relative to employee benefits as well as appropriate for long-term provisions.

A defined benefit plan establishes, based on various parameters, such as age, years of service and salary, the specific obligations for payable benefits. Provisions for the period are included in the relative staff costs in the accompanying separate and consolidated Income Statements and comprise the current and past service cost, the relative financial cost, the actuarial gains or losses and potentially arising additional charges. Regarding unrecognized actuarial gains or losses, the revised IAS 19 is applied, which includes a number of changes to accounting treatment of defined benefit plans, including as follows:

- i. recognition of actuarial gains/losses in other comprehensive income and their permanent exclusion from the Income Statement,
- ii. non-recognition of the expected returns on the plan investment in the Income Statement but recognition of the relative interest on net liability/(asset) of the benefits calculated based on the discount rate used to measure the defined benefit obligation,
- iii. recognition of past service cost in the Income Statement at the earliest between the plan modification date or when the relative restructuring or terminal provision are recognized,
- iv. other changes include new disclosures, such as quantitative sensitivity analysis.

4.19 Accounting Policy for Business Combinations

According to the 27.10.2023 Draft Merger Agreement and based on the 26.10.2023 decisions of the Boards of Directors, the companies "HERON SINGLE-MEMBER S.A. ENERGY SERVICES" (HERON ENERGY S.A.) and "HERON II THERMOELECTRIC STATION VIOTIA S.A." (HERON II VIOTIA S.A.) approved the Draft

Merger Agreement with the absorption of "HERON II VIOTIA S.A." by "HERON ENERGY S.A." in accordance with the provisions of Law 4601/2019 and Law 2166/1993 and pursuant to notarial deed number 8996-11/12/2023.

By virtue of decision no. 14288/21-12-2023 of the GCR Service with Registration Code Number 3947441, and in accordance with the provisions of Law 4601/2019, Law 4548/2018, and Law 2166/1993, the merger of HERON ENERGY S.A. and HERON II VIOTIA S.A., with the absorption of the latter by the former, was approved.

The business combination of HERON ENERGY S.A. and HERON II VIOTIA S.A., with the absorption of the latter by the former and the amendment of the absorbing company's Articles of Association, does not result in a change of control of the companies by the parent company. Therefore, the corporate transformation (merger of companies) is considered a transaction between entities under common control and is excluded from the scope of IFRS 3.

Management in accordance with paragraphs 10 to 12 of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors," which, among other things, state that "In the absence of a standard or interpretation that specifically applies to a transaction or other event or condition, management shall use its judgment in developing and applying an accounting policy that results in information that is relevant to the users financial decision-making needs and reliable."

The Company has chosen the Merger Accounting method or pooling of interests method. Based on this handling, the Financial Position Statements of the merging companies are added up, using the accounting values of the assets and liabilities without further calculation of fair values.

More specifically, based on the accounting method of consolidation of interests, it is noted that:

- a) The assets and liabilities of the absorbed entity are recognized at their accounting values with appropriate adjustments to achieve uniform accounting policies. The accounting values used are derived from the Financial Statements of the absorbed company.
- b) Intangible assets and contingent liabilities are recognized only to the extent they were recognized in the financial statements of the absorbed company.
- c) Goodwill is not recognized. The difference between the cost of acquisition of the investment and the net assets of the acquired (absorbed) company is recognized in the "Retained Earnings" account of Shareholders' Equity.
- d) Transaction costs are recognized directly as expenses in the Income Statement.

The Company did not proceed with a reformation of the comparative data presented.

01.01.2023

ASSETS**Non-current assets**

Intangible assets	36
Right-of use assets	1,168
Tangible fixed assets	101,333
Participations in subsidiaries	24,200
Other investments	10
Other long-term assets	100,113

Total non-current asset	226,860
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Current Assets

Inventories	4,081
Trade receivables	33,007
Other receivables	9,005
Income tax receivables	0
Cash and Cash Equivalents	73,678

Total current asset	119,771
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TOTAL ASSETS	346,631
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EQUITY AND LIABILITIES**EQUITY**

Share Capital	6,440
Share premium account	63,296
Reserves	1,437
Retained earnings	99,338

Total Equity	170,511
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Non-current liabilities

Long-term Loans	27,520
Liabilities from leases	1,123
Provision for staff retirement indemnities	36
Provision for decommissioning	1,723
Deferred tax liabilities	19,833

Total Long-term Liabilities	50,235
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Current liabilities

Short-term loans	8,401
Long-term liabilities payable in the next financial year	0
Short-term part of liabilities from leases	108
Suppliers	8,930
Accrued and other short-term liabilities	83,320
Income tax payable	25,126

Total current liabilities	125,885
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TOTAL EQUITY & LIABILITIES	346,631
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5. INTANGIBLE ASSETS

The intangible assets of the Company and their movement for the periods 1 January to 31 December 2024 and 2023, presented in the attached financial statements, are analyzed as follows:

<u>Acquisition Value</u>	2024	2023
Balance 1st January	7,359	6,045
Amount of adsorbed company (Note 4.19)	0	388
Additions	1,649	0
Transfers	0	926
Balance 31st December	9,008	7,359
<u>Accumulated amortization and impairments</u>		
Balance 1st January	(5,702)	(3,931)
Amount of adsorbed company (Note 4.19)	0	(351)
Amortization	(1,048)	(1,420)
31st December	(6,750)	(5,702)
<u>Net book value</u>		
Balance 31st December	2,258	1,657

Amortization in the current financial year has been recognized by € 925 thousand and by € 124 thousand in the Administrative and Distribution Expenses account (€ 1,405 thousand and € 15 thousand respectively for the FY 2023).

6. TANGIBLE ASSETS

The tangible assets of the Company and their movement for the periods January 1 to December 31, 2024 and 2023, in the attached financial statements, are analyzed as follows:

	Land-plots	Buildings	Machinery	Vehicles	Other	Fixed assets under construction	Total
Acquisition cost							
Balance 1st January 2024	2,385	35,417	323,211	22	3,238	76	364,349
Additions	0	74	369	10	188	4,402	5,043
Cost of goods sold/tangible assets write-off	0	0	(4,252)	0	0	0	(4,252)
Balance 31st December 2024	2,385	35,491	319,328	32	3,426	4,478	365,140

Accumulated depreciation and impairments**Balance 1st January 2024**

Depreciation

Cost of goods sold/tangible assets write-off

Balance 31st December 2024**Net book value****Balance 31st December 2024**

	0	(26,024)	(239,648)	(22)	(2,658)	0	(268,351)
Depreciation	0	(942)	(13,501)	0	(278)	0	(14,721)
Cost of goods sold/tangible assets write-off	0	0	2,710	0	0	0	2,710
Balance 31st December 2024	0	(26,966)	(250,439)	(22)	(2,936)	0	(280,362)
<u>Net book value</u>							
Balance 31st December 2024	2,385	8,525	68,889	10	490	4,478	84,778

Acquisition cost**Balance 1st January 2023**

Amounts of absorbed company (Note 4.19)

Additions

Transfer from/to tangible fixed assets

Transfer from/to intangible fixed assets

Cost of goods sold/tangible assets write-off

Balance 31st December 2023**Accumulated depreciation and impairments****Balance 1st January 2023**

Depreciation amounts of absorbed company (Note 1)

Depreciation

Impairments from company absorption (Note 4.19)

Transfer (from)/to right-of use assets

Cost of goods sold/tangible assets write-off

Balance 31st December 2023**Net book value****Balance 31st December 2023**

	Land-Plots	Buildings	Machinery	Vehicles	Other	Fixed assets under construction	Total
Balance 1st January 2023	2,385	16,909	53,418	22	2,049	282	75,065
Amounts of absorbed company (Note 4.19)	0	18,304	268,997	0	715	0	288,016
Additions	0	0	0	0	0	2,241	2,241
Transfer from/to tangible fixed assets	0	251	796	0	474	(1,520)	0
Transfer from/to intangible fixed assets	0	0	0	0	0	(927)	(927)
Cost of goods sold/tangible assets write-off	0	(47)	0	0	0	0	(47)
Balance 31st December 2023	2,385	35,417	323,211	22	3,238	76	364,349
Accumulated depreciation and impairments							
Balance 1st January 2023	0	(15,712)	(47,918)	(22)	(1,816)	0	(65,468)
Depreciation amounts of absorbed company (Note 1)	0	(9,351)	(138,277)	0	(550)	0	(148,178)
Depreciation	0	(982)	(14,950)	0	(339)	0	(16,272)
Impairments from company absorption (Note 4.19)	0	0	(38,504)	0	0	0	(38,504)
Transfer (from)/to right-of use assets	0	0	0	0	47	0	47
Cost of goods sold/tangible assets write-off	0	22	0	0	0	0	22
Balance 31st December 2023	0	(26,024)	(239,648)	(22)	(2,658)	0	(268,351)
<u>Net book value</u>							
Balance 31st December 2023	2,385	9,393	83,563	0	580	76	95,998

Depreciation in the fiscal year 2024 correspond to € 14,722 thousand (€ 16,272 thousand in 2023) and has been recorded in the Statement of Comprehensive Income in the Cost of goods sold by € 14,620 thousand (€ 16,128 thousand in 2023) and by € 102 thousand (€ 144 thousand in 2023) in the Administration and Distribution Expenses. The Company, for the calculation of depreciation, examines the useful life and residual value of tangible assets at each reporting period, considering technological, institutional and economic developments, as well as experience from their exploitation.

For these properties, no real encumbrances or liens were registered for the fiscal years 2024 and 2023.

7. RIGHT-OF-USE ASSETS

The right-of-use fixed assets and their movement for the periods 1 January to 31 December 2024 and 2023 presented in the attached financial statements are analyzed as follows:

	Fields-Plots	Buildings-Facilities	Vehicles	Other	Total
Acquisition cost					
Balance 1st January 2024	980	3,507	1,039	435	5,961
Additions for the period	0	387	344	166	897
Termination of contracts	(980)	(2,064)	(646)	0	(3,690)
Balance 31st December 2024	0	1,830	737	601	3,168

Accumulated depreciation and impairments

Balance 1st January 2024	(126)	(2,192)	(688)	(408)	(3,415)
Depreciation	0	(490)	(72)	(179)	(741)
Termination of contracts	126	1,767	549	0	2,442
Balance 31st December 2024	0	(916)	(211)	(587)	(1,714)

Net book value

Balance 31st December 2024	0	914	526	14	1,454
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	Fields-Plots	Buildings & Facilities	Vehicles	Other	Total
Acquisition cost					
Balance 1st January 2023	0	2,407	603	339	3,349
Amounts of the absorbed company (Note 4.19)	980	584	103	0	1,667
Additions for the period	0	516	333	96	945
Balance 31st December 2023	980	3,507	1,039	435	5,961

Accumulated depreciation and impairments

Balance 1st January 2023	0	(1,264)	(506)	(290)	(2,061)
Amounts of accumulated depreciation of the absorbed company (Note 4.19)	(101)	(328)	(70)	0	(499)
Depreciation	(25)	(600)	(112)	(71)	(808)
Additions for the period	0	0	0	(47)	(47)
Balance 31st December 2023	(126)	(2,192)	(688)	(408)	(3,415)
Net book value					
Balance 31st December 2023	854	1,315	351	27	2,546

Depreciation in the financial year 2024 corresponds to € 741 thousand (€ 808 thousand in 2023) and have been recorded in the Statement of Comprehensive Income by € 225 thousand (€ 192 thousand in 2023) in the Cost of goods sold and by € 516 thousand in the Administrative and Distribution Expenses (€ 616 thousand in 2023).

8. PARTICIPATIONS IN SUBSIDIARIES**Analysis of movements in investments in subsidiaries for the year 2024**

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

	2024	2023
Balance 1st January	44,321	0
Amounts of absorbed company (Note 4.19)	0	24,200
Additions	800	20,121
Balance 31st December	45,121	44,321

The additions of € 800 thousand made within the 2024, concern in particular:

- The increase of the Share Capital of the company under the name "FAETHON SH.P.K." by an amount of € 300 thousand euros.
- The establishment of a new company in Greece under the name "SUSTAINABLE ENERGY SOLUTIONS S.M.S.A." with 100% shareholder the company "HERON SOCIETE ANONYME ENERGY SERVICES COMPANY," through the contribution of initial share capital amounting to € 500,000 and the issuance of 10,000 common registered shares, with a nominal value of fifty euros (€50) each, with the incorporation date set for November 6, 2024.

9. INVESTMENTS IN EQUITY SECURITIES

The investments in equity securities presented in the attached financial statements pertain to a participation of € 10,000 in the non-profit Hellenic Association of Independent Power Producers (HAIPP), which aims to collectively promote all issues related to the production and sale of electricity by independent producers. This company was established in March 2010 and the Company participates

with a 16.67% share in its capital. Additionally, the Company holds participation in the non-profit Hellenic Association of Energy Suppliers (ESPEN) with a contribution amount of € 5 thousand.

10. OTHER LONG-TERM RECEIVABLES

The account "Other long-term receivables" as of 31.12.2024 and 31.12.2023 in the attached financial statements is analyzed as follows:

	31.12.2024	31.12.2023
Loans to subsidiaries, joint ventures and other related parties	22,500	0
Guarantees granted	152	143
Other long-term financial receivables	5,438	0
Agents' commission cost	34,363	24,219
Prepaid leases	76	86
Total	62,529	24,448

The account "Loans to subsidiaries, joint ventures and other related parties" refers to the issuance of a Common Bond Loan to the parent company, totaling € 25,000 thousand, bearing an interest rate of 1.50% plus Euribor. The loan will be repaid in 10 equal installments, commencing on 30/09/2025 and concluding on 30/09/2034.

The account "Agents' commission cost" relates to the cost of commission of agents, also known as brokerage fees. The change of the account "Agents cost of commission" account is analyzed as follows:

	2024	2023
Agents' commission cost		
Balance 1 st January	24,219	22,456
Capitalized cost	18,914	7,671
Cost recognized as expenses (see Note 26)	(8,770)	(5,908)
Balance 31st December	34,363	24,219

11. INVENTORY

The Account "Inventory" on December 31st 2024 and on 31st December 2023 in the attached financial statements is analyzed as follows:

	31.12.2024	31.12.2023
Fixed assets spare parts	6,563	7,917
Consumables (mainly oil)	3,632	3,635
Merchandise	72	24
Inventory impairments	(1,448)	(1,448)
Total	8,819	10,128

The amount of € 3,079 thousand in "Consumables (mainly oil)" (€3,079 thousand for 2023) concerns oil stock storage in accordance with the amendment of RAE Decision No. 672/2022.

As of December 31, 2024 there was no need to create an additional provision for depreciated or slow-moving inventory. The existing provision was formed as a result of the merger of HERON II

THERMOELECTRIC STATION VIOTIA S.A. absorbed by HERON SOCIETE ANONYME ENERGY SERVICES (see Note 1), which took place during fiscal year 2023.

The inventories are not burdened with liens.

12. TRADE RECEIVABLES

The "Trade receivables" of the Company on 31.12.2024 and on 31.12.2023, in the attached financial statements, are analyzed as follows:

	31.12.2024	31.12.2023
Customers – Public Entities (Operators)	4,591	9,977
Customers – Individuals and private companies	328,887	248,819
Post-dated cheques receivable	9,153	8,449
Unbilled receivables - Individuals and private companies	165,322	111,425
Unbilled receivables – Public Entities	60,743	85,200
Impairment loss on trade receivables	(97,759)	(81,146)
Total	470,937	382,724

The above trade receivables also include receivables from related parties amounting to € 36,094 thousand (€ 14,700 thousand on 31/12/2023).

The receivables, invoiced by public companies include receivables from the Independent Power Transmission Operator (IPTO) of a total value of € 401 thousand (€ 1,173 thousand on 31/12/2023), from the Renewable Energy and Guarantees of Origin Administrator (DAPEEP, former LAGIE) of a total value of € 477 thousand (€ 2,432 thousand on 31/12/2023), from the Hellenic Electricity Distribution Network Operator (HEDNO) of a total value of € 2,896 thousand (€ 2,948 thousand on 31/12/2023), from the Operator of the National Natural Gas System Operator (DESFA) of a total value of € 0 thousand (€ 2,045 thousand on 31/12/2023) and receivables from other public entities of a total value of € 816 thousand (€ 454 thousand on 31/12/2023). The other receivables concern private customers in the categories of low, medium and high voltage electricity as well as other services.

The Company holds the trade and other short-term 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.

Given the application of the simplified approach of the IFRS 9, the Company calculates the expected credit loss always at an amount that represents cash flows shortfalls throughout the lifetime of financial receivables, weighed against the risk of default. Consequently, trade receivables and other short-term receivables are classified either at stage 2 or at stage 3.

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

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

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

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

31 December 2024	Non-past due balance	0-180 days	181-365 days	365 days and more	Total
Expected credit loss rate	4.58%	7.50%	22.97%	64.58%	17.19%
Expected amount to be collected	337,539	99,035	25,115	107,007	568,696
Lifetime Expected credit loss	(15,456)	(7,430)	(5,768)	(69,105)	(97,759)
Total	322,083	91,605	19,347	37,902	470,937

31 December 2023	Non-past due balance	0-180 days	181-365 days	365 days and more	Total
Expected credit loss rate	5.96%	11.26%	24.75%	75.25%	17.49%
Expected amount to be collected	267,861	95,076	42,511	58,422	463,870
Lifetime Expected credit loss	(15,952)	(10,707)	(10,523)	(43,965)	(81,146)
Total	251,909	84,370	31,988	14,457	382,724

The Company applies the simplified approach of IFRS 9 in order to calculate the expected credit loss of trade and other short-term receivables, which it classifies either at Stage 2 or at Stage 3.

	31.12.2024	
	Stage 2	Stage 3
Expected credit loss percentage	9.22%	81.01%
Expected amount to be collected	505,590	63,106
Lifetime Expected credit loss	46,637	51,122

	31.12.2023	
	Stage 2	Stage 3
Expected credit loss percentage	13.18%	78.72%
Expected amount to be collected	433,355	30,515
Lifetime Expected credit loss	57,124	24,022

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

	2024	2023
Balance 1st January	81,146	67,354
Gain / (Loss) from trade receivables impairment (Note 29)	16,613	13,778
Impairment of trade receivables from company absorption	0	14
Balance at 31st December	97,759	81,146

The Company, in order to safeguard its operations against contingent losses from trade receivables, receives prepayments from its customers. The amount of such prepayments in the year 2024 settled at € 21,128 thousand (€ 23,404 thousand in 2023 – see Note 18).

13. OTHER RECEIVABLES

"Other receivables" on 31 December 2024 and 31 December 2023 in the attached financial statements are analyzed as follows:

	31.12.2024	31.12.2023
VAT to be refunding - offsetting	38,196	19,511
Prepaid expenses	5,192	4,464
Receivables from joint venture members, associates and other related parties	22,362	0
Short-term part of long-term loans granted	2,766	0
Other receivables	12,401	20,899
Total	80,917	44,874

The account "Other receivables" primarily includes advances to suppliers amounting to € 11,874 thousand (€ 16,728 thousand in 2023). The account "Receivables from joint venture members, associates and other related parties" includes an outstanding short-term receivable from a related company arising from the sale of an Open Cycle Gas Turbine (OCGT) power plant with a nominal capacity of 147 MW. The long-term part of this receivable is included under "Other Long-term Receivables" (see Note 10).

The account "Short-term part of long-term loans granted" refers to the short-term part of the Common Bond loan granted to the parent company, with a total amount of € 25,000 thousand, with an interest rate of 1.50% plus Euribor. The loan will be repaid in 10 equal instalments, starting on 30/09/2025 and concluding on 30/09/2034 (see Note 10 - "Other Long-term Receivables").

14. CASH AND CASH EQUIVALENTS

The Cash and cash equivalents of the Company on December 31, 2024 and December 31, 2023 in the attached financial statements, are analyzed as follows:

	31.12.2024	31.12.2023
Cash at hand	9	6
Sight deposits	44,656	60,952
Total	44,665	60,958

15. PROVISION FOR STAFF 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 2024 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, 2024.

The expense for staff retirement indemnities was recognized in the Income Statement and is analyzed as follows:

	31.12.2024	31.12.2023
Current service cost	44	44
Financial cost (Note 31)	4	3
Cost of terminal benefits	33	36
Recognition of actuarial (profit)/loss	4	(5)
Total	85	78

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

	2024	2023
Balance 1st January	154	76
Amount of absorbed company (Note 4.19)	0	36
Provision recognized in the results for the year	81	82
Provision recognized in other comprehensive income	4	(5)
Benefits paid within the current year	(46)	(35)
Balance 31st December	193	154

The main actuarial assumptions for the fiscal years 2024 and 2023 have as follows:

	2024	2023
Discount rate	2.78%	2.98%
Future wage increases	2.50%	2.50%
Inflation	2.00%	2.10%
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%
From 5 to 10 years	0.50%
From 10 years and above	0.00%

16. OTHER PROVISIONS

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 obligation. The estimated provision is based on the expected cash flows required for fulfilling this obligation at the year end. This amount was then increased by the average estimated expected rate of inflation and discounted according to the necessary discount rate. This provision is increased from last year due to a one-year maturity and there was no change in the amount of the future flow.

The movement of the relevant other provisions in the Statement of Financial Position for the years 2024 and 2023 is as follows:

	2024	2023
Balance at 1st January	2,331	417
Amounts of absorbed company (Note 4.19)	0	1.723
Provision recognized in the Results	0	73
Interest from provisions recognized in results	163	118
Unused provisions recognized in results	(458)	0
Balance at 31st December	2,036	2,331

The account "Unused provisions recognized in results" refers to a decommissioning provision formed for a power generation unit, which was not utilized due to the sale of the unit during the 2024 financial year. Specifically, it relates to the sale of a 147 MW Open Cycle Gas Turbine (OCGT) power plant.

17. SUPPLIERS

The account "Suppliers" is analyzed as follows on December 31st 2024 and on December 31st 2023, in the attached financial statements:

	31.12.2024	31.12.2023
Electricity and natural gas suppliers	63,917	42,922
Electricity production suppliers	9,572	2,912
Electricity local portfolio management suppliers	1,418	15,173
Other suppliers	7,060	4,092
Total	81,967	65,099

Suppliers mainly include liabilities to the Independent Power Transmission Operator (IPTO) of € 2,418 thousand (€ 4,016 thousand in 2023), the Renewable Energy and Guarantees of Origin Administrator (DAPEEP, former LAGIE) of a total value of € 9,089 thousand (€ 4,707 thousand in 2023), the Athens Stock Exchange Clearing Company SA (EnExClear) of a total value of € 5,770 thousand (€ 2,082 thousand in 2023), the Hellenic Electricity Distribution Network Operator (HEDNO) of an amount of approximately € 24,992 thousand (€ 18,218 thousand in 2023) and to the Deposits & Loans Fund of an amount of € 327 thousand (€ 105 thousand in 2023). Also, the account includes an amount of € 16,119 thousand that the Company owes to municipalities and which concerns municipal fees, with the corresponding liability of 2023 having settled at € 7,696 thousand.

18. ACCRUED AND OTHER LIABILITIES

The accrued and other liabilities (long-term and short-term) on December 31, 2024 and December 31, 2023 in the attached financial statements are analyzed as follows:

	31.12.2024	31.12.2023
Sundry Creditors	60,611	48,458
Customer Advances	21,128	23,404
Liabilities from taxes-duties	2,696	3,810
Insurance agencies	487	404
Other short-term liabilities	1,201	144
Purchases under arrangement	0	1,822
Accrued Expenses	125,864	138,412
	211,987	216,454

“Sundry Creditors” include Municipal Duties € 53,411 thousand. (€ 42,247 thousand in 2023) and reciprocal charges paid to ERT of € 6,713 thousand (€ 5,824 thousand in 2023), which the Company collects from low, medium and high voltage customers and pays to Municipalities and ERT respectively. It also includes personnel salaries payable of € 488 thousand (€ 452 thousand in 2023) and other various creditors of € 0 thousand (€ 65 thousand in 2023).

“Customers Advances” include guarantees received from retail customers € 21,128 thousand (€ 23,174 thousand in 2023). “Accrued Expenses” include: Natural Gas accrued cost of € 24,734 thousand (€ 9,334 thousand in 2023), charges from IPTO of € 68,353 thousand (€ 2,995 thousand in 2023), charges from DAPEEP of € 3,381 thousand (€ 3,303 thousand in 2023), charges from HEDNO of € 14,381 thousand (€ 69,403 thousand in 2023), charges from EnExClear (Clearing and Settlement Company) of € 6,206 thousand (€ 10,232 thousand in 2023), charges from agents of € 3,495 thousand (€ 819 thousand in 2023) and other accrued expenses of € 5,227 thousand (€ 4,854 thousand in 2023), as well as accrued production cost related to accrued cost of CO₂ emission rights, which for the 2024 fiscal year amounted to € 0 thousand, as the rights were purchased on the spot market, whereas in the 2023 fiscal year the accrued cost amounted to € 37,471 thousand.

19. LIABILITIES FROM LEASES

Liabilities from leases on December 31, 2024 and December 31, 2023 in the attached financial statements are analyzed as follows:

2024	Long-term part	Short-term part
Balance 1st January	1,923	828
Liabilities under new contracts	898	0
Transfer of short-term part of long-term liabilities	(634)	634
Outflows / (payments) for capital	(1,042)	0
Interest payments	79	0
Write-offs	(682)	(730)
Balance 31st December	542	732

2023	Long-term part	Short-term part
Balance 1st January	886	423
Amounts of the absorbed company (Note 4.19)	1,123	108
Liabilities under new contracts	946	0
Transfer of short-term part of long-term liabilities	(1,032)	1,032
Outflows / (payments) for capital	0	(735)
Interest payments	0	(126)
Interest of the period (Note 26)	0	126
Balance 31st December	1,923	828

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

	31.12.2024	31.12.2023
Up to 1 year	732	828
2-5 years	540	1,923
Over 5 years	2	0

20. LOAN LIABILITIES

LONG-TERM LOAN LIABILITIES

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

	2024	2023
Balance 1st January	0	184,118
Amounts of the absorbed company (Note 4.19)	0	27,520
Outflows / (payments) for capital	105,446	(110,020)
Loan Interest in the financial results (Note 31)	1,230	2,395
Payments of interest for the period	(1,230)	(2,395)
Transfer from short-term to long-term borrowings	50,000	0
Adjustment due to the elimination of intragroup loans of the absorbed company	0	(101,618)
Balance 31st December	155,446	0

As of 31 December 2024, the Company's long-term loan borrowing amounted to € 155,446 thousand, owed to financial institutions. On 27 September 2024, the Company entered into a Common Bond Loan agreement of € 100,000 thousand, with the right to repay the full amount at the loan's maturity date, which is in two years. On 19 December 2024, an amount of € 50,000 thousand from the Company's current account held with the same financial institution was converted into a Common Bond Loan of a total amount of € 55,000 thousand, with an additional € 5,000 thousand disbursed on that date. The full amount is repayable at the loan's maturity date, which is in two years."

SHORT-TERM LOAN LIABILITIES

The following table presents the movement of short-term loans in the period:

	2024	2023
Balance 1st January	69,127	62,717
Amounts of the absorbed company (Note 4.19)	0	8,401
Outflows / (payments) for capital	(14,800)	(2,800)
Loan Interest in the financial results (Note 31)	4,198	4,230
Payments of interest	(5,548)	(3,421)
Transfer from / (to) other short-term liabilities	(50,000)	0
Balance 31st December	2,977	69,127

The account "Outflows/(payments)" for the capital mainly relates to:

- The capital repayments amounting of € 2,800 thousand concern the short-term loan that has come from the granting of Credit by Optima Bank SA to an open mutual account. The interest rate of the short-term loan is 3-month Euribor plus margin (3.5%) plus Charge Factor (0.60%).
- Repayment of a loan amounting to € 5,000 thousand on 20 December 2024, bearing interest on a quarterly basis at a Euribor rate equal to the interest period's duration, plus a margin of 4%.
- Capital disbursement of € 43,000 thousand on 30 September 2024, relating to a short-term loan granted through a credit facility in an open current account. Following this disbursement,

the total balance of the facility amounted to € 50,000 thousand. Subsequently, on 19 December 2024, an amount of € 50,000 thousand was converted from the open current account into a Common Bond Loan, (as described above in the section "LONG-TERM LOANS LIABILITIES").

- iv. Repayment of principal amounting to € 50,000 thousand on 27 September 2024, relating to a short-term loan obtained in fiscal year 2022, bearing interest on a semi-annual basis at a Euribor rate equal to the duration of the interest period, plus a margin of 2.40%, with the option to reduce the margin to 2.15%. In addition, repayment of a long-term Common Bond Loan of € 100,000 thousand at maturity, (as referenced above in the section "LONG-TERM LOANS LIABILITIES").

21. SHARE CAPITAL

The Share Capital of the Company amounts to eight million eight hundred and fifty-six thousand two hundred and two Euros and seventy-four cents (€ 8,856,202.74) and is divided into one hundred and eight thousand and forty-two (108,042) ordinary registered shares, with a nominal value of eighty-one Euro and ninety-seven cents (€ 81.97) each.

The Share Capital belongs to 86.18% of the company GEK TERNA S.A. (93,112 shares) which is listed on the Athens Stock Exchange and by 13.82% in the company TERNA TOURIST TECHNICAL AND MARITIME SOCIETE ANONYME (14,930 shares), which is a subsidiary of the company GEK TERNA S.A.

22. RESERVES

The Company's reserves at the end of the financial year are analyzed to a statutory reserve of amount of € 2,244 thousand (€ 2,244 thousand in year 2023) and a reserve from actuarial cases of € 3 thousand (€ 8 thousand, which is the revised amount for the financial year 2023).

	Ordinary Reserve	Reserves of actuarial income / losses from defined benefit plans	Total
1st January 2024	2,244	8	2,252
Aggregate total income	0	(5)	(5)
31st December 2024	2,244	3	2,247

	Ordinary Reserve	Reserves of actuarial income / losses from defined benefit plans	Total
1st January 2023	805	6	811
Aggregate total income	0	4	4
Addition from company absorption	1,439	(2)	1,437
31st December 2023	2,244	8	2,252

The formation of statutory reserve is being determined by the Law 4548/2018 and is obligatory up to the level of one third (1/3) of the paid-up share capital. The purpose of this reserve is to offset future losses.

The formation of such reserves is recognized by a decision of the ordinary general meeting based on annual profits after taxes at a rate of 5%.

23. INCOME TAX

With the enactment of Law 4799/2021 which amended paragraph 1 of article 58 of Law 4172/2013, the tax rate imposed on the income of legal entities in Greece for the year 2024 was set at 22%, which is the same as the previous year 2023.

The effective tax rate is different from the nominal rate. Several factors affect the calculation of the effective tax rate, the most important of which being the non-tax deductibility of certain expenses, the differences in depreciation rates arising between the useful life of fixed assets and the rates defined by Law 4172/2013 and the ability of companies to form tax-free discounts and reserves.

(a) Income tax expense

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

	31.12.2024	31.12.2023
Current income Tax	13,047	15,343
Tax adjustments of previous years	(217)	49
Expense/(Income) from income tax	4,998	9,195
Total expense / (income) from income tax	17,828	24,587

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

	2024	2023
Earnings/(loss) before taxes	81,656	107,207
Nominal Tax Rate	22%	22%
Income Tax Expense / (Income) based on applicable nominal tax rate	17,964	23,586
<u>Adjustments attributed to:</u>		
Tax adjustments of previous years	39	486
Effect of net temporary taxable differences for which no Deferred tax is recognized	(450)	(939)
Effect of permanent tax differences	275	1,454
Actual tax expenditure	17,828	24,587
Effective tax rate	22.00%	23.00%

Tax return statement is submitted annually. The Company has been audited by the tax authorities until the year 2018. 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 2014 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 2018 is time-barred unless the specific provisions on 10-year, 15-year and 20-year lapse periods apply.

The Company has received a tax audit notification for the fiscal year 2019 and the audit is currently ongoing.

(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.

	31.12.2024	31.12.2023
Net deferred tax asset/(liability)	(21,317)	(16,316)
	2024	2023
Balance 1st January	(16,316)	12,712
Amount of absorbed company (Note 4.19)	0	(19,833)
(Expense) / Income recognized in the net earnings	(5,000)	(9,194)
(Expense) / Income recognized in other comprehensive income	(1)	(1)
Balance 31st December	(21,317)	(16,316)

The deferred tax assets and liabilities for the fiscal years 2024 and 2023 are analyzed as follows:

	01.01.2024	Net profit (Debit) / Credit	Other comprehensive income (Debit) / Credit	31.12.2024
Deferred tax asset				
Tangible and intangible assets	(20,038)	2,673	0	(17,365)
Assets / liabilities from contracts with customers	(11,327)	(13,211)	0	(24,538)
Provision for staff indemnities	35	9	(1)	43
Derivatives	(3,046)	579	0	(2,468)
Trade receivables	9,674	4,592	0	14,266
Other provisions (accrued income/expenses, impairment of receivables)	8,031	444	0	8,475
Leases	37	(86)	0	(49)
Other	318	0	0	318
Net deferred tax asset/(liability)	(16,316)	(5,000)	(1)	(21,317)

	01.01.2023	Acquisition, sale of Subsidiary	Net profit (Debit) / Credit	Other comprehensive income (Debit) / Credit	31.12.2023
Deferred tax asset					
Tangible and intangible assets	(528)	(22,553)	3,044	0	(20,038)
Assets / liabilities from contracts with customers	(1,312)	0	(10,015)	0	(11,327)
Provision for staff indemnities	17	8	10	(1)	35
Derivatives	(841)	0	(2,205)	0	(3,046)
Trade receivables	7,738	3	1,933	0	9,674
Other provisions (accrued income/expenses, impairment of receivables)	7,631	2,376	(1,976)	0	8,031
Leases	7	14	16	0	37
Other	0	318	0	0	318
Net deferred tax asset/(liability)	12.712	(10.224)	(9,193)	(1)	(16,316)

24. ASSETS AND LIABILITIES FROM DERIVATIVES

Information on the Company's derivatives on 31.12.2024 and 31.12.2023 is presented below:

	31.12.2024	31.12.2023
Receivables from derivatives		
- Hedging against fair value change		
Fixed for floating swap contracts for sale of electricity to TERNAL ENERGY (Note 24.1)	3,268	6,269
Fixed for floating swap contracts for sale of electricity to third parties (Note 24.1)	11,716	12,802
Electricity forward contracts (Note 24.2)	17,075	12,881
Natural gas forward contracts (Note 24.2)	569	0
Total Assets from Derivatives	32,628	31,952
-Long-term receivables from derivatives	12,041	21,865
-Short-term receivables from derivatives	20,587	10,087
Liabilities from derivatives	31.12.2024	31.12.2023
- Hedging against fair value change		

Fixed for floating swap contracts for sale of electricity to TERN A ENERGY (Note 24.1)	400	3,359
Fixed for floating swap contracts for sale of electricity to third parties (Note 24.1)	10,349	10,899
Electricity forward contracts (Note.24.2)	10,660	2,090
Natural gas forward contracts (Note.24.2)	0	1,755
Total Liabilities from Derivatives	21,409	18,103
- Long-term receivables from derivatives	16,494	12,758
- Short-term receivables from derivatives	4,915	5,345

All the above financial instruments are measured at their fair value.

More specifically within the financial year 2024, from the above derivatives a total loss of € 2,630 thousand (31.12.2023: total gains of € 10,029 thousand) was recognized in the Statement of Comprehensive Income due to changes in fair value, which is included in "Net financial income/(expenses)" as analyzed in Note 31 in the line "Valuation result from derivatives". Moreover, the cost for the servicing of derivatives of the amount of € 10,059 thousand is depicted in the Revenue of the Statement of Comprehensive Income (31.12.2023: 11,220 thousand).

More analytically:

24.1. Fixed for floating swap contract HERON EN. A with TERN A ENERGY and to third parties / conclusion of long-term power purchase agreements (PPA) with RES producers

On 25.01.2021, the Company, in collaboration with TERN A ENERGY S.A. introduced in the Greek market the plan "HERON EN. A", an integral part of which is the agreement with TERN A ENERGY S.A. to sell the production of Renewable Energy Sources (RES) to HERON ENERGY for 25 years. In addition, on 20/09/2021, HERON ENERGY S.A. started to implement the first RES-generated electricity long-term sale with final consumers, which it continued into the 2023 financial year and in this context, it concluded with TERN A ENERGY the "HERON EN. A BUSINESS", through which, TERN A ENERGY S.A. has agreed upon the sale of RES output to HERON ENERGY S.A. for 20 years. Based on the above agreements, the Company will be paying fixed cash flows from the EN. A plan to TERN A ENERGY S.A., while it will be receiving floating cash flows (Proxy Market Revenues) from TERN A ENERGY S.A. (fixed for floating swap contract).

Respectively, in the context of the plans "HERON EN. A" and "HERON EN. A BUSINESS", the Company receives from the contracted energy consumers fixed cash flows, while it pays to them the floating cash flows (Proxy Market Revenues) it receives under the respective agreements with TERN A ENERGY SA. The Company offers its customers who are under contract in the above programs a fixed energy cost in the form of discounts in their final bill (fixed for floating swap contract). The term of the plan "HERON EN. A" between the Company and the final consumers is set at 20 years, with the Company's option to further extend them, while for "HERON EN. A BUSINESS" plan the relevant agreements between the Company and large energy consumers based on the typical form of virtual power purchase agreements, VPPA) have a suggestive term of 7 years.

At the same time, within the financial year of 2024, started the commercial liquidation of the first long-term power purchase agreements (PPA) with third-party renewable energy producers that the Company had entered into previous years. The Company also successfully pursued the conclusion of new long-term PPAs under favorable terms throughout 2024. In total, these agreements relate to energy generated by photovoltaic and wind power plants that are either already in operation or are expected to gradually reach full commercial operation by the end of 2024 and in the years to follow. In the case of newly developed RES plants, the PPA agreements have been instrumental in securing their financing. With regard to the Company, the agreements will form the basis for offering relevant green programs and long-term VPPA to end consumers in the coming years.

In the same context of providing energy cost stabilization solutions to its customers, within the fiscal year 2024, the Company was among the few suppliers offering short-term (up to 2-year) electricity sales contracts with financial settlement to industrial and commercial customers, responding to the opportunity given by the relevant modification of the market regulatory framework. This initiative benefited customers by helping to reduce their energy costs.

During the year 2024, from the above-mentioned derivatives, a total fair value loss of €577 thousand (€6,795 thousand in 2023) was recognized in Statement of Comprehensive Income from changes in fair value, which is included in "Net financial income/(expenses)".

24.2. Forward contracts for the purchase and sale of natural gas and electricity for commercial purposes

Forward contracts for the purchase and sale of gas and electricity

In the context of its operation in the financial year 2024, the Company has entered into forward contracts for the sale and purchase of natural gas and electricity either for hedging risks from differences in prices in the market or for gaining profit. More specifically, the majority of the relevant contracts concerns hedging risk from differences in price of natural gas and of electricity so as to minimize the relevant financial risk that relates to the purchase cost of natural gas and electricity for the purposes of the procurement and availability of such commodities to final customers. These transactions support either the direct offer of a fixed natural gas and electricity price to final customers who distinctively wish to be protected against the fluctuations of the wholesale market and undertake respective commitments for remaining in relevant fixed price contracts or these transactions take place so as to stabilize and potentially reduce the average wholesale cost for the purchase of energy of the overall supply portfolio, supporting the creation of relevant competitive products for final consumers. To a lesser extent, the conclusion of forward contracts for the purchase and sale of electricity and natural gas supports the activity of electricity trading, allowing the stabilization of the cost of purchasing or selling energy, when the Company wishes to submit competitive offers to sell or buy energy respectively.

Within the financial year 2024, from the above-mentioned derivatives, a total valuation loss of € 168 thousand (€ 6,927 thousand in 2023) was recognized in the results of the financial year from changes in fair value, which is included in the item "Net financial income/(expenses)".

Future contract of electric energy VPPA

Regarding the Virtual Power Purchase Agreement (VPPA) that the Company signed in 2023 with the associated company (joint venture) Thermoelectric Komotini S.A., with a maximum contract duration of 10 years. This contract is considered a financial instrument, similar to a contract for differences (CFD), as it is agreed to exchange the difference of cash flows on a fixed energy price and correspondingly variable energy prices.

For this derivative from its initial measurement at fair value, an amount of € 9,897 thousand in gains was recognized in 2023 in the item "Net financial income/(expenses)" as it is analyzed in note 30 in the

section "(C) Results of derivatives valuation on the line". The said net financial claim for the period 2024 amounted to € 8,011 thousand with a total valuation loss of € 1,885 thousand recognized (compared to a gain of € 9,897 thousand in 2023). To calculate the present value of the virtual Power Purchase Agreement (VPPA), the discounted cash flow (DCF) method was chosen.

25. REVENUE

The turnover of the Company for the years 2024 and 2023, in the attached financial statements, is analyzed as follows:

Analysis per category	01.01- 31.12.2024	01.01- 31.12.2023
Revenue from electricity trade	1,195,373	1,122,325
Revenue from electricity production	278,957	285,655
Revenue from natural gas	74,741	108,610
Other Income	7,825	30,806
Total	1,556,895	1,547,396
Breakdown per customer category	01.01- 31.12.2024	01.01- 31.12.2023
Public entities	399,969	397,383
External customers	1,096,033	1,123,721
Affiliated companies	60,893	26,292
Total	1,556,895	1,547,396

The total of "Revenue from electricity production" amounting to € 278,957 thousand came from public bodies. The amount of Total Revenue concerns transfers of goods which take place at a given time.

During the 2024 fiscal year, there were no significant changes in the account "Revenue from electricity trade". These revenues primarily relate to private customers and intra-group companies.

26. COST OF GOODS SOLD, ADMINISTRATIVE AND DISTRIBUTION EXPENSES

The cost of goods sold for the years 2024 and 2023, in the attached financial statements, is analyzed as follows:

Cost of goods sold	01.01- 31.12.2024	01.01- 31.12.2023
Cost of Services and Purchase of Electricity	1,143,575	974,785
Electricity trade cost	15,347	78,970
Diesel/Natural gas	200,416	253,354
Cost of CO2 emission rights	47,283	57,070
Capitalized agents' costs	11,397	7,784
Depreciation	15,769	17,724
Fees and expenses of third parties	8,480	4,181
Personnel cost	7,164	6,689
Repairs and maintenance	2,983	3,825
Taxes - Duties	5,007	11,586
Other expenses	1,598	1,192
Total	1,459,019	1,417,160

In the "Cost of Services and Purchase of Electricity" amounted to € 1,143,575 thousand, mostly included charges from IPTO for the amount of € 42,244 thousand (2023: € 29,124 thousand), from DAPEEP for the amount of € 53,042 thousand (2023: € 47,963 thousand), and from EnEx for the amount of € 799,879 thousand (2023: € 657,270 thousand). Finally, it includes charges from HEDNO (Hellenic Electricity Distribution Network Operator – DEDDIE) for the amount of € 223,238 thousand (2023: € 201,588 thousand).

In the "Taxes-duties", an amount of € 4,511 thousand concerns a special contribution in favor of the Energy Transition Fund for the months January and February 2024, as well as August 2024. For the fiscal year 2023, an amount of € 11,118 thousand related to the period from January to December 2023 in accordance with article 62 of Law 4986/2022 (Government Gazette 204A/28.10.2022), the which is imposed on each distributed unit of electricity production with fuel natural gas.

The administration and distribution expenses for the years 2024 and 2023, in the attached financial statements, are analyzed as follows:

Administrative and Distribution Expenses

	01.01- 31.12.2024	01.01- 31.12.2023
Professional fees	7,940	9,269
Personnel cost	6,448	5,292
Taxes – duties	63	108
Promotion and advertising expenses	8,823	6,166
Telecom expenses	1,012	1,125
Depreciation	741	774
Auditors' fees	120	128
Other expenses	4,147	4,154
	29,294	27,016

27. PERSONNEL COST

The expenses for personnel on December 31st, 2024, are analyzed as follows:

	01.01- 31.12.2024	01.01- 31.12.2023
Personnel salaries and benefits	11,448	9,991
Social security fund contributions	2,088	1,911
Provision for staff indemnities	77	79
Total Expenses	13,612	11,981

Total Personnel Cost for the year 2024, amounted to € 13,612 thousand (€ 11,981 thousand in 2023) and is recorded in the Financial Statements by the amount of € 7,164 thousand (€ 6,689 thousand in 2023) in the Cost of goods sold and by the amount of € 6,448 thousand (€ 5,292 thousand in 2023) in the Administrative and Distribution Expenses (see Note 26).

28. AUDITORS' FEES

	01.01- 31.12.2024	01.01- 31.12.2023
Total Auditors fees	120	128

The above fees concern the regular audit, tax audit and other permissible services allowed by the auditing company Grant Thornton Audit Tax Advisory Services.

For the fiscal year that ended on December 31, 2024, the fees relating to permissible non-audit services provided by the audit firm responsible for auditing the Company's financial statements amounted to €23 (2023: € 11).

29. OTHER INCOME/(EXPENSES)

The Other Income/(Expenses) on 31st December 2024 presented in the attached Financial Statements are analyzed as follows:

	01.01- 31.12.2024	01.01- 31.12.2023
<u>Other Income:</u>		
Default interest for delayed customer payments	3,807	0
Income from leases	283	179
Income from the resale of CO2 emission allowances	0	13,141
Gains from derecognition of right-of-use assets	164	0
Gains from the disposal of mechanical, technical installations and other equipment	28,764	0
Income from unused other provisions	458	0
Other revenues	3,855	3,358
	37,331	16,678
	01.01- 31.12.2024	01.01- 31.12.2023
<u>Other Expenses:</u>		
Taxes - duties	(11)	(111)
Costs of purchasing CO2 allowances (for resale)	0	(13,136)
Provision for doubtful receivables (Note 12)	(16,792)	(13,956)
Write-offs of tangible fixed assets	0	(25)
Other expenses	(1,352)	(527)
	(18,154)	(27,755)
Total Income /(Expenses)	19,177	(11,077)

The account "Gains from disposal of machinery, technical installations and other equipment" relates to the profit from the sale of a 147 MW Open Cycle Gas Turbine (OCGT) power plant to an associate company within the GEK TERNA Group, which took place in the first half of 2024. The account "Income from unused other provisions" refer to the reversal of the provision previously established for the decommissioning of machinery and equipment as a result of the aforementioned sale.

The "Other Income" account primarily relates to the commission from Municipal Duties (2%) amounting to € 1,933 thousand (€ 1,859 thousand in 2023) and grants from European programs amounting to € 405 thousand (€ 565 thousand in 2023).

Furthermore, during the 2024 fiscal year, the account "Default interest for delayed customer payments" was reclassified to the Other Income account, whereas in the prior year 2023 it was classified under Finance Income account (see Note 31).

30. GAINS/(LOSSES) FROM PARTICIPATIONS AND OTHER EQUITY INSTRUMENTS

The gains/(losses) from participations and other equity instruments, for the years 2024 and 2023, in the attached financial statements, are analyzed as follows:

	01.01- 31.12.2024	01.01- 31.12.2023
Dividends of subsidiaries	5,110	8,159
	5,110	8,159

The "Dividends of subsidiaries" account mainly includes an amount of € 5,110 thousand (2023: € 8,159 thousand) from the subsidiary company Optimus Energy S.A.

31. FINANCIAL INCOME/(EXPENSES)

The financial income/(expenses) for the years 2024 and 2023, in the attached financial statements, are analyzed as follows:

	01.01- 31.12.2024	01.01- 31.12.2023
<u>(A) Financial Income:</u>		
Deposit interest	7	383
Loan interest	265	0
Other financial income	0	5,593
	272	5,976
<u>(B) Financial Expenses:</u>		
Interest on short-term loan financing	(4,197)	(4,230)
Interest on long-term loan financing	(1,230)	(2,395)
Financial costs from lease contracts	(79)	(126)
Commissions and other financial expenses	(2,163)	(2,149)
Default interest for delayed customer payments	(1,024)	(9)
Discounting expense relating to provision for dismantlement of machinery equipment	(163)	(191)
	(8,856)	(9,100)
<u>(C) Results from derivatives' valuation:</u>		
Profit/(losses) from valuation of derivatives at fair value	(2,630)	10,029
	(2,630)	10,029
Net financial income / (expenses) (A) + (B) + (C)	(11,214)	6,905

The change in the net financial income/(expenses) of the Company is mainly due to the negative valuations of derivatives in the amount of € 2,630 thousand compared to the fiscal year 2023 which amounted to € 10,029 thousand, as well as in the reclassification of the "Default interest for delayed

customer payments" account in the Other income account compared to the previous fiscal year of 2023, which was classified in the Financial income account.

32. TRANSACTIONS WITH RELATED PARTIES

The Company's Transactions as well as Balances with Related Parties for the financial years 2024 and 2023 are analyzed as follows:

2024	Sales	Purchases	Debit balance	Credit balance
Affiliated Company of GEK TERNA Group (trading of electricity and natural gas)	64,084	21,740	33,805	764
Affiliated Company of GEK TERNA Group (Borrowing)	265	0	25,265	0
Affiliated Company of GEK TERNA Group (Hedging of risk)	4,217	0	0	0
Affiliated Company of GEK TERNA Group (other services)	34,469	9,467	28,172	6,755
Total	103,035	31,207	87,242	7,519

2023	Sales	Purchases	Debit balance	Credit balance
Affiliated Company of GEK TERNA Group (trading of electricity and natural gas)	23,172	46,302	19,897	8,464
Affiliated Company of GEK TERNA Group (Borrowing)	0	2,395	0	0
Affiliated company of GEK TERNA Group (Hedging of risk)	3,204	5,959	0	3,745
Affiliated company of GEK TERNA Group (other services)	607	520	0	1,333
Total	26,983	55,176	19,897	13,542

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 2024, in relation to the previous period, have as follows:

	01.01- 31.12.2024	01.01- 31.12.2023
Fees for services received	2,909	1,902

33. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities are exposed to various risks and uncertainties, as the recurrence of macroeconomic uncertainty, the market risk, credit risk and liquidity risk, wind and weather conditions,

the uncertainty of the results in relation to the effect of extraordinary natural events, which may have prolonged and unpredictable duration.

1. Financial Risks

The Company's activities expose it to various financial risks, such as market risk (including foreign exchange risk, interest rate risk and price volatility risk), credit risk and liquidity risk.

To address financial risks and limit their negative impact on the Company's financial results, the Company has a management program that aims to limit the negative effects on its financial results that may arise from the inability to forecast financial markets and fluctuations in cost and sales variables that affect financial results.

The financial products used by the Company mostly comprise bank deposits, long-term in principal and secondarily short-term loans, derivatives for hedging interest rate risk, 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 below.

Credit risk

Credit risk entails the possibility that a counterparty will cause financial loss to the Company due to the breach of the counterparty's contractual obligations.

The Company continuously monitors its receivables, either separately or per group and encompasses all the arising information into the credit audit. When deemed necessary, external reports or analyses related to effective or potential clients are used.

The Company is not exposed to significant credit risk arising from trade receivables for its activities, except in the trading of electricity. This is attributed, on the one hand, to the Company's policy, which is focused on cooperation with reliable clients and, on the other hand, to the nature of the Company's operations.

In particular, total receivables, whether related to the narrow or the broader public sector, or private sector clients with significant financial position in Greece and abroad, are under special monitoring and the Management constantly assesses the reliability of its customers, their financial sizes regardless of whether they are a broader public or private entity, for potential implications, in order to take the necessary measures to minimize any adverse effects for the Company.

The Company is exposed to credit risk from end consumers from the sale of electricity and natural gas. Controls to ensure the collectability of receivables are continuously monitored. Where required, adequate reserves are created through provisions to minimize potential adverse effects. In addition to the aforementioned measures, to further ensure collectability, monthly "advance" bills are issued for the estimated consumption per month, so that when the settlement bill is issued in the fourth month of consumption, there is no large balance to be settled. It should be noted that, at the beginning of the cooperation with customers, they are required to pay an amount equal to the indicative consumption cost for one month as a guarantee.

The credit risk regarding cash and cash available and other receivables is considered limited, given that the counterparties are reliable Banks with high quality capital structure, the Greek State or companies of the broader public sector and strong Groups of companies.

The Management assumes that all the financial assets, with the exception of those for which necessary impairment is calculated, are of high credit quality.

	31.12.2024	31.12.2023
Other long-term receivables – Guarantees granted (Note 10)	152	143
Trade receivables (Note 12)	470,938	382,724
Other receivables (Note 13)	12,401	20,899
Cash and cash equivalents	44,665	60,958
Total	528,156	464,724

Foreign exchange risk

Foreign exchange risk 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, for the Company, from foreign exchange differences at the valuation and conversion into the Company's currency (Euro) of financial assets, mainly financial receivables and financial liabilities, related to transactions that are carried out in a currency other than the operating currency of the Company's entities. The transactions mainly concern purchases of fixed assets and inventories, commercial sales, investments in financial assets, loans, as well as net investments in foreign operations.

The Company operates mainly in Greece and is therefore not exposed to a high foreign exchange risk that may arise from Euro exchange rate with other currencies. To manage this risk category, the Company's financial management department uses the financial instruments and offset the Company's exposure to foreign exchange risk on the basis of specific policies, whenever it is necessary.

Regarding the Company's transactions with foreign companies, these are usually carried out with European Groups, where the settlement currency is the euro. To reduce this risk, the Company utilizes the locally produced cash available in local currency to pay the expenses incurred, minimizing the creation of foreign exchange risk.

Interest rate risk

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

The Company's short-term borrowing is in Euro with a floating interest rate linked to the euribor. Short-term loans are taken primarily as working capital. The Company's policy is the conversion of these loans into a long-term loans with fixed spread linked to euribor and where necessary given the repayment schedule, and with the aim of applying approved interest rate risk management policies through Interest Rate Swaps. During the fiscal year 2024, the Company's short-term loans, with the exception of one maturing in September 2025, were converted into bond loans with a fixed spread, linked to the euribor.

Market risk analysis

During its activity in the Market, the Company supplies all categories of customers with electricity. Customers are divided into two major categories, B2C customers and B2B customers. The first category (B2C) concerns customers of Low Voltage (Household consumers, medium-sized Companies), who receive a standardized offer for programs that are already posted on the Company's site, while the second (B2B) concerns customers of all Voltages [Low (store chains), Medium and High], who receive a specialized financial offer, which is based on the analysis of the energy characteristics of the specific facilities.

Regarding B2C customers, they may choose either fixed-rate tariffs for a defined period (e.g., six (6), twelve (12), or eighteen (18) months), or variable-rate tariffs. For customers opting for fixed-rate tariffs, in order to ensure the desired profit margin regardless of fluctuations in the Electricity Market, the Company undertakes risk hedging actions through various instruments (such as long-duration futures contracts, etc.).

Furthermore, with regard to variable-rate tariffs, the applicable charge fluctuates depending on the consumption period, as it reflects wholesale market prices and the individual cost components incurred by the Supplier in its operations within the Electricity Market, plus a reasonable profit margin. In conclusion, in the case of B2C customers, the Company follows strategies that allow it to avoid exposure to potential risks arising from unforeseen fluctuations in energy costs.

With reference to B2B customers, all of the Company's B2B customers have chosen to continue to be billed through a variable pricing formula, which captures the individual costs borne by the Supplier during its activity in the Electricity Market plus a reasonable profit margin, as this option does not incorporate any risk for the Supplier, which it would be translated to the Customer in increased charges for its compensation. Therefore, not even in the B2B customer category does the company present any risk.

In addition, the Company supplies natural gas to all categories of customers, industrial (B2B), commercial (B2C) and residential (B2C). For industrial (B2B) natural gas customers, the Company offers both variable and fixed price tariffs. Variable price tariffs are based on the Company's natural gas supply costs plus a reasonable profit margin, thus mitigating any risk from natural gas price fluctuations. Fixed price tariffs are covered by appropriate hedging activities conducted by the Company and are offered following an agreement with the end B2B customer. Consequently, there is no risk from price fluctuations in this tariff category either. For commercial and residential customers, the Company offers variable tariffs based on the monthly variable price of natural gas supplied by the Company plus a reasonable profit margin. Therefore, in this tariff category as well, the Company is not exposed to any risk from natural gas price fluctuations.

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 reserves in banks to cover liquidity needs for a period of up to 30 days.

	0 to 12 months	1 th -5 th year	After the 5 th year
Long-term loans	363	155,083	0
Short-term loans	2,977	0	0
Lease liabilities	731	540	1
Suppliers	81,967	0	0
Accrued and other liabilities	186,475	0	0
Total	272,513	155,623	1

The respective maturity of the financial liabilities on December 31st, 2023 is analyzed as follows:

	0 to 12 months	1 th - 5 th year	After the 5 th year
Long-term loans	0	0	0
Short-term loans	69,127	0	0
Lease liabilities	828	1,923	0
Suppliers	65,099	0	0
Accrued and other liabilities	186,870	0	0
Total	321,924	1,923	0

34. 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:

	31.12.2024	31.12.2023
<u>Non-current Assets</u>		
Other long-term financial receivables at amortized cost	152	143
Total	152	143
<u>Current Assets</u>		
Trade receivables at amortized cost	470,938	382,724
Other financial receivables at amortized cost	12,401	20,899
Bank deposits	44,665	60,958
Total	528,004	464,581
<u>Non-current liabilities</u>		
Long-term Loans	155,446	0
Liabilities from leases at amortized cost	542	1,923
Total	155,988	1,923
<u>Current Liabilities</u>		
Suppliers at amortized cost	81,967	65,099
Accrued and other liabilities at amortized cost	186,475	186,870
Short-term loans at amortized cost	2,977	69,127
Liabilities from leases at amortized cost	732	828
Total	272,151	321,924
Financial liabilities at amortized cost	428,139	323,847

35. 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 proportionally to the risk of activities, monitors developments in the economic environment and their effect on risk characteristics and manages capital structure, the issuance of new shares or the capital repayment to the shareholders, the adjustment of dividends payable and/or the sale of individual assets or groups of assets.

36. EXISTING ENCUMBRANCES AND OTHER LIENS

Contingent liabilities for letter of guarantees assuring the good performance and operation of the Company amount to € 60,373 thousand (€ 55,008 thousand in 2023). There are no liens or other encumbrances written on the Company's assets.

37. COMMITMENTS AND CONTINGENT LIABILITIES

37.1 Tax unaudited years

For the unaudited tax years, it is possible that additional taxes and surcharges can be imposed at the time when they are examined and finalized. The Company makes an annual estimate of the contingent liabilities that are expected to arise from the tax audit of past years, making relevant provisions were deemed necessary. The Management considers that in addition to the provisions made, any tax amounts that may arise will not have a material impact on equity, results and cash flows of the Company.

Pursuant to the relevant tax provisions of: a) paragraph 1 of article 84 of Law 2238/1994 (unaudited income tax cases), b) paragraph 1 of article 57 of Law 2859/2000 (unaudited VAT cases) and c) par. 5 of article 9 of Law 2523/1997 (imposition of fines for income tax cases), the State's right to impose the respective taxation for the years up to and including 2018 has time elapsed until 31.12.2024, with the reservation of special or exceptional provisions that may provide for a longer lapse period and under the conditions specified by such provisions.

In addition to the above, in the absence of a statute of limitations in the Code of Laws on Stamp Duties, the relevant claim of the State for imposition of stamp duties is subject to the twenty-year statute of limitations in accordance with the article 249 of the Civil Code for cases created up to the fiscal year 2013. From 1.1.2014 and after the entry into force of Law 4174/2013, the statute of limitations for the imposition of stamp duty is limited to 5 years, given that the procedures for imposing and collecting the stamp duty are now part of the provisions of Tax Procedures Code.

Tax Certificate - Tax Compliance Report

For the years 2011, 2012 and 2013 the Company has been subject to the special tax audit by the Certified Public Accountants provided by the provisions of Article 82 par. 5 of Law 2238/1994 (Circ. No. 1159/26/7/2011) while for the years 2014 to 2024 they have been subject to the said tax audit by the Certified Public Accountants provided for by the provisions of Article 65A par. 1 of law 4174/2014 (Circ. No. 1124/22/6/2015).

The optional tax audits for the fiscal years 2021, 2022 and 2023 have not been completed due to an outstanding matter concerning a specific tax issue. The audit for the fiscal year 2024 is currently in progress and the respective tax certificates are expected to be issued after the publication of the financial statements for the year 2024.

The Company's tax liabilities for these years have not become final and therefore it is possible that additional charges may arise, when the relevant audits are carried out by the Tax authorities.

The Management estimates that the taxes that may arise from an audit of the Company by the tax authorities will not have a material effect on the financial statements.

It should be noted that, according to the issues mentioned in the Circ. No. 1192/2017, the right of the State for a tax charge up to and including the year 2018 has lapsed unless the specific provisions on 10-year, 15-year and 20-year limitation periods apply.

37.2 Litigations

In the context of the performance of its operations, the Company may have to face possible litigations initiated by third parties. According to the Management and the Director of the Legal Department of the Company, any such claims are not expected to materially affect the operation and the financial position of the Company on December 31st 2024.

Litigation with the Independent Power Transmission Operator (IPTO)

The Company had filed on 23/11/2016 a lawsuit against Independent Power Transmission Operator S.A. (hereinafter "IPTO") at the Multimember Court of First Instance of Athens (hereinafter "MMCFI Athens"), requesting the payment of unpaid or late payment invoices (as per principal amount) as well as default interest of the above-mentioned invoices, which IPTO owed to the Company on the basis of IPTO obligations arising from Code of Management of the Power Transmission System (System Management Code of SMC). These invoices were issued from October 2011 to May 2015.

The amounts claimed had as follows: € 7,851,652.64 for principal and € 1,634,691.37 (if the SMC applies) or €1,826,483 (where the Civil Code applies) or 1,647,888 (if the provisions of commercial transactions apply) for default interest and €1,215,461 as compensation for material damage incurred to the Company according to the lawsuit.

The decision No 1121/2018 of the MMCFI which was issued on 23/3/2018 and presented to the Company on 29/5/2018 dismissed the Company's lawsuit.

The Company filed on 28/6/2018 the Appeal against the above-mentioned Decision.

The Company's appeal was heard on 10/10/2019. The Decision 2799/2020 of the Athens Court dismissed the Company's Appeal.

On 30.07.2020 the Company filed an appeal against IPTO before the Supreme Court as well as against the decision No. 2799/2020 of the Three-Member Court of Appeal of Athens.

Pursuant to the above Judgement No 2799/2020, the Company's appeal for the elimination of the Judgement No 1121/2018 was dismissed.

The above Appeal of the Company was heard on 21.02.2022 before the A1 Department of the Supreme Court and the Decision No. 1589/2022 of the Supreme Court was issued with a ruling "Rejected", which, however, has not yet been notified to the Company.

Lawsuit of HERON against HEDNO – Hellenic Electricity Distribution Network Operator (Multimember Court of First Instance of Athens)

On 09.06.2020, the Company filed a lawsuit in front of the MMCFI Athens against the company Hellenic Electricity Distribution Network Operator (hereinafter "HEDNO") with the following claims:

- To acknowledge that HEDNO has systematically made illegal surcharges in the calculation of settlements in the Manual of Management of the Measurement and Periodic Settlement, that these surcharges are due to the fault of the defendant and consequently, that the systematic calculation of energy losses at lower levels than the actual ones is illegal and culpable.
- To acknowledge that HEDNO incurred illegal and culpable damage during the period March 2017 – January 2018, which amounts to € 2,366,585.92 and to be obliged to pay the said amount to the Company.

HEDNO proceeded at the invitation of the Regulatory Authority for Energy, Waste & Water (RAAEY), formerly known as RAE and IPTO.

On 19.10.2020 the parties filed their pleadings and on 3.11.2020 the Addendum to the Pleadings. In the said Addendum, the Company reformed its request to € 1,362,751.03 and in any case, not less than € 850,892.49.

In this case, a non-final decision of the MMCFI of Athens was issued (No. 2509/2022), which declared the discussion of the case inadmissible due to a violation of Article 3 § 2 of Law 4640/2019, i.e. due to the failure to submit the information form, regarding the obligation of the attorney to inform his client in writing about the possibility of mediation of the dispute before the appeal to the court, i.e. before the filing of the lawsuit.

The Company reinstated this case by filing an appeal for reinstatement of discussion with case numbers GAK 103044/2022 and EAK 1265/2022. The same request was discussed on February 1, 2024 and the Multimember Court of First Instance of Athens issued Decision No. 1943/05.07.2024, which rejected the Company's Claim. The Decision was served to the Company on 16 December 2024.

38. EVENTS AFTER THE REPORTING DATE OF THE STATEMENT OF FINANCIAL POSITION

From 01.01.2025 until the date of approval of the attached financial statements, the following significant events occurred:

- On March 12, 2025, the Company proceeded with the sale of its participation in SUSTAINABLE ENERGY SOLUTIONS S.M.S.A. to GEK TERNA S.A.

Apart from the above, no other significant events have occurred up to the date of this report.

39. ANNEX I – SEGREGATED FINANCIAL STATEMENTS OF THE INTEGRATED COMPANY OF PRODUCTION AND SUPPLY OF ELECTRICITY

HERON ENERGY SOCIETE ANONYME SEGREGATED BALANCE SHEET OF THE FULLY INTEGRATED COMPANY 31/12/2024					
(Amounts in € thousand)	ENERGY GENERATION	ENERGY SUPPLY	NATURAL GAS SUPPLY	OTHER	COMPANY TOTAL
ASSETS					
Non-Current Assets	79,872	125,134	2,394	795	208,196
Tangible Assets	83,739	1,014	9	15	84,777
Intangible Assets	95	1,746	385	32	2,258
Right-of use assets	248	1,076	48	84	1,455
Receivables from derivatives	0	11,604	-	437	12,041
Participations in subsidiaries	8,093	32,726	1,572	2,730	45,121
Investment in equity interests	3	11	1	1	15
Other Long-term Receivables	5,550	56,971	3	5	62,529
Deferred tax assets	(17,855)	19,986	377	(2,508)	-
Current Assets	106,846	491,596	41,097	5,885	645,424
Inventory	8,747	71	-	1	8,819
Trade and Other Receivables	24,376	466,145	20,605	40,729	551,855
Income tax receivables	(549)	17,973	758	1,317	19,499
Short-term part of receivables from derivatives	282	20,752	222	(668)	20,587
Cash and Cash Equivalents	73,991	(13,344)	19,512	(35,494)	44,665
TOTAL ASSETS	186,719	616,730	43,492	6,680	853,621

EQUITY					
Share Capital	2,171	5,371	924	390	8,856
Share premium-based difference paid-up	4,188	16,936	813	1,413	23,350
Reserves	2,243	3	0	0	2,247
Retained earnings	250,883	18,272	23,850	21,777	314,781
Total equity	259,486	40,582	25,587	23,579	349,234
Capital Contribution per Business Unit	(113,081)	136,612	3,475	(27,006)	0
LIABILITIES					
Non-current Liabilities	6,609	192,592	765	1,842	201,808
Liabilities from leases	97	393	19	33	542
Provision for staff retirement indemnities	52	132	3	6	193
Deferred Tax Liabilities	3,823	15,461	743	1,290	21,317
Liabilities from Derivatives	0	15,980	-	514	16,494
Other provisions	2,036	-	-	0	2,036
Long-term liabilities from contracts with customers	600	5,180	-	0	5,780
Long-term loans	0	155,446	-	0	155,446
Current Liabilities	33,705	246,944	13,664	8,265	302,578
Suppliers and Other Liabilities	33,592	239,305	13,644	7,414	293,954
Short-term part of liabilities from derivatives	9	4,090	0	816	4,915
Short-term part of liabilities from leases	104	572	20	35	732
Provisions	0	-	-	0	-
Short-term loans	0	2,977	-	0	2,977
Long-term loans payable in the following financial year	0	-	-	0	-
Income tax payable	0	-	-	0	-

Total Liabilities	40,314	439,536	14,429	10,107	504,386
TOTAL EQUITY & LIABILITIES	186,719	616,730	43,492	6,680	853,621

HERON ENERGY SOCIETE ANONYME SEGREGATED BALANCE SHEET OF THE FULLY INTEGRATED COMPANY 31/12/2023					
(Amounts in € thousand)	ENERGY GENERATION	ENERGY SUPPLY	NATURAL GAS SUPPLY	OTHER	COMPANY TOTAL
ASSETS					
Non-Current Assets	87,380	98,325	3,005	2,139	190,849
Tangible Assets	95,588	290	(31)	151	95,998
Intangible Assets	18	1,002	623	14	1,657
Right-of use assets	1,174	1,139	74	159	2,546
Liabilities from Derivatives	0	21,865	-	-	21,865
Participations in subsidiaries	8,285	30,001	1,910	4,125	44,321
Investments in equity interests	3	10	1	1	15
Other Long-term Receivables	123	24,314	3	7	24,447
Deferred tax assets	(17,811)	19,704	425	(2,318)	-
Current Assets	43,273	404,614	26,557	40,353	514,797
Inventory	10,104	23	-	1	10,128
Trade and Other Receivables	7,486	378,101	16,440	25,571	427,598
Income tax receivables	(1,026)	5,903	364	785	6,026
Short-term part of receivables from derivatives	-	7,204	-	2,883	10,087
Cash and Cash Equivalents	26,709	13,383	9,753	11,113	60,958
TOTAL ASSETS	130,653	502,939	29,562	42,492	705,646

EQUITY					
Share Capital	2,220	5,060	977	599	8,856
Share premium-based difference paid-up	4,365	15,806	1,006	2,173	23,350
Reserves	2,244	7	-	1	2,252
Retained earnings	177,821	56,387	19,927	21,820	275,955
Total Equity	186,650	77,260	21,910	24,593	310,413
Capital Contribution per Business Unit	(124,034)	127,368	(6,556)	3,222	-
LIABILITIES					
Non-current Liabilities	6,528	29,491	747	1,614	38,380
Liabilities from leases	1,099	694	41	89	1,923
Provision for staff retirement indemnities	48	97	3	6	154
Deferred Tax Liabilities	3,050	11,044	703	1,519	16,316
Liabilities from Derivatives	-	12,758	-	-	12,758
Other Provisions	2,331	-	-	-	2,331
Long-term liabilities from contracts with customers	-	4,898	-	-	4,898
Long-term loans	-	-	-	-	-
Current Liabilities	61,509	268,820	13,461	13,063	356,853
Suppliers and Other Liabilities	48,463	204,860	9,577	18,653	281,553
Short-term part of liabilities from derivatives	-	16,543	881	(12,079)	5,345
Short-term part of liabilities from leases	123	625	25	55	828
Provisions	-	-	-	-	-
Short-term Loan Liabilities	12,923	46,792	2,978	6,434	69,127
Long-term Loan Liabilities payable in the next fiscal year	-	-	-	-	-
Income tax payable	-	-	-	-	-

Total Liabilities	68,037	298,311	14,208	14,677	395,233
TOTAL EQUITY & LIABILITIES	130,653	502,939	29,562	42,492	705,646

HERON ENERGY SOCIETE ANONYME SEGREGATED INCOME STATEMENT OF THE FULLY INTEGRATED COMPANY 31/12/2024					
(Amounts in € thousand)	ENERGY GENERATION	ENERGY SUPPLY	NATURAL GAS SUPPLY	OTHER	COMPANY TOTAL
SALES					
Electric Energy Sales - Production	278,889	69	0	0	278,957
Electric Energy Sales – Supply	0	1,071,239	0	0	1,071,239
Natural Gas Sales	0	1	54,240	20,500	74,741
Revenue from Utilities	0	54,941	0	0	54,941
Revenue from Utilities Charges					
Consideration	0	0	0	0	-
Revenue from Import of Electric Energy	0	769	0	14,412	15,181
Export of Electric Energy	0	(846)	0	52,790	51,944
Derivatives	138	1,532	0	5,133	6,803
Other Revenue	213	1,529	0	1,348	3,090
Total Sales	279,239	1,129,233	54,240	94,183	1,556,895
EXPENSES & PURCHASES					
Natural Gas Cost	(132,806)	0	(44,864)	(17,950)	(195,621)
Expenses from Purchases of					
Electric Energy - Production	1	0	0	0	1
Electric Energy Supply	(51)	(849,675)	0	(814)	(850,540)
Electric Energy Imports	0	(785)	0	(15,338)	(16,123)
Natural Gas Imports	(2,554)	0	(2,241)	0	(4,795)
Expenses from Exports of Electric Energy	0	0	0	(52,726)	(52,726)
Derivatives	(10,106)	(623)	(652)	(5,481)	(16,862)
Performance of Utility Charges	(2)	(58,559)	0	0	(58,561)
Performance of System Usage Charges	0	(31,492)	0	0	(31,492)
Performance of Network Usage Charges	0	(78,494)	0	0	(78,494)

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(Amounts in Euro thousand, unless stated otherwise)



Performance of Special Duty of Greenhouse Gas Emissions Reduction (ETMEAP) Charges	0	(54,563)	0	0	(54,563)
Emission rights – Purchase of CO2 Rights	(47,283)	0	0	0	(47,283)
Consumption of Inventory	(850)	(89)	(0)	(5)	(944)
Personnel Fees & Expenses	(3,178)	(8,411)	(448)	(1,752)	(13,789)
Third Party Fees	(4,858)	(18,065)	(3,427)	(844)	(27,195)
Repairs & Maintenance	(1,422)	(79)	(3)	(6)	(1,510)
Other Expenses / (Income)	19,049	(3,693)	(368)	(326)	14,661
GAINS/LOSSES FROM DERIVATIVES VALUATION	273	(2,445)	1,103	(1,561)	(2,630)
INCOME FROM PARTICIPATIONS AND OTHER INVESTMENTS	917	3,707	178	309	5,110
Depreciation	(14,577)	(1,605)	(278)	(51)	(16,510)
Provision of Bad Receivables	0	(17,772)	980	0	(16,792)
Financial Expenses	(363)	(8,332)	(71)	(90)	(8,856)
Financial Income	1	270	0	0	272
Total Expenses & Purchases	(197,809)	(1,130,703)	(50,092)	(96,635)	(1,475,239)
PROFIT (LOSSES) BEFORE TAXES	81,430	(1,470)	4,148	(2,452)	81,656

HERON ENERGY SOCIETE ANONYME SEGREGATED INCOME STATEMENT OF THE FULLY INTEGRATED COMPANY 31/12/2023					
(Amounts in € thousand)	ENERGY GENERATION	ENERGY SUPPLY	NATURAL GAS SUPPLY	OTHER	COMPANY TOTAL
SALES					
Electric Energy Sales - Production	285,656	0	0	0	285,656
Electric Energy Sales – Supply	2	981,813	0	0	981,815
Natural Gas Sales	2,614	0	66,669	39,327	108,610
Revenue from Utilities Charges	0	55,402	0	0	55,402
Revenue from Consideration for Provision of Utilities	0	0	0	0	-
Revenue from Imports of Electric Energy	3	9,852	0	46,759	56,614
Exports of Electric Energy	0	0	0	22,961	22,961

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Derivatives	442	20	0	28,856	29,318
Other Revenue	560	343	0	6,118	7,020
Total Sales	289,277	1,047,429	66,669	144,021	1,547,396
EXPENSES & PURCHASES					
Natural Gas Cost	(162,798)	0	(53,689)	(12,527)	(229,013)
Expenses from Purchases of Electric Energy - Production	(5,617)	0	0	0	(5,617)
Electric Energy Supply	(1,671)	(705,572)	0	(735)	(707,978)
Electric Energy Imports	0	(10,360)	0	(76,164)	(86,524)
Natural Gas Imports	(1,011)	0	(2,161)	(21,131)	(24,303)
Expenses from Exports of Electric Energy	0	0	0	(22,905)	(22,905)
Derivatives	0	(24,405)	(1,626)	1,715	(24,316)
Performance of Utility Charges	(16)	(51,439)	0	0	(51,456)
Performance of System Usage Charges	(50)	(27,700)	0	0	(27,750)
Performance of Network Usage Charges	0	(70,910)	0	0	(70,910)
Performance of Special Duty of Greenhouse Gas Emissions Reduction (ETMEAP) Charges	(9)	(49,713)	0	0	(49,722)
Emission rights – Purchase of CO2 Rights	(57,070)	0	0	0	(57,070)
Consumption of Inventory	(518)	(33)	(0)	0	(551)
Personnel Fees & Expenses	(2,792)	(7,636)	(266)	(1,444)	(12,138)
Third Party Fees	(8,235)	(18,997)	(1,775)	(1,660)	(30,667)
Repairs & Maintenance	(655)	(75)	(4)	(9)	(743)
Other Expenses / (Income)	(13,119)	(7,303)	(248)	(465)	(21,135)
GAINS/LOSSES FROM DERIVATIVES VALUATION	0	13,637	(652)	(2,956)	10,029
INCOME FROM PARTICIPATIONS AND OTHER INVESTMENTS	2,636	5,223	150	150	8,159
Depreciation	(16,034)	(2,162)	(204)	(98)	(18,499)
Bad Debt Provision	0	(12,956)	(1,000)	0	(13,956)
Financial Expenses	(1,761)	(6,286)	(316)	(737)	(9,100)
Financial Income	72	5,759	110	36	5,976
Total Expenses & Purchases	(268,647)	(970,927)	(61,680)	(138,931)	(1,440,186)
PROFIT (LOSSES) BEFORE TAXES	20,630	76,502	4,989	5,090	107,210

A. Introduction

According to the provisions of Directive 2009/72/EC No 31 and of article 141 of Law 4001/2011, as currently in force, Integrated Electricity Companies:

- i. Shall keep segregated accounts for each of the activities of Generation, Transmission, Distribution, Supply to eligible customers and Supply to non-eligible customers and the provision of services of general interest, precisely as they would be required to do if these activities were carried out by different undertakings, with a view to avoiding discrimination, cross-subsidization and distortion of competition. These accounts, Balance Sheet and Profit and Loss Statement must clarify the income derived from ownership of the transmission system (ESMIE) and distribution system (EDDIE).
- ii. These undertakings shall keep consolidated accounts for other, non-electricity activities.
- iii. Integrated undertakings shall clarify the rules for allocating assets and liabilities and income and expenditure used to prepare the segregated accounts mentioned in the previous paragraph.

RAAEY approves the principles and rules of allocation, which apply to these companies, as well as the amendment thereof, in order to ensure non-discrimination, cross-subsidization and distortion of competition.

Based on the above, the Company HERON ENERGY SERVICES SINGLE NUMBER S.A. (hereinafter the "Company" or "HERON") must keep segregated accounts for each of its electricity-related activities, Production and Supply.

By virtue of decision no. 14288/21-12-2023 of the GCR Service with Registration Code Number 3947441, and in accordance with the provisions of Law 4601/2019, Law 4548/2018, and Law 2166/1993, the merger of HERON ENERGY S.A. and HERON II VIOTIA S.A., with the absorption of the latter by the former, was approved (Note 4.19).

Therefore, as of December 31, 2024 the separate Financial Statements are equal to and agree with the Company's Balance Sheet and Income Statement, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, and in which they have integrate the balances and transactions of the absorbing company HERON II VIOTIAS SA.

B. Rules and Principles for the Allocation of Assets - Liabilities, Expenses – Income

1. General Principles and Methodology

The Company prepares, submits for audit and publishes according to the IFRS ¹ annual financial statements in accordance with the relevant provisions of C.L. 4548/2018 and Laws 3229/2004 and 3301/2004. The Company, being an integrated company took into account the provisions of Law 4001/2011 as amended and the Directive 2009/72/EC, no. 31 on the separation of the accounts of Integrated Electricity Companies and maintains segregated accounts, Balance Sheet and Income Statement, for the activity of Generation and Supply (Trading) in the Electricity Market in Select Customers and for the activity of Supply of Utilities Services. The remaining Company activities, besides electricity, are kept in consolidated accounts (Others).

At the end of the financial year, the Company prepares and publishes in conformity with the IFRS, its segregated Balance Sheet and Income Statement per activity (as per the Annexes). The sum of the segregated accounts are equal and in agreement with the Balance Sheet and Income Statement of the Company that have been prepared under the IFRS as adopted by the European Union, with the exemption of Income Tax, since the segregated Financial Statements are presented in the pretax stage. The above statements are contained in the notes of the annual financial statements of the Company, which are approved and signed according to the law and include a certificate by the auditors, where

¹ International Financial Reporting Standards

reference is made to the rules which are approved by RAE, as mentioned in Article 141, paragraph 4 of Law 4001/2011.

2. Methods and Rules of Allocation

Methods and accounting rules applied by the Company are dictated by the general accounting principles and the IFRS, which the Company must mandatorily comply with. The reporting of segregated accounts and the preparation of segregated financial statements (income statement and balance sheet) per activity, is supported by the Company's Internal Planning System (SAP) which it operates. More specifically, the mandatory recording of all accounting entries per Business Area (in SAP) is applied, and the Business Areas defined are:

(a) Business Area / Activities

- Electricity generation
- Electricity supply
- Natural Gas supply
- Other activities apart from electricity (Other).

(b) Business Area not activities

- Management

In each system entry of a document or transaction, as well as in any other entry, the amounts are characterized by “business area” and then the corresponding accounts of Expenditure - Income, Assets - Liabilities are automatically updated. The program has a security key based on which no entry is allowed without the above classification.

The annual segregated Financial Statements of each activity includes the Company's transactions with third parties.

In particular, each activity includes the following:

a) Electricity generation

This activity includes Income, Expenditure and Assets and Liabilities, which are derived solely from the operation of the power plant. Specifically, income from the operation of the Plant in Thebes, VIOTIA, with a nominal power capacity of 147 MW, with combustible natural gas, as they are cleared and priced by the Independent Power Transmission Operator S.A. (IPTO) and the Electricity Market Operator S.A. (LAGIE). Also, it includes expenses relating to the above income, and mainly the following: purchase of natural gas, purchase of diesel, pollutant markets, third party and personnel fees and expenses, maintenance and operational costs, usage of spare parts, other production expenses and depreciation, as well as financial costs.

b) Supply of electricity

This activity includes Income, Expenditure and Assets and Liabilities, which derive from the wholesale and retail sales of electricity. More specifically, purchases concern the procurement of Electricity from LAGIE and domestic and foreign companies, the rights to import and export Electricity and other services rendered from ADMIE and, the network usage from Hellenic Electricity Distribution Network Operator S.A. (HEDNO). Expenses mainly relate to personnel fees and costs, third party fees, financial and miscellaneous expenses.

c) Activities other than electricity

These activities include income from related activities. Expenses include fees, expenditure, depreciation, financial and extraordinary results which relate to the other activities of the Company besides the Electricity Generation and Supply, as these are mentioned above.

3. Segregated Income Statement (Expenses and Income)

3.1 Direct Income and Expenses

Tax documents and transactions which solely relate to one of the Company's activities or separately mention amounts per activity, immediately update upon entry the segregated accounts of each Activity/Business Area (a).

3.2 Indirect Income and Expenses

Tax documents and transactions that do not separately set out the activity to which they relate, update upon entry the Business Area (b), "Management" account.

At the end of each month, the balance of the Business Area (b), "Management" account is allocated on a cost-plus basis to each of Activity/Business Area (a) with allocation key being the participation percentage of each of them to the total income of the Company during the relevant financial year.

Following, the Company prepares the annual income statement for each financial year per activity.

4. Segregated Balance Sheet (Assets – Liabilities)

The entries updating the Assets and Liabilities Accounts, such as fixed assets, reserves, customers, other receivables, suppliers, liabilities and loans, are allocated to the respective activity. At the end of each financial year, the Equity total is allocated based on the difference of Assets and Liabilities of each activity, which is designated as "capital allocation to business units".

Based on the above "capital allocation", as well as the general accounting principles, the following Assets and Liabilities are also allocated by each Activity:

- i. Cash and cash equivalents,
- ii. Financial products
- iii. Tax assets and liabilities
- iv. Provisions
- v. Deferred tax

C. Verification of Regulatory Information

RAEY may proceed into extraordinary inspections in order to ascertain the implementation by the Integrated Company "HERON SOCIÉTÉ ANONYME ENERGY SERVICES" and/or auditors engaged by it, of the provisions of Article 141 of Law 4001/2011 regarding the obligation to maintain distinct Balance Sheet and Income Statement accounts for each activity and the proper application of the Rules and Principles for the Allocation of Assets and Liabilities, Income and Expenses for the preparation of these segregated accounts.

To this end, RAEY has access to the accounts of the Integrated Undertaking, as well as the right to request from the auditors of this undertaking to provide additional explanations or clarifications on their reports, as well as additional financial information regarding issues contained in these reports. For this purpose, the Company shall endeavor to legally ensure that possibility, so as RAEY, may perform these tasks in relation to the above obligations arising hereunder.

The Rules and Principles for the Allocation of Assets and Liabilities, Income and Expenses that apply to the preparation of the segregated accounts of each of the Company's business activities are fixed and may be amended upon RAEEY, approval upon a justified request from the Company.

D. Publication of Segregated Financial Statements

The Company communicates to RAEEY, within fifteen (15) business days from the approval of the financial statements from the General Meeting of its Shareholders, the Annual Financial Statements which include the segregated Financial Statements along with the Auditor's Certificate and all explanatory notes as well as the auditor's report which relate to the application of the Rules and Principles for the Allocation of Assets and Liabilities, Income and Expenses.

E. Annexes

The Annexes of the Rules and Principles for the Allocation of Assets and Liabilities, Expenses and Income for the Preparation of Segregated Annual Accounts of the Activities of the Integrated Undertaking "HERON SOCIÉTÉ ANONYME ENERGY SERVICES" constitute an integral part therewith and are amended via the same process.

CHAIRMAN OF THE BoD

MEMBER OF THE BoD

GEORGIOS KOUVARIS

LOUKAS DIMITRIOU

CHIEF FINANCIAL OFFICER

HEAD OF THE ACCOUNTING DEPARTMENT

ATHANASIOS PAVLIDIS

AVRAAM VASILEIADIS