HERON SINGLE MEMBER S.A. ENERGY SERVICES

85 Mesoghion Avenue, 115 26 Athens

General Commercial Registry No 005805601000

ANNUAL FINANCIAL REPORT

For the year

January 1st to December 31st 2021

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Share capital € 2,416,100
85, Messogeion Ave., GR-115 26 Athens
General Commercial Electronic Registry (G.E.MI.) No 5805601000
SA Reg. No 56860/01/B/04/254

Board of Directors

George KOUVARIS	Chairman of the Board
Styliani ZACHARIA	Member of the Board
Emmanouil MOUSTAKAS	Member of the Board
Loukas Dimitriou	Member of the Board
Pelelope LAZARIDOU	Member of the Board

Certified Auditor-Accountant

Grant Thornton Certified Auditors-Accountants and Business Consultants Société Anonyme

ANNUAL MANAGEMENT REPORT OF THE BOARD OF DIRECTORS FOR THE FINANCIAL YEAR 2021

Dear Shareholders,

According to the provisions of Law 4548/2018 and of the Articles of Association of the Company, we are hereby submitting the Annual Management Report of the Board of Directors for the financial year from 01.01.2021 to 31.12.2021.

This Report discloses financial and non-financial information of the Company HERON SINGLE MEMBER S.A. ENERGY SERVICES , for the year 2021 and the most important events occurred before and after the financial statements reporting date. In addition, the major risks and uncertainties that the Company may face in 2022 are described and the important transactions between the Company and its related parties are also presented.

Financial Developments and Performance in the FY2021

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

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

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

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

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

According to the calculations of the Bank of Greece, in 2021 the harmonized inflation in

Greece was 0.6%, mostly due to the upwards course of the energy and food prices and was clearly lower compared to the Eurozone average.

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

HERON ENERGY SINGLE MEMBER SOCIETE ANONYME (hereinafter "HERON I") is a member of the Joint Venture between two key players in the Energy Sector with each company having a holding percentage of 50%: ENGIE as a French partner and GEK TERNA as a Greek partner.

ENGIE. Group has been grown historically through the privatization of the French Public Gas Corporation in 1946. In the lapse of time, it has gradually abandoned production and currently trades "manufactured natural gas", in order to dedicate to trade, transport and delivery of natural gas. Then, it grew through the merger between GAZ DE FRANCE and SUEZ. More specifically, after the liberalization of Energy Market in Europe, ENGIE has included among its business the energy generation and energy trading. ENGIE employs around 170.000 people worldwide. The Group is listed on the Brussels, Luxembourg and Paris Stock Exchanges and is represented in the major international indices: CAC 40, BEL 20, DJ Stoxx 50, Euronext 100, FTSE Eurotop 100, MSCI Europe, ASPI Eurozone and ECPI Ethical Index EMU.

GEK TERNA. In 2002 GEK was transformed into a Holding Company and its constructions sector was transferred to TERNA. In 2008 GEK absorbed the holding sector of TERNA and was renamed into GEK TERNA. The Group conducts business activities in various sectors: constructions, energy, real estate, industrial and concessions, too. The Group, during the last year, has managed to strengthen significantly its position in countries other than Greece, as an important part of its revenues stems from countries of the S.E. Europe and the Middle East, due to the recent developments in these countries. .

Turnover amounts to €1,047,867 thousand compared to €463,047 thousand in 2020.

Earnings before taxes, interest, depreciations and amortizations (EBITDA) amounted to €-22,388 thousand compared to €3,440 in 2020.

Earnings before Taxes amount to €-28,282 thousand in compared to € -902 thousand in 2020.

Earnings after Taxes amount to € -22,050 thousand compared to €-808 thousand in 2020.

Total Assets (which include Non-Current and Current Assets) amounts to €463,199 thousand against €194,414 thousand in 2020).

The Company's Liabilities amount to €430,879 thousand compared to € 140,040 in 2020.

Investment expenditure for the FY 2021 amounted to €2,216 thousand.

Cash and Cash Equivalent of the Company amount to €49,707 thousand and have been placed in bank savings accounts (€ 19,131 thousand in 2020).

HERON ENERGY is one of the three major private Electricity Producers and has the same structure as other players in the Energy Market. More specifically, the Company owns an

Open Cycle Gas Turbine (OCGT) power plant. It has a Generation Permit for a nominal capacity of 185 MW and it is situated 4 Km south of Thebes, in the Prefecture of Viotia. The plant has a substantial advantage for the Greek Interconnected Transmission System: immediate combustion and maximum capacity performance within only 20 minutes.

The efficiency of the plant with the use of natural gas is rather high and reaches 40%, 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%.

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

Significant events in the period 01.01 – 31.12.2021

A. <u>Litigation with IPTO</u>

1. The Company had filed on 23/11/2016 a lawsuit against IPTO S.A. before the Multimember Court of First Instance of 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. More specifically, the Company raised a claim against IPTO S.A. (Independent Power Transmission Operator) based on the 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.
2. 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.
3. The Judgement No 1121/2018 of the Court which was issued on 23/3/2018 and was presented to the Company on 29/5/2018, dismissed the Company's lawsuit.
4. The Company filed on 28/6/2018 the Appeal with General Filing No 63282/2018 and Special Filing No 4251/2018 against the above-mentioned Judgement.
5. The Company's appeal was discussed on 10/10/2019. The Judgement of the Multimember Court of First Instance of Athens is pending.
6. On 30.07.2020 the Company filed before the Court of Appeals of Athens a petition for cassation against IPTO S.A. as well as against the Judgement No 2799/2020 of the Three-member Court of Appeals of Athens.
7. According to the above Judgement No 2799/2020, the Company's appeal for the elimination of the Judgement No 1121/2018 was dismissed. The Appeal was founded on the Company's claim against IPTO for the services provided by the company and for the injection of energy in the system in the context of the provision of these services. The main reasons of the cassation were the following:
   i. The Judgement ruled that IPTO is not considered to be the counterparty and is

not obligated to discharge the obligations of the relevant defaulting Participant via its own sources, while it accepted that the Company concluded a Management Transactions Agreement with IPTO.

ii. The Judgement violated the provisions of Law 4001/2011 as well as of the Electricity System Management Code, given that the said provisions stipulate the self-existent obligation of IPTO to settle the amounts owed to the Participants in the System for the services rendered to it as ordered, without any term or condition and regardless if the other Participants in the System have previously settle the amounts owed by them for the services offered.

iii. The Judgement was erroneously based on the non-existence of the self-existent obligation of IPTO in relation to the adjudication of IPTO's default since the said obligation is not conditional upon the prior collection of any amounts owed to it by the defaulting Participants.

iv. The Judgement refers to the provisions of Law 4425/2016, which however were introduced after the generation of the Company's claims and these provisions introduced a legislative regime which was different than the one introduced by Law 4001/2011.

v. The Judgement violates the provisions of articles 330, 340,341 and 342 of the Civil Code, by accepting that there was no *sub judice* obligation and thus, no *sub judice* debt of IPTO and consequently the latter was not in default.

The hearing of the case was scheduled for 21.02.2022 before the A1 Division of the Supreme Court and was examined. The Judgement of the Division A1 of the Supreme Court is pending; however the issue date cannot be specified with certainty.

B. *Lawsuit of HERON against HEDNO (Multimember Court of First Instance of Athens)*

1. On 9.06.2020 the Company filed a lawsuit before the Multimember Court of First Instance of Athens against the company Hellenic Electricity Distribution Network Operator (HEDNO) with the following claims:

    i. Recognize that HEDNO has systematically made increases in the calculation of settlements in the Manual of Management of the Measurement and Periodic Settlement, that these increases are illegal and are also 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.

    ii. 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.

2. HEDNO proceeded at the invitation of the independent Authority RAE (Regulatory Authority for Energy) and the company IPTO S.A.

3. 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 motion to €1,362,751.03 and in any case, not less than €850,892.49.

4. The case was heard on 10/2/2022 and the Judgement of the Multimember Court of First Instance of Athens is pending, however the issue date cannot be specified with certainty.

C. On 12.07.2021, GEK TERNA announced that it reached an agreement with the other shareholder ENGIE who held 50% of the shares of HERON ENERGY S.A., in order to acquire all shares in the company, provided that the implementation of the said agreement would be approved by the competent Authorities.

Significant events after the end of the year and until the preparation of this Report

On 14.02.2022, in implementation of the agreement dated 12.07.2021 and following the approval of the competent authorities, GEK TERNA acquired the additional 50% of the shares in HERON ENERGY S.A. and was thus rendered the sole shareholder of the Company.

Apart from the above, no other significant event has occurred until the date of this Report.

Risk Factors and Uncertainties

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

1) Financial Risks

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

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

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

Credit Risk

The Company's policy is to seek business activities with customers having a satisfactory credit rating, including customers who minimize risks if necessary. In addition, the Company has insurance for the protection of claims related to some of its retail customers, further to legal and other procedures via third parties. The Company's policy for existing customers who make a large turnover, requires the use of the credit alert service of Teiresias. Any change in the financial data for these large customers comes in immediately, in order to take the necessary drastic actions to reduce the risk of these customers.

Using the SAP dunning program with specific actions per day of delay, also enables drastic decisions to reduce the risk as immediately as possible.

The daily communication with the commercial department for resolving any problems in relation to the Company's customers is the reason for monitoring the customers' financial problems as well.

Finally, continuous efforts are made to reduce the risk concerning the formation of provisions by seeking to have as many payments as possible through fixed bank orders and credit card orders.

Foreign exchange risk

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

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

Interest rate risk

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

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 with a connection 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.

Market risk analysis

During its activity in the Market, the Company supplies all categories of customers with Electricity. Customers are divided into categories (Low, Medium and High Voltage), as well as additional subcategories such as customers who receive a standard offer in energy plans already announced on the Company's site as well as large corporate customers who receive a special offer after analysis of their energy characteristics.

As regards customers who receive a standard offer, the Company does not face any risk as the offered prices are linked to an Adjustment Clause, which means that when the costs increase there is a corresponding (incremental) compensation for the Competitive Part of the Invoice from the Adjustment Clause. Respectively, when costs fall the Adjustment Clause is applied in such a manner so that the customer benefits through relevant credits, while at the same time the Company keeps its profit margin constant.

For customers who receive a special offer, the above risk compensation did not exist until recently. The prices offered in the Electricity Market were entirely fixed prices for a period of one year. In Customer-Supplier contracts, the supplier always made sure that there was a paragraph that provided the flexibility of an adjustment in case the costs increased excessively. During the COVID-19 period, the costs of Electricity decreased dramatically, mainly due to a decrease in demand, and as a result the Suppliers, who maintained a customer base in the second category, generated relatively large profits, especially in the first months of the lockdown, since they had agreed on prices with customers at a higher level.

However, within a few months, due to competition conditions, the Market balanced at lower levels. The problem in this category began to grow when with the advent of the Target Model, costs towards the end of the year started to increase. The fixed contracts at low prices that had been offered in the previous period had to be "breached" as there were no Adjustment Clauses, which would protect the Supplier. Given that these contracts are subject to negotiation, valuable time was lost at this stage and as result all Energy Companies recorded losses in this category of customers in the first half of 2021. However, this problem created a huge opportunity as all contracts are no longer traded at fixed prices but at index prices. The Management of the Company considers that from the autumn of 2021, all contracts in the specific category of customers will be connected with parameters of the Market, leaving small but stable profit margins. Our Company has been moving towards this direction since May 2021.

As mentioned above, the fluctuation of prices of basic goods and sizes that affect the formation of the cost for purchasing electricity is at times particularly large and directly follows both global trends, e.g. gas prices, carbon dioxide rights prices, as well as local-national conditions, such as changes in demand in times of crisis or economic recovery and are highly influenced by regulatory changes in the planning of markets. At the same time, the formation of sale prices to final consumers is dictated by the conditions of competition in the supply market and can take the form of a variable sale price based on the purchase cost plus a bonus or a fixed price.

In the above context, the Company analyses its exposure to the ever changing prices of the electricity market in relation to the sales prices agreed with its customers and develops a dynamic hedging strategy through the various tools available (indicative: futures contracts concluded in the energy and gas market at a predetermined price for long periods of months or a year, financial dispute agreements for individual market prices / costs with electricity producers, direct participation in the carbon dioxide options market, etc.).

Immediately after the outbreak of the COVID-19 pandemic and the lockdowns imposed, the Company focused on processes of continuous analysis and assessment of the main sources of risk that emerged or were expected to emerge, such as increased volatility (like initial drop and then subsequent increase) of all energy prices worldwide, the significant drop in demand and the assessment of the impact of the pandemic on GDP, especially in the peak summer period, the difficulty in forecasting and estimating customer demand due to restrictive measures and the cessation of the operation of many companies, etc. Based on this analysis, the Company made decisions to manage the relevant risk, while implementing a strategy to support vulnerable groups of customers who have been significantly affected by the pandemic.

Regarding the outbreak of the COVID-19 pandemic at the beginning of 2020 and the unprecedented related restraint measures and lockdowns that followed, which resulted in the creation of a particularly negative economic and social environment, globally and locally, the Company's Management considers that the industry belongs to those business categories that are not significantly affected in the event of a slowdown in the global economy due to the dissemination of the disease.

The Management of the Company constantly monitors and carefully evaluates the situation and its possible effects on the business activities of the Company itself, taking initiatives that deal as much as possible with the impact of the effects of the pandemic.

Liquidity risk analysis

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

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

Operational Risks

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

Risks deriving from the existing economic conditions prevailing in Greece and globally

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

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

In Greece, this energy crisis substantially affected the increase of the prices raw materials, fuels, transportations and consumer products in general, given that the largest part of the energy consumed is imported.
Based on the above data, the initial estimate that the Company's economy annual growth rate was expected to beat 4.5%, with parallel increase of people's available income.

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

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

- The increase of loan interest rates since inflation will remain at high levels, this having a inhibitory effect on loan granting that help the companies' smooth operation.
- The effect of the increase of inflation of prices and energy and wide consumption products, will lead to the reduction of the true available income and purchase power of households and will create the need for fiscal measures to be adopted in order to support vulnerable citizens.

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

Global health crisis due to the COVID-19 pandemic

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

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

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

2) Other risks and uncertainties

<u>Geopolitical risk</u>

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

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

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

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

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

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

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

Other Operational Indicators

Net Debt / (Surplus)"

It is a ratio, through which the Management 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. If restricted deposits are subtracted and the grants to be returned are added, the "Net Debt/ (Surplus) less restricted deposits and grants to be returned" is concluded.

The ratio is recorded as follows in 2021 and 2020:

	31.12.2021	31.12.2020
Long-term loans (Note 17)	30,000	0
Liabilities from finance leases	0	0
Short-term loans (Note 17)	12,000	9,000
Long-term loan liabilities payable within the next fiscal year	0	0
Total Loan Liabilities	**42,000**	**9,000**
Less: Cash and cash equivalent (Note 11)	(49,707)	(19,131)

Net Debt / (Surplus)	**(7,707)**	**(10,131)**
Less: Restricted bank deposit accounts	0	0
Plus: Approved and collected grants to be returned	0	0
Net Debt/(Surplus) with restricted deposits and grants to be returned	**(7,707)**	**(10,131)**

EBITDA (Earnings Before Interest Taxes Depreciation & Amortization)

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

EBITDA plus the non-cash results included therein (adjusted EBITDA from on-going activities) amounted to Euro €-22,388 thousand in 2021 and to €3,440 thousand in 2020 and is calculated as follows:

	31.12.2021	31.12.2020 *
Gross profit	(3,412)	5,788
Administrative and selling expenses	(14,681)	(6,133)
Research and development expenses	0	0
Other income/(expenses) defining EBIT	(8,448)	2312
Earnings before interest and taxes (EBIT)	**(26,540)**	**(112)**
Net depreciation	4,152	3,552
EBITDA	**(22,388)**	**3,440**

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

Financial Structure Ratios
(All amounts are presented in thousands of Euro)

	31.12.2021		31.12.2020*	
Current assets	424,129	91.57%	164,228	84.47%
Total assets	463,199		194,414	
Non-current assets	39,070	8.43%	30,186	15.53%
Total assets	463,199		194,414	

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

Equity	32,320	7.50%	54,374	38.83%
Total liabilities	430,879		140,040	

The above ratio presents the Company's financial adequacy.

Total Liabilities	430,879	93.02%	140,040	72.03%
Total equity & liabilities	463,199		194,414	
Equity	32,320	6.98%	54,374	27.97%
Total equity & liabilities	463,199		194,414	

The above ratios present the companies leverage.

Equity	32,320	82,72%	54,374	180,13%
Non-currents assets	39,070		30,186	

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

Current assets	424,129	106,83%	164,228	117,90%
Current liabilities	397,022		139,300	

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

Working capital	27,107	6,39%	24,928	15,18%
Current assets	424,129		164,228	

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

Return on equity and performance ratios

	31.12.2021		31.12.2020*	
Net FY results before tax	-28,282	-2.70%	-902	-0.19%
Sales of stock & services	1,047,867		463,047	

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

Net FY results before tax	-28,282	-2.68%	-902	-0.19%
Total income	1,055,267		467,954	

This ratio reflects the overall performance compared to its total income

Net FY results before tax	-28,282	-87.51%	-902	-1.66%
Equity	32,320		54,374	

This ratio presents the return on equity of the Company.

Gross profit	-3,412	-0.33%	5,788	1.25%
Sales of stock & services	1,047,867		463,047	

This ratio reflects the percentile size of the gross profit on the Company's sales.

1. Non-financial data

When adopting the provisions of Law 4403/2016, a section of non-financial data is established, which relates to the areas with the largest impact on the Company in terms of environmental, social, labour issues and issues related to Human Rights, fight against corruption and bribery.

The Company pursues business excellence and aims at implementing the best practices with responsible development and absolute respect for the environment in which it operates.

(i) Vision and Principles

The Company, based on the principles of Sustainable Development, its effective organizational structure, its insightful business strategy and the high know-how of its people, excels in important areas of business activity. Its dynamic presence is accompanied by its unwavering support to the local community in which it operates, by absolute respect for the natural environment and by the completion of projects-landmarks that create value for future generations.

The Company operates by prioritizing values showing at the same time that ethical and sustainable entrepreneurship are a lever for growth.

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

(ii) Strategic approach to Corporate Responsibility

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

(iii) Responsibility for the environment

Corporate Responsibility is accompanied by a framework of principles, the effective integration of which affects the operation of the Company and guarantees the protection of the environment and optimal management of natural resources as well as the adoption of environment-friendly technologies, thus minimizing the encumbrance by the Company's activity.

The Company recognizes the degree of its impact on the natural environment and to that end, it has set the latter's protection as a priority within its strategy. At a minimum, the Company fully com- plies with the current legislation and the regulatory framework in the environments where it operates and seeks to exceed the minimum requirements.

(iv) Occupational Health and Safety Issues

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

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

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

(v) Labour Issues

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

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

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

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

1. Transactions with Related Parties

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

Fiscal year 31.12.2021

Related party	Income	Purchases	Debit balances	Credit balances
Affiliates	182,274	47,760	8,203	117,230

Fiscal year 31.12.2020

Related party	Income	Purchases	Debit balances	Credit balances
Affiliates	43,439	13,764	6,257	3,863

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

	1.1-31.12.2021	1.1-31.12.2020
Services fee	470	270
Payroll	141	184
Total	**611**	**454**

	31.12.2021	31.12.2020
Liabilities	0	0
Receivables	0	0

Athens, June 27 , 2022
On behalf of the Board of Directors

The Chairman

Georgios Kouvaris

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Independent Auditor's Report

To the Shareholders of HERON ENERGY SERVICES SINGLE MEMBER S.A.

Report on Financial Statements

Opinion

We have audited the accompanying financial statements of HERON SINGLE MEMBER S.A. ENERGY SERVICES ("the Company"), which comprise the statement of financial position as at December 31, 2021, the income statement and statements of comprehensive income, changes in equity and cash flows for the year then ended, as well as a summary of significant accounting policies and other explanatory notes.
In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company HERON ENERGY SERVICES SINGLE MEMBER S.A. as at December 31, 2021, its financial performance and cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs), as incorporated into the Greek Legislation. Our responsibilities, under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. During our audit, we remained independent of the Company, in accordance with the International Ethics Standards Board for Accountants "Code of Ethics for Professional Accountants" (IESBA Code) as incorporated into the Greek Legislation and the ethical requirements relevant to the audit of financial statements in Greece and we have fulfilled our ethical responsibilities in accordance with these requirements and the aforementioned Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Other matter

The Company's financial statements for the previous year ended as at 31/12/2020 were audited by another auditing firm. Regarding the aforementioned year, on 08/07/2021 the certified Public Accountant issued an Unqualified Opinion Independent Auditor's Report.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards that have been adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to liquidate the

Company or to cease operations, or there is no realistic alternative but to do so.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs, as incorporated into the Greek Legislation, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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

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

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

1. Management Report

Taking into consideration that management is responsible for the preparation of the Board of Directors' Report, according to the provisions of paragraph 5 of article 2 (part B) of Law 4336/2015, we note the following:

a) In our opinion, the Board of Directors' Report has been prepared in accordance with the legal requirements of article 150 of Law 4548/2018 and the content of the report is consistent with the accompanying financial statements for the year ended 31.12.2021

b) Based on the knowledge we obtained during our audit of the Company HERON SINGLE MEMBER S.A. ENERGY SERVICES and its environment, we have not identified any material inconsistencies in 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, 2021 and the Company's unbundled Income Statements before tax for the period from January 1, 2021 to December 31, 2021, 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, 2021, 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, June 27th, 2022
The Certified Public Accountant Auditor

George P. Panagopoulos
Registry Number SOEL 36741

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 2021
(January 1st – December 31st 2021)
In conformity with the International Financial Reporting Standards

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

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STATEMENT OF FINANCIAL POSITION

January 1st to December 31st 2021
(All amounts are presented in thousands of Euro, unless otherwise stated)

	Note	31.12.2021	31.12.2020*
ASSETS			
Non-current assets			
Intangible assets	4	2,636	2,485
Tangible Assets	5	11,472	13,040
Right-of-use assets	6	466	865
Other long-term receivables	7	17,819	13,269
Deferred tax assets	20	6,677	527
Total non-current assets		**39,070**	**30,186**
Current assets			
Inventory	8	2,245	2,247
Trade receivables	9	353,379	127,411
Other receivables	10	10,899	14,653
Income tax receivables		938	786
Short-term receivables from derivatives	21	6,961	0
Cash and cash equivalents	11	49,707	19,131
Total current assets		**424,129**	**164,228**
TOTAL ASSETS		**463,199**	**194,414**
EQUITY AND LIABILITIES			
Share capital	18	2,416	2,416
Reserves	19	808	812
Profit/(Loss) Retained earnings		29,096	51,146
Total Equity		**32,320**	**54,374**
Non-current Liabilities			
Long-term loans	17	30,000	0
Liabilities from leases	16	244	358
Liabilities from derivatives	21	2,290	0
Provision for staff retirement indemnities	12	51	37
Provisions for dismantlement	13	379	345
Liabilities from contracts with customers		893	0
Total non-current liabilities		**33,857**	**740**
Current liabilities			
Short-term loans	17	12,000	9,000
Lease liabilities	16	212	493
Liabilities from derivatives	21	4,759	0
Suppliers	14	115,509	64,672
Accrued and other liabilities	15	264,542	65,135
Total current liabilities		**397,022**	**139,300**
TOTAL EQUITY AND LIABILITIES		**463,199**	**194,414**

* Comparable sizes for the fiscal year 2020 have been revised from the change that occurred due to the change in the IAS 19 accounting policy (see Note 2.b.3)
The accompanying notes constitute an integral part of the financial statements.

STATEMENT OF COMPREHENSIVE INCOME

January 1st to December 31st 2021
(All amounts are presented in thousands of Euro, unless otherwise stated)

	Note	1.1-31.12.2021	1.1-31.12.2020*
Revenue	22	1,047,867	463,047
Cost of goods sold	23	(1,051,279)	(457,259)
Gross profit /(loss)		**(3,412)**	**5,788**
Administrative and selling expenses	23	(14,681)	(6,133)
Other income /(expenses)	26	(8,448)	231
Financial income	27	0	0
Financial expenses	27	(1,741)	(787)
Earnings / (loss) before income tax		**(28,282)**	**(902)**
Income tax	20	6,232	94
Earnings / (loss) after income tax		**(22,050)**	**(807)**
<u>Other comprehensive income</u>			
Other comprehensive income not carried forward to FY results of future periods:			
Actuarial gains / losses	12	(5)	9
Tax corresponding to the above result	20	1	(2)
		(4)	**7**
TOTAL COMPREHENSIVE INCOME		**(22,054)**	**(801)**

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

The accompanying notes constitute an integral part of the financial statements

STATEMENT OF CASH FLOWS

January 1st to December 31st 2021

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

	Note	1.1-31.12.2021	1.1-31.12.2020*
Cash flows from operating activities			
Earnings / (loss) before income tax		**(28,282)**	**(902)**
Adjustments for reconciliation of net cash flows from operating activities			
Depreciation	4, 5, 6	4,153	3,552
Impairment of trade receivables	9	15,505	4,234
Provisions		54	75
Interest and related income	27	0	(11)
Interest and other financial income	27	1,653	787
(Profits)/Loss from derivatives		88	0
Expenses/(Income) of the period corresponding to payments/collections for derivatives		(5,567)	0
Operating profit before any changes in working capital		**(12,396)**	**7,735**
(Increase)/Decrease in:			
Inventory		2	1.519
Trade receivables		(241,473)	10,112
Prepayments and other receivables		(796)	(5,005)
Increase /(Decrease) in:			
Suppliers		50,837	(10,365)
Accrued and other liabilities		200,145	2,696
Income tax reimbursement/(payments)		(70)	(3,589)
Net cash flows from operating activities		**(3,751)**	**3,103**
Cash flows from investing activities			
Proceeds from the sale of tangible fixed assets	4,5	8	0
Purchases of tangible fixed assets	4,5	(2,216)	(2,093)
Interest & related expenses collected		0	11
Cash flows from investing activities		**(2,208)**	**(2,082)**
Cash flows from financing activities			
Proceeds from long-term loans	17	30,000	0
Payment of liabilities under finance leases	16	(524)	(500)
Proceeds from short-term loans	17	3,000	9,000
Proceeds from hedging derivatives		5,567	0
Interest & related expenses paid		(1,508)	(753)
Cash flows from financing activities		**36,535**	**7,747**
Net increase /(decrease) in cash		**30,576**	**8,768**
Cash and cash equivalents at the beginning of the period		**19,131**	**10,363**
Cash and cash equivalents at the end of the period		**49,707**	**19,131**

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

The accompanying notes constitute an integral part of the financial statements

STATEMENT OF CHANGES IN EQUITY

January 1st to December 31st 2021
(All amounts are presented in thousands of Euro, unless otherwise stated)

	Share Capital	Reserves	Retained earnings	Total
January 1st 2020	**2,416**	747	**51,841**	**55,004**
Change in accounting policy (Note 2.b.3)		58	112	**170**
Restated balances on January 1st 2020	**2,416**	**805**	**51,953**	**55,174**
Total comprehensive income	-	7	(807)	(800)
December 31st 2020*	**2,416**	**812**	**51,146**	**54,374**
January 1st 2021	**2,416**	**812**	**51,146**	**54,374**
Total comprehensive income	-	(4)	(22,050)	**(22,054)**
December 31st 2021	**2,416**	**808**	**29,096**	**32,320**

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

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

NOTES ON THE FINANCIAL STATEMENTS

1. ESTABLISHMENT AND COMPANY ACTIVITY

HERON ENERGY SOCIÉTÉ ANONYME 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 Mesoghion Avenue and its duration is set to fifty (50) years.

The Company is registered in the Registry of Sociétés Anonymes with Reg. No 56860/01/B/04/254 and General Commercial Registry (G.E.MI.) No 005805601000.

Its main activity is the construction, installation and operation of open-cycle thermoelectric power plants (using gas and fuel oil).

The Company belongs by 50% to GEK TERNA SA, which is listed in the Athens Stock Exchange, and by 50% to ENGIE SA, which is listed on the Paris Stock Exchange, while its financial statements are consolidated using the equity method in the consolidated financial statements of these companies.

2. BASIS FOR THE PRESENTATION OF THE FINANCIAL STATEMENTS

a) Basis for the preparation of the Financial Statements

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

Going concern

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

Comparability

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

b) New standards, amendments of standards and interpretations

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

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

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

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

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

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

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

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

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

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

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

Amendments to the IFRS 3 "Business Combinations", to the IAS 16 "Property, plant and Equipment (Tangible Assets)", to the IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" and to the "Annual Improvements 2018 - 2020" (applies for annual periods starting on or after 01.01.2022)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Extract of the Company's Statement of Financial Position	Balance on 01.01.2020	IAS 19 Adjustment	Readjusted balance on 01.01.2020
Provision for staff retirement indemnities	259	(224)	35
Reserves from actuarial profits /(loss) from defined benefit plans, plus deferred tax	(58)	58	0
Deferred tax liabilities	62	(54)	8
Retained earnings	51,841	112	51,953

Extract of the Company's Statement of Financial Position	Balance on 01,01,2020	IAS 19 Adjustment	Readjusted balance on 01,01,2020
Provision for staff retirement indemnities	251	(214)	37

Extract of the Company's Statement of Comprehensive Income	Balance on 01,01,2020	IAS 19 Adjustment	Readjusted balance on 01,01,2020
Cost of goods sold	457,332	(73)	457,259
Administrative and selling expenses	6,133		6,133
Financial expenses	776	11	787
Deferred income tax on the above expenditure to be entered in the accounts	(109)	15	(94)
Actuarial (profits)/loss from defined benefit plans	(81)	72	(9)
Deferred income tax on actuarial (profits)/loss from defined benefit plans	19	(17)	2

3. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

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

a) Intangible Assets

Intangible assets mostly comprise the software sales cost and all expenses realized in order to render the software operational.

Depreciations of software are calculated based on the straight-line depreciation method for a period of three (3) years.

b) Tangible Fixed Assets

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

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

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

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

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

Tangible Assets	**Useful life (in years)**
Buildings and technical works	5-20
Machinery and technical facilities	5-20
Means of transportation	5
Fixtures and other equipment	1-7

Tangible fixed assets under construction include fixed assets under construction and are depicted at cost. Tangible fixed assets under construction are not depreciated until the fixed asset is completed and put into operation.

c) Leases

The Company as a lessee

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

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

- fixed lease payment (including in-substance fixed payments), less any lease incentives,

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

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

separate lease, in which case, the lease liability is reassessed by discounting the revised lease payments using a revised discount rate.

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

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

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

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. The depreciation starts at the lease commencement date..

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

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

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

d) Impairment of Non-Financial Assets

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

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

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

The Company's 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.

e) Inventory

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

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

f) Financial Assets – Trade receivables

I. Recognition and de-recognition

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

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

II. Classification and initial recognition of financial assets

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

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

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

Classification of every asset is specified according to:

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

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

III. Subsequent measurement of financial assets

Financial assets at amortized cost

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

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

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

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

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

Financial assets measured at fair value via the results

Financial assets measured at fair value via the results include the financial assets held for trade, the financial assets specified on the initial recognition at the fair value via the results 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 not only comprise payments for principal amount and interest are classified and measured at their fair value via the results, 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 Company benefits from such income as a recovery of part of the cost of the financial asset, then such profit is recognized in the statement of comprehensive income. Equity interests designated at fair value through total income are not subject to an impairment test. This option is effective for each equity instrument separately.

IV. *Impairment of financial assets*

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

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

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

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

a) Cash and Cash Equivalents

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

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

b) Financial liabilities

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

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

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

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

c) Provision for staff retirement indemnities

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

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

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

d) State Pension Plans

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

e) Income Tax (Current and Deferred)

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

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

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

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

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

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

f) Provisions, Contingent Liabilities and Contingent Assets

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

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

g) 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.*

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 INDEPENDENT POWER TRANSMISSION OPERATOR (IPTO) and the ENERGY EXCHANGE GROUP (ENEX).

(ii) *Interest*

Revenues from interest are recognized on an accrual basis.

h) 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, they it can recognize an asset and amortize 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 agents 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 Long-term receivables in the Statement of Financial Position.

i) Derivative financial instruments (derivatives) and hedging accounting

In the context of risk management, the Company uses:

- derivatives for the hedging the risk of electricity and natural gas price changes (electricity options, forward contracts)
- **fixed for floating swap contract** derivatives for the hedging of risks associated with the future fluctuation of income variables.

These derivatives are initially recognized at their fair value on the date of the contract and are later measured at their fair value. Changes in the derivatives fair value are recognized on each reporting date in the Statement of Comprehensive Income.

On the transaction date, the Group records the ratio between the hedging tool and the hedging object, as well as the purpose of the risk management process and the strategy for implementing hedging transactions.

Derivatives are valuated at their fair value on the reporting date the changes are recognized in the results. The fair value of the said derivatives is mostly specified based on the market value and is confirmed by third independent parties.

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

- the hedging relation includes only eligible hedging instruments and eligible hedging assets.
- upon the commencement of the hedging relation, such relation is officially specified and documented, along with the objective of the risk management process of the entity and its strategy for the implementation of hedging. Documentation includes the specification of the hedging instrument, the object subject to hedging, the nature of the risk subject to hedging and the manner in which the entity will evaluate whether and to what extent the hedging relation covers the efficiency requirements (including the analysis on the efficiency sources of the hedging and the manner the hedging rate will be specified).
- The hedging relation meets the entirety of the following efficiency requirements: (a) there is a financial relation between the asset and the instrument of hedging, (b) the effect of credit risk is not higher than the changes in value deriving from this financial relation and (c) the hedging rate of the hedging relation is the same that derives from the quantity of the hedged asset which is actually hedged by the entity and the quantity of the hedging instrument actually used by the entity in order to compensate for the said quantity of the hedged asset.

II) Use of estimates, judgements and assumptions

The Company proceeds to estimates, assumptions and judgments in order to select the most suitable accounting principles in relation to the future progress of events and transactions. The said estimates, assumptions and judgments are periodically reviewed so as to be in line with actual circumstances and reflect the actual risks at the relevant time and are based on past experience of Management in relation to the level/volume of relevant transactions or events. The basic estimates and judgments related to data whose development could affect the items of financial statements over the next 12 months are as follows:

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

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

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

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

4. INTANGIBLE ASSETS

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

(All amounts are presented in thousands of Euro)	2021	2020
Net book value 1.1	**2,485**	**743**
Additions	0	1,358
Transfer from /(to) tangible assets	1,195	834
Write-off Intangible fixed assets	0	(5)
Amortization	(1,044)	(445)
Net book value 31.12	**2,636**	**2,485**
Cost 1.1	4,114	1,927
Accumulated amortization	(1,629)	(1,184)
Net book value 1.1	**2,485**	**743**
Cost 31.12	5,309	4,114
Accumulated amortization on 31.12	(2,673)	(1,629)
Net book value 31.12	**2,636**	**2,485**

Depreciations in this fiscal year have been recognized in the Cost of goods sold account by €1,042 thousand and by €2 thousand in the Administrative and Selling Expenses account (€443 thousand and €2 thousand respectively for the FY 2020).

5. TANGIBLE ASSETS

The movement of the Tangible fixed assets presented in the attached financial statements has as follows:

Year of 2021 (All amounts are presented in thousands of Euro)	Land-Plots	Buildings	Machinery	Vehicles	Other	Fixed assets under construction	Total
Net book value 1.1.2021	**2,385**	**1,569**	**8,730**	**0**	**303**	**52**	**13,040**
Additions	-	-	-	-	-	2,216	**2,216**

Transfer from /to intangible fixed assets	-	-	-	-	-	(1,195)	**(1,195)**
Transfer from /to tangible fixed assets	-	161	417	9	189	(776)	**-**
Sales /Write-off	-	-	-	(9)	-		**(9)**
Depreciations	-	(270)	(2,118)	-	(193)		**(2,581)**
Net book value on 31.12.2021	**2,385**	**1,460**	**7,030**	**0**	**299**	**298**	**11,472**
Cost 01.01.2021	2,385	16,728	52,376	22	1,724	52	73,287
Accumulated depreciations	0	(15,159)	(43,646)	(22)	(1,421)		(60,247)
Net book value on 1.1.2021	**2,385**	**1,569**	**8,730**	**0**	**303**	**52**	**13,040**
Cost 31.12.2021	2,385	16,889	52,793	22	1,913	298	74,300
Accumulated depreciations	0	(15,429)	(45,763)	(22)	(1,614)	0	(62,828)
Net book value on 31.12.2021	**2,385**	**1,460**	**7,030**	**0**	**299**	**298**	**11,472**

Year of 2020 (All amounts are presented in thousands of Euro)	**Lands-PlotsFields**	**Buildings**	**Machinery**	**Vehicles**	**Other**	**Fixed assets under construction**	**Total**
Net book value 1.1.2020	**2,385**	**1,812**	**10,449**	**0**	**240**	**834**	**15,720**
Additions	-	-	-	-	-	741	741
Transfer from /to intangible fixed assets	-	-	-	-	-	(834)	(834)
Transfer from /to tangible fixed assets	-	12	371	-	306	(689)	-
Sales /Write-off	-	(255)	(2,090)	-	(243)		(2,588)
Net book value 31.12.2020	**2,385**	**1,569**	**8,730**	**0**	**303**	**52**	**13,040**
Cost 01.01.2020	2,385	16,716	52,005	22	1,418	834	73,380
Accumulated depreciations	0	(14,904)	(41,556)	(22)	(1,178)		(57,660)
Non-depreciated value on 1.1.2020	**2,385**	**1,812**	**10,449**	**0**	**240**	**834**	**15,720**
Cost on 31.12.2020	2,385	16,728	52,376	22	1,724	52	73,287
Accumulated depreciations	0	(15,159)	(43,646)	(22)	(1,421)	0	(60,247)
Net book value 31.12.2020	**2,385**	**1,569**	**8,730**	**0**	**303**	**52**	**13,040**

Depreciations for the year 2021,€2,581 thousand (€2,588 thousand for 2020) was recognized in the Statement of Comprehensive Income by €2,532 thousand (€2,578 thousand for 2020) in the Cost of goods soldand by €58 thousand (€10 thousand for the previous year) in the Administrative and Selling Expenses.
No real encumbrances or mortgage were registered on the said properties for the FY 2021 and 2020.

6. RIGHT-OF USE ASSETS

The analysis of the rights of use is set out below:

	Buildings	Vehicles	Other	Total
Acquisition value January 1st 2021	**1,032**	**528**	**339**	**1,899**
Additions	105	24	0	**129**
Write-offs	0	0	0	**0**
December 31st 2021	**1,137**	**552**	**339**	**2,028**
Accumulated depreciations January 1 2021	**(603)**	**(276)**	**(155)**	**(1,034)**
Depreciations	(329)	(131)	(68)	**(528)**
Accumulated depreciations of writt-offs assets	0	0	0	**0**
December 31st 2021	**(932)**	**(407)**	**(223)**	**(1,562)**
Net book value December 31st, 2021	**205**	**145**	**116**	**466**

	Buildings	Vehicles	Other	Total
Acquisition value January 1st 2020	**1,032**	**426**	**338**	**1,796**
Additions	0	102	1	**103**
Write-offs	0	0	0	**0**
December 31st 2020	**1,032**	**528**	**339**	**1,899**
Accumulated depreciations January 1st 2020	**(295)**	**(131)**	**(87)**	**(513)**
Depreciations	(308)	(145)	(68)	**(521)**
Accumulated depreciations of writt-offs assets	0	0	0	**0**
December 31st 2020	**(603)**	**(276)**	**(155)**	**(1,034)**

Net book value December 31st 2020	**429**	**252**	**184**	**865**

Depreciations in the fiscal year 2021 correspond to €528 thousand (€521 thousand in 2020) and are recognised in the Statement of Comprehensive Income in the Cost of goods sold by € 199 thousand (€213 thousand in 2020) and by €329 thousand in the Administrative and Selling Expenses (€308 thousand for 2020).

7. OTHER LONG-TERM RECEIVABLES

The Account "Other Long-term Receivables" is analysed down as follows:

(All amounts are presented in thousands of Euro)	31.12.2021	31.12.2020
Agents' commissions cost	17,724	13,172
Guarantees granted	95	97
Balance 31/12	**17,819**	**13,269**

The movement of agents' commissions cost is presented below:

	2021	2020
Opening Balance 01/01	13,172	9,193
Capitalized cost	7,264	5,624
Cost recognised as expenses(see Note 23)	(2,712)	(1,645)
Balance 31/12	**17,724**	**13,172**

8. INVENTORY

The Account "Inventory" on December 31st 2021 in the attached Financial Statements is analyzed as follows:

(All amounts are presented in thousands of Euro)	31.12.2021	31.12.2020
Fixed assets spare parts	1,616	1,435
Consumables (oil mainly)	607	661
Merchandise (natural gas)	22	151
Total	**2,245**	**2,247**

The amount of €22 thousand in Merchandise (151 thousand for 2020) regards safety stock of natural gas as a result of a specific obligation set by RAE.

9. TRADE RECEIVABLES

Trade Receivables are broken down as follows:

(All amounts are presented in thousands of Euro)	31.12.2021	31.12.2020
Customers– Public Entities (Operators)	6,023	8,050
Customers – Individuals and private companies	209,270	75,489
Post-dated cheques receivables	8,713	5,910
Unbilled receivables - Individuals and private companies	145,883	54,895
Unbilled receivables – Public Entities	18,301	2,373
Impairment loss on trade receivables	(34,811)	(19,306)
Total	**353,379**	**127,411**

The above trade receivables include receivables from related parties of the amounting to €8,203 thousand (€6,257 thousand on 31/12/2020).

The Public Entities receivables include the amount from INDEPENDENT POWER TRANSMISSION OPERATOR (IPTO) for an amount of €1,597 thousand (€2,823 thousand on 31/12/2020), from RES Operator and Guarantees of Origin (DAPEEP, former LAGIE) for a amount of €2,263 thousand (2,140 on 31/12/2020), from the Hellenic Electricity Distribution Network Operator (HEDNO) of a total value of €455 thousand (€1,864 thousand on 31/12/2020) and receivables from other public entities of a total value of €1,708 thousand (€1,223 thousand on 31/12/2020). The other receivables relate to sales customers of low, medium, and high voltage electricity as well as other services.

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

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.

December 31 2021	Non-past due balance	0-180 days	181-365 days	365 days and more	Total
Expected credit loss rate	4.28%	9.45%	26.27%	67.91%	**8.97%**
Expected amount to be collected	278,950	82,628	7,260	19,354	**388,190**
Lifetime Expected credit loss	(11,951)	(7,810)	(1,907)	(13,143)	**(34,811)**
Total	**266,998**	**74,818**	**5,352**	**6,211**	**353,379**

December 31 2020	Non-past due balance	0-180 days	181-365 days	365 days and more	Total
Expected credit loss rate	2.16%	6.44%	29.03%	84.56%	**13.16%**
Expected amount to be collected	85,213	40,319	5,494	15,690	**146,716**
Lifetime Expected credit loss	(1,844)	(2,599)	(1,595)	(13,268)	**(19,306)**
Total	**83,369**	**37,720**	**3,898**	**2,423**	**127,411**

The Company applies the simplified approach of the 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.

	31.12.2021	
	Stage 2	**Stage 3**
Expected credit loss percentage	5.34%	70.00%
Expected amount to be collected	366,426	21,764
Lifetime Expected credit loss	19,576	15,235

	31.12.2020	
	Stage 2	**Stage 3**
Expected credit loss percentage	5.53%	77.36%
Expected amount to be collected	131,140	15,576
Lifetime Expected credit loss	7,257	12,050

Impairment of trade receivables in the fiscal year is broken down as follows:

(All amounts are presented in thousands of Euro)

	2021	**2020**
Impairment of trade receivables balance 01.01	**19,306**	**15,072**
Readjusted balance	0	15,072
Gain / (Loss) from trade receivables impairment (see Note 26)	15,505	4,234

Total impairment 31.12	**34,811**	**19,306**

The Company, in order to safeguard its contingent loss from trade receivables allowance, receives prepayments from its customers. The amount of such receivables in 2021 amounts to €140,103 thousand (€14,365 thousand in 2020-see Note 15).

10.OTHER RECEIVABLES

"Other receivables" are broken down as follows:

(All amounts are presented in thousands of Euro)	31.12.2021	31.12.2020
VAT to be refunding	5,969	10,142
Prepaid expenses	1,707	2,559
Other receivables	3,223	1,952
Total	**10,899**	**14,653**

The account Other receivables mainly include advances paid to suppliers of the amount of €2,678 thousand (€1,678 thousand for 2020).

11.CASH AND CASH EQUIVALENTS

Cash and cash equivalents on December 31st, 2021, as depicted in the financial statements, mainly concern bank savings in Euro. The Company retains a small amount for cash.

12.PROVISION FOR STAFF RETIREMENT INDEMNITIES

According to the Greek labour 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 2021 and the movement of the relevant provisions account for staff retirement indemnities presented in the attached Statement of Financial Position of the year ended on December 31st, 2021.

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

(All amounts are presented in thousands of Euro)	2021	2020*
Current service cost	54	21

Financial cost (Note 27)	0	14
Effect of cut-backs or settlement	0	43
Recognition of actuarial (profits)/losses	5	72
Total	**59**	**150**

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

(All amounts are presented in thousands of Euro)	**31.12.2021**	**31.12.2020***
Opening Balance	**37**	**259**
Adjustments due to retrospective application of the change in accounting policy due to IAS 19 (See Note 2.b.3)*	0	(224)
Adjusted Opening Balance	**37**	**35**
Provision recognized in Net earnings	54	78
Provision recognized in other comprehensive income	5	(9)
Benefits paid within the current year	(45)	(67)
Closing Balance	**51**	**37**

The main actuarial assumptions for the fiscal years 2021 and 2020 have as follows:

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

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

13.PROVISIONS FOR DISMANTLEMENT

The Company has set up a provision for the dismantling expenses of the electricity power plant that are expected to occur after the termination of the plant's operation, based on its contractual obligations, the present value of which on 31.12.2021 amounted to €379 thousand (31.12.2020: €345 thousand). This provision is calculated based on the expected cash flows necessary for fulfilling this obligation at the year's end. This provision was increased due to the maturity of one year and there was no change in the amount of the future outflow.

14.SUPPLIERS

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

(All amounts are presented in thousands of Euro)	31.12.2021	31.12.2020
Electricity and natural gas suppliers	110,286	61,639
Electricity production suppliers	1,771	1,468
Electricity local portfolio management (LPM) suppliers	646	793
Other suppliers	2.805	772
Total	**115,509**	**64,672**

Suppliers mostly include liabilities to the INDEPENDENT POWER TRANSMISSION OPERATOR (IPTO) of €7,322 thousand (€11,410 thousand in 2020), the RES Operator and Guarantees of Origin (DAPEEP, former LAGIE) of a total value of €19,584 thousand (€6,279 thousand in 2020) and the ENERGY EXCHANGE GROUP (ENEX) of a total value of €0 thousand (€14 thousand in 2020), the Hellenic Electricity Distribution Network Operator (HEDNO) of an amount of approximately €39,832 thousand (€11,666 thousand in 2020) and the Loans and Consignments Fund of the amount of €1,146 thousand (€459 thousand in 2020). Finally, the suppliers include the amount of €66,634 thousand that the Company owes to municipalities and concerns municipal taxes, with the respective liability for 2020 amounting to €23,433 thousand.

15.ACCRUED AND OTHER LIABILITIES

On December 31st 2021, "Accrued and other Liabilities" presented in the attached Financial Statements is broken down as follows:

	31.12.2021	31.12.2020
(All amounts are presented in thousands of Euro)		
Sundry Creditors	28,770	12,219
Customers Deposits	140,103	14,365
Taxes - duties	2,175	1,157
Social security funds	262	224
Unbilled purchases	0	65
Other short-term payables	2,211	557
Accrued expenses and deferred income	91,020	36,548
	264,542	**65,135**

Sundry Creditors, include Municipal taxes of €24,226 thousand (€9,999 thousand in 2020) and reciprocal charges paid to ERT of €4,298 thousand (€2,003 thousand in 2020) which the Company collects from low, medium and high voltage customers and pays to Municipalities and to ERT respectively, as well as personnel salaries payable of €293 thousand (€217 thousand in 2020) and other various creditors of €47 thousand (€0 thousand in 2020).

Customers Deposit include advance payment for the sale of natural gas of €84,134 thousand (€0 thousand in 2020), advance payment from DAPEEP of € 39,172 thousand (€0 thousand in 2020) and guarantees received from retail customers of €16,797 thousand (€14,365 thousand in 2020). Accrued Expenses and deferred income include: Natural Gas accrued cost of €49,319 thousand (€3,532 thousand in 2020), charges from the IPTO €21,816 thousand (€9,099 thousand in 2020), charges from the DAPEEP of €3,854 thousand (€11,888 thousand in 2020), charges from HEDNO of €10,814 thousand (€10,426 thousand in 2020), charges from agents €831 thousand (€743 thousand in 2020) and other accrued expenses €4,386 thousand (€860 thousand in 2020).

16.LIABILITIES FROM LEASES

On December 31st 2021, Lease liabilities in the attached financial statements are broken down as follows:

2021	**Long-term part**	**Short-term part**
Balances 1/1	358	493
Liabilities under new contracts	129	0
Additions from the initial recognition due to adoption of new accounting standards	0	0
New contracts expenses s	0	0
Write-offs from early termination of leases	0	0
Transfer to short-term portion of non-current liabilities	(243)	243
Capital additions / (repayments)	0	(524)
Interest payments	0	(33)
Interest of the period	0	33
Balances 31/12	**244**	**212**

2020	**Long-term part**	**Short-term part**
Balance on 1/1	759	489
Liabilities under new contracts	102	0
Transfer to short-term portion of non-current liabilities	(503)	503
Capital additions / (repayments)	0	(500)
Interest payments	0	(49)
Interest of the period	0	49
Balances 31/12	**358**	**493**

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

	31.12.2021	31.12.2020
Up to 1 year	212	493
2-5 years	244	358
Over 5 years	0	0

17.LOAN LIABILITIES

LONG-TERM LOAN LIABILITIES

The Company received within the financial year a loan of Euro 30 million from TERNA S.A. The two disbursements of €18 million and €12 million took place on November 30, 2021 and on December 1st 2021 respectively.

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

(All amounts are presented in thousands of Euro)

	2021	2020
Balances 1.1	**0**	**0**
Capital additions / (repayments)	30,000	0
Interest for the period (Note 27)	110	0
Transfer from /(to) other short-term liabilities	(110)	0
Balances 31.12	**30,000**	**0**

The main financial details of the new loan are summarized as follows:

1. The maturity date of the bonds and the repayment date of the loan is 30/11/2024 with the option of two six-month extensions
2. A fixed interest rate of 4.3% applies throughout the loan
3. Interest accrual period is annual, on 31/12 of each year.

SHORT-TERM LOAN LIABILITIES

The Company received a new short-term loan of € 3 million within the financial year from a credit institution. The relevant disbursement took place on September 22, 2021.

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

(All amounts are presented in thousands of Euro)

	2021	2020
Balances 1.1	**9,000**	**0**

Capital additions / (repayments)	3000	9,000
Transfer from /(to) other long-term liabilities	110	0
Interest for the period (Note 27)	431	11
Payments within the period	(541)	0
Transfer from /(to) other short-term liabilities	0	(11)
Balances 31.12	**12,000**	**9,000**

18.SHARE CAPITAL

The Share Capital of the Company amounts to two million four hundred and sixteen thousand one hundred Euros (€2,416,100.00) and is divided into forty eight thousand three hundred and twenty two (48,322) ordinary registered shares, each of a nominal value of 50 Euros (€50.00).

GEK TERNA HOLDINGS, REAL ESTATE, CONSTRUCTIONS S.A., is a listed company in the Athens Stock Exchange and holds 50% of the share capital of the Company (24,161 shares) and the other 50% is held by ENGIE INTERNATIONAL HOLDING B.V, a company belonging to the ENGIE S.A. Group, which is listed in the Brussels, Luxembourg and Paris Stock Exchange (24,161 shares).

19.RESERVES

The Company's reserves at the end of the financial year are analyzed to a statutory reserve of amount of €805 thousand (€805 thousand at 2020) and a reserve for actuarial revenue of €3 thousand (€7 thousand, as revised for the financial year 2020).

The formation of statutory reserves is determined for by Law 4548/2018 and is obligatory to the level of a third (1/3) of paid-up share capital and its purpose is to offsetfuture losses.

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

20.INCOME TAX

Following the vote of Law 4799/2021, from which par. 1 of the article 58 of Law 4172/2013 was amended, the tax rate for income of legal entities in Greece for the year 2021 and now on is reduced by 2% and it is now set to 22%, while for the year 2020 it was 24%.

The effect from the change of the tax rate for the financial year 2021 resulted to revenue of €62 thousand, which was recognized in the Income Statement.

The effective tax rate is different from the nominal rate. Several factors affect the calculation of the effective tax rate, the most important of these are the non-tax deductibility of certain expenses, changes in income tax rate and the ability of companies to set up tax-free discounts and tax-free reserves.

(a) Income tax expenses

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

(All amounts are presented in thousands of Euro)	**2021**	**2020***
Current income Tax	0	1.794
Tax adjustments of previous years	(82)	(58)
Deferred Tax	(6,150)	(1,830)
Total	**(6,232)**	**(94)**

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

(All amounts are presented in thousands of Euro)	**2021**	**2020***
Earnings/(loss) before taxes	**(28,282)**	**(902)**
Nominal Tax Rate	**22%**	**24%**
Income Tax Expense/ (Income) based on applicable nominal tax rate	**(6,222)**	**(216)**
Adjustments attributed to:		
Expenses not included in the tax calculation	0	4
Tax adjustments of previous years	(82)	(58)
Effect of permanent tax differences	10	176
Effect of change in the tax rate	62	0
Actual tax expenditure	**(6,232)**	**(94)**
Effective tax rate	-22.04%	-10.47%

Tax return statement is submitted annually. The Company has been audited by tax authorities until the year 2009. Due to POL 1154/2017, POL 1191/2017, POL 1192/2017, POL 1194/2017 and POL. 1208/2017, the Governor of the Independent Public Revenue Authority, issued directions on the uniform application of what was accepted from the decisions of the Council of the State (CoS) 1738/2017, CoS 2932/2017, CoS 2934/2017 and CoS 2935/2017, as well as the no. 268/2017 Opinion of the State Legal Council. From the aforementioned decisions a five-year limitation period on the basis of the general rule – is provided for, for the fiscal years from 2012 and onwards, as well as for the fiscal years that the Code of Tax Procedure – CTP (from 2015 onwards), except for the specific exceptions specified in the relevant provisions of CTP.

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

Tax compliance certificate – Tax compliance report

For the fiscal years 2011-2012-2013, the Company is subject to the tax audit by Certified Auditors Accountants as defined by the provisions of article 82 par. 5 of L. 2238/1994 (MD 1159/26/7/2011), whereas for the years 2014, 2015, 2016, 2017, 2018, 2019 and 2020 it is subject to the tax audit by Certified Auditors Accountants as defined by the provisions of article 65A, par. 1, Law 4174/2014 (Min. Dec. 1124/22/6/2015). Within the fiscal year, the Company received tax audit orders from the competent tax authorities for the fiscal years 2017 and 2018, which is in progress until the date of the Financial Statements. Apart from that, the finalization of the tax audit from the Ministry of Finance is pending for the other fiscal years.

For the fiscal year 2021, the Company is subject to the tax audit by Certified Auditors Accountants as defined by the provisions of article 65A, par. 1, Law 4174/2013 (MD 1124/22/6/2015). This audit is in progress and the relevant tax certificate is expected to be issued following the publication of the Financial Statements for the fiscal year 2021.

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

The Management estimates that the taxes that may arise from the audit by the tax authorities will not have a material effect on the Financial Statements.

(b) Deferred tax

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

(All amounts are presented in thousands of Euro)	31.12.2021	31.12.2020*
Net deferred tax asset/(liability)	**6,677**	**527**
Opening balance	**527**	**(1,247)**
Change of accounting policy (Note 2.b.3)	0	(54)
Readjusted opening balance	**527**	**(1,301)**
(Expense) /Income recognized in the net earnings	6,148	1.830
(Expense) /Income recognized in other comprehensive income	1	(2)
Closing Balance	**6,677**	**527**

The deferred tax assets and liabilities for the fiscal years 2021 and 2020 are analyzed as follows:

(All amounts are presented in thousands of Euro)	01.01.2021	Change in accounting policy (Note 2.b.3)	Revised balance 01.01.2021	Net profit (Debit)/ Credit	Other comprehensive income (Debit)/Credit	31.12.2021
Deferred tax asset						
Expensing of intangible fixed assets	73	0	73	57	0	130
Recognized tax losses	0	0	0	5,104	0	5,104

Provision for staff retirement indemnities	8	0	8	1	1	10
Recognition of restoration provisions	83	0	83	0	0	83
Other provisions (accrued income, impairment of receivables)	1,396	0	1,396	29	0	1,425
Accrued expenses	569	0	569	482	0	1,051
Leases	6	0	6	(3)	0	3
Difference from valuation of derivatives	0	0	0	19	0	19
Deferred tax liability						
Depreciation differences	(1,607)	0	(1,607)	459	0	(1,148)
Net deferred tax asset/(liability)	**527**	**0**	**527**	**6,148**	**1**	**6,677**

(All amounts are presented in thousands of Euro)	**01.01.2020**	**Change in accountin g policy (Note 2.b.3)**	**Revisedted balance 01.01.2021**	**Net profit (Debit)/ Credit**	**Other comprehensiv e income (Debit)/Credit**	**31.12.2020**
Deferred tax asset						
Expensing of intangible fixed assets	59	0	59	14	0	73
Provision for staff retirement indemnities	62	(54)	8	1	(2)	8
Recognition of restoration provisions	75	0	75	8	0	83
Provisions for dismantlement	258	0	258	1,138	0	1,396
Leases	255	0	255	314	0	569
Deferred tax liability	**4**	**0**	**4**	**2**	**0**	**6**
Accrued expenses						0
Depreciation differences	(1,960)	0	(1,960)	353	0	(1,607)
Net deferred tax asset/(liability)	**(1,247)**	**(54)**	**(1,301)**	**1,830**	**(2)**	**527**

21.ASSETS AND LIABILITIES FROM DERIVATIVES

Information on the Company's derivatives on 31.12.2021 and 31.12.2020 is quoted below:

	31.12.2021	31.12.2020
Receivables from derivatives		
- Hedging against fair value change		
Fixed for floating swap contracts for sale of electricity to TERNA ENERGY (Note 21.1)	5,392	0
Electricity forward contracts (Note 21.2)	1,569	0
Total Assets from Derivatives	**6,961**	**0**
-Long-term receivables from derivatives	*0*	*0*
- Short-term receivables from derivatives	*6,961*	*0*

	31.12.2021	31.12.2020
Liabilities from derivatives		
- Hedging against fair value change		
Fixed for floating swap contracts for sale of electricity to TERNA ENERGY (Note 21.1)	228	0
Fixed for floating swap contracts for sale of electricity to third parties (Note 21.1)	6,385	0
Natural gas forward contracts (Note 21.2)	436	0
Total Liabilities from Derivatives	**7,049**	**0**
-Long-term receivables from derivatives	*2,290*	*0*
- Short-term receivables from derivatives	*4,759*	*0*

All the above financial instruments are measured at their fair value (see Note 3.III.i).

More specifically, in the financial year 2021, a total loss of €88 thousand (31.12.2020: €0) in the above derivatives was recognized in the Statement of Comprehensive Income from difference in fair value, which is included in "Financial income/(expenses)" as analyzed in Note 27 in the line " Loss from financial instruments valued at air value ". Moreover, the cost for the servicing of derivatives of the amount of €5,567 is depicted in the Statement of Comprehensive Income in Revenue (31.12.2020: 1.022).

More analytically:

21.1. Fixed for floating swap contract HERON EN.A with TERNA ENERGY

On 25.01.2021, the Company, in collaboration with TERNA ENERGY S.A. introduced in the Greek market the plan "HERON EN.A", an integral part of which is the agreement with TERNA ENERGY S.A. to sale 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 and purchase agreements with final consumers and in this context it concluded with TERNA ENERGY the "HERON EN.A BUSINESS", through which, TERNA ENERGY S.A. has agreed upon the sale of RES output to HERON for 20 years. Based on the above agreements, the Company will be paying fixed cash flows from the EN.A plan to TERNA ENERGY S.A., while it will be receiving floating cash flows (Proxy Market Revenues) from TERNA ENERGY S.A. (fixed for floating swap contract).

Respectively, the plan "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) that it receives under the respective agreements with TERNA ENERGY S.A. The Company offers its customers who contract in the above programmes 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 to 20 years, with the Company's option to further prolong them, while for "HERON EN.A BUSINESS" plan the relevant agreements between the Company and large energy consumers having the typical form of virtual power purchase agreements, VPAA) have a suggestive term of 7 years.

During the year 2021, from the above-mentioned derivatives, a total loss of €1,221 thousand was recognized in Statement of Comprehensive Income from differences in fair value, which is included in "Financial income /(expenses)".

21.2. Natural gas and electricity forward contracts

In the context of its operation in the financial year 2021, the Company has entered into forward contracts for the sale and purchase of natural gas and electricity either hedging risks from differences in prices in the market or gaining profit. More specifically, the majority of the relevant conctracts 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 of such commodities and offer 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 entered into contracts 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 lower extent, forward contracts for the sale and purchase of electricity and natural gas supports the electricity trading, allowing for the stabilization of the energy purchase or sale cost when the Company wishes to make competitive offers for the sale or purchase of energy respectively.

During the year 2021, a total valuation benefit of €1,133 thousand was recognized in

Statement Comprehensive Income, from differences in fair value, which is included in "financial results /(expenses)".

22.REVENUE

Itemized breakdown	**2021**	**2020**
(All amounts are presented in thousands of Euro)		
Revenue from electricity trade	744,592	389,607
Revenue from electricity production	23,245	8,689
Revenue from natural gas	280,025	63,378
Other Income	5	262
Revenue from capacity	0	1,111
Total	**1,047,867**	**463,047**
Breakdown per customer category	**2021**	**2020**
(All amounts are presented in thousands of Euro)		
Public entities	29,238	62,696
External customers	837,719	356,912
Affiliated companies	180,910	43,439
Total	**1,047,867**	**463,047**

The amount of Total Revenue except of revenue from capacity concerns transfer of goods which take place at a given time.

23.COST OF GOODS SOLD, ADMINISTRATIVE AND SELLING EXPENSES

on December 31st 2021, the cost of goods sold, administrative and selling expenses presented in the attached Financial Statements are broken down as follows:

Cost of goods sold	**2021**	**2020***
(All amounts are presented in thousands of Euro)		
Cost of services and purchase of Electricity	741,162	362,939
Electricity trade cost	6,822	37,204
Capitalized agents' costs	2,712	1,645
Depreciation	3,565	3,019
Right-of-use assets amortization	199	213
Utilities	84	353
Personnel cost	4,910	4,496
Diesel/Natural gas	290,534	44,826
Other expenses	1,291	2,564
Total	**1,051,279**	**457,259**

Cost of Services and Purchase of Electricity of the amount of €741,162 thousand includes mostly charges from IPTO of the amount of €29,913 thousand (2020: €27,282 thousand), from DAPEEP of the amount of €47,129 thousand (2020: €47,703 thousand) and from the EnEx of the amount of €491,117 thousand (2020: €151,823 thousand). Finally, it includes charges from the DEDDIE of the amount of €171,220 thousand (2020: €124,323 thousand).

Administrative and selling expenses

(All amounts are presented in thousands of Euro)	2021	2020
Professional fees	7,143	1,115
Leases	2	7
Personnel cost	1,571	928
Services received	98	68
Utilities	31	17
Taxes – duties	52	51
Promotion and advertising expenses	4,852	3,185
Depreciation	60	12
Right-of use asset amortasation	329	308
Auditors' fees	41	54
Other expenses	502	388
	14,681	**6,133**

24.PERSONNEL COST

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

(All amounts are presented in thousands of Euro)	2021	2020*
Personnel salaries and benefits	5,335	4,370
Social security fund contributions	1,092	990
Provision for staff retirement indemnities	54	64
Total Expenses	**6,481**	**5,424**

Personnal costs for the year 2021, amounted to €6,481 thousand (€5,424 thousand in 2020) and is presented in the Financial Statements with the amount of €4,910 thousand (€4,496 thousand in 2020) in the Cost of goods sold and with the amount of €1,571 thousand (€928 thousand in 2020) in the Administrative and SellingExpenses (see Note 23).

25.AUDITORS' FEES

(All amounts are presented in thousands of Euro)	2021	2020
Fees for statutory audit	34	30
Fees for tax compliance audit	18	14
	52	**44**

26.OTHER INCOME/(EXPENSES)

On December 31st 2021, the Other Income/(Expenses) presented in the attached Financial Statements are broken down as follows:

(All amounts are presented in thousands of Euro)	2021	2020
Other Income:		
Default interest for delayed customers payments	1,092	2,129
Income from leases to related company	145	106
Other revenues	6,163	2,661
	7,399	4,896
Other Expenses:		
Taxes - duties	(39)	(1)
Provision for doubtful receivables (Note 9)	(15,505)	(4,234)
Other expenses	(303)	(430)
	(15,847)	(4,665)
Total Income /(Expenses)	**(8,448)**	**231**

27.FINANCIAL INCOME/(EXPENSES)

On December 31st 2021, the Financial Income/(Expenses) presented in the attached Financial Statements are broken down as follows:

(All amounts are presented in thousands of Euro)	2021	2020*
Financial Income:		
Interest on bank deposits	0	11
	0	**11**
Financial Expenses:		
Interest and charges for short-term financing	(431)	(11)
Interest and charges for long-term financing	(110)	-
Lease interest	(33)	(49)
Interest and charges forguarantees	(1,044)	(693)
Discounting expense relating to provision for staff retirement indemnities	-	(14)

Discounting expense relating to provision for dismantlement	(34)	(31)
Loss from financial instruments valued at air value	(88)	0
	(1,741)	**(798)**
Net Total Expenses	**(1,741)**	**(787)**

28.TRANSACTIONS WITH RELATED PARTIES

The Company's transactions and balances with related parties for financial years 2021 and 2020 are broken down as follows:

2021 (All amounts are presented in thousands of Euro	**Sales**	**Purchases**	**Debit balance**	**Credit balance**
Jointly controlling companies- GEK TERNA Group (Electricity Sale)	12,811	4,000	4,491	802
Jointly controlling companies - GEK TERNA Group (administrative support services)	767	424	951	933
Jointly controlling companies - GEK TERNA Group (purchase of other support)	544	352	954	1
Jointly controlling companies - GEK TERNA Group (leases)	53		55	
Jointly controlling companies - GEK TERNA Group (Natural gas and CO_2 emission rights)	166,640	982	331	85,118
Jointly controlling companies - GEK TERNA Group (default interest)	-	110	-	30,000
Jointly controlling companies - ENGIE Group (administrative support services)		319		47
Jointly controlling companies - ENGIE Group (maintenance services)		33		1
Jointly controlling companies - ENGIE Group (Electricity and CO_2 emission rights)	1,459	41,540	1,421	328
Total	**182,274**	**47,760**	**8,203**	**117,230**

2020 (All amounts are presented in thousands of Euro	**Sales**	**Purchases**	**Debit balance**	**Credit balance**
Jointly controlling companies- GEK TERNA Group (Electricity sale)	8,516	3,117	3,397	3,203
Jointly controlling companies - GEK TERNA Group (administrative support services)	584	376	-	465
Jointly controlling companies - GEK TERNA Group (purchase of other support)	458	48	109	9
Jointly controlling companies - GEK TERNA Group (leases)	54		-	
Jointly controlling companies - GEK TERNA Group (Natural gas and CO_2 emission rights)	30,800	1,468	2,706	-
Jointly controlling companies - GEK TERNA Group (default interest)	1,225		-	
Jointly controlling companies - ENGIE Group (administrative support services)		323		41

Jointly controlling companies - ENGIE Group (maintenance services)		41		39
Jointly controlling companies - ENGIE Group (construction services)		308		-
Jointly controlling companies - ENGIE Group (Electricity and CO_2 emission rights)	1,802	8,083	45	106
Total	**43,439**	**13,764**	**6,257**	**3,863**

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 2021 and 2020 have as follows:

(All amounts are presented in thousands of Euro)	2021	2020
Fees for services received	611	454

29.RISK MANAGEMENT OBJECTIVES AND POLICIES

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

1) Financial risks

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

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

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

Credit Risk

Almost all trade receivables and other receivables derive from the wider public sector, which represents the major energy authorities. Consequently, the relevant credit risk is deemed to be negligible with respect to the main activity of the Company (electricity generation) and the natural gas and electricity market regulations. The same applies for short-term financial assets (cash), since its counterparties are banks whose credit rating by widely recognized foreign credit rating agencies is deemed satisfactory.

Credit risk for cash, as well as for all other receivables is deemed limited, given that the counterparties are Banks with high quality capital structure, the Hellenic Republic or entities of the wider public sector or strong business Groups.

(All amounts are presented in thousands of Euro)	**31.12.2021**	**31.12.2020**
Other long-term receivables (Note 7)	95	97
Trade receivables (Note 9)	353,379	127,411
Other receivables (Note 10)	3,223	1,952
Cash and Cash Equivalent	49,707	19,131
Total	**406,404**	**148,591**

Foreign exchange risk

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

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

Interest rate risk

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

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

Market risk analysis

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

Liquidity risk analysis

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

The maturity of financial liabilities of the Company on December 31st, 2021 is broken down as follows.

(All amounts are presented in thousands of Euro)	0 to 12 months	1st -5th year	After the 5th year
Long-term loans	0	30,000	0
Short-term loans	12,000	0	0
Lease liabilities	212	244	0
Suppliers	115,509	0	0
Accrued and other liabilities	119,789	0	0
Total	**247,510**	**30,244**	**0**

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

(All amounts are presented in thousands of Euro)	0 to 12 months	1st -5th year	After the 5th year
Short-term loans	9,000	0	0
Lease liabilities	493	358	0
Suppliers	64,672	0	0
Accrued and other liabilities	48,832	0	0
Total	**122,997**	**358**	**0**

30.PRESENTATION OF FINANCIAL ASSETS AND LIABILITIES PER CATEGORY

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

(All amounts are presented in thousands of Euro)	31.12.2021	31.12.2020
Non-current Assets		
Loans and receivables – Other long-term receivables	95	97
Total	**95**	**97**
Current Assets		
Trade receivables	353,379	127,411
Prepayments and other receivables	3,223	1,952
Bank accounts	49,707	19,131
Total	**406,309**	**148,494**
Non-current liabilities		
Long-term Loans	30,000	0
Finance leases liabilities	244	358
Total	**30,244**	**358**
Current Liabilities		
Financial liabilities at amortized cost - Suppliers	115,509	64,672
Financial liabilities at amortized cost - Accrued and other liabilities	119,789	48,832
Financial liabilities at amortized cost - Short-term loans	12,000	9,000
Financial liabilities at amortized cost - Leases	212	493
Total	**247,510**	**122,997**
Financial liabilities at amortized cost	**277,754**	**123,355**

31.CAPITAL MANAGEMENT POLICIES AND PROCEDURES

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

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

The Company specifies the level of capital proportionately to the risk of activities, monitors developments in the economic environment and their effect on risk characteristics, manages capital structure (debt to equity ratio), the issuance of new shares or the capital refund to the shareholders, the adjustment of dividends payable and/or the sale of individual or groups of assets.

32.EXISTING ENCUMBRANCES AND OTHER LIENS

Contingent liabilities for letter of guarantees assuring the good performance and operation of the Company amount to €49,667 thousand (€20,746 thousand in 2020). There are no liens or other encumbrances raised on the Company's assets.

33.COMMITMENTS AND CONTINGENT LIABILITIES

In the context of the performance of its operations, the Company may face possible litigations initiated by third parties. According to the Management and the Legal Counsel of the Company, any such claims are not expected to materially affect the operation and the financial position of the Company on December 31st, 2021.

A. ***Litigation with the IPTO – Independent Power Transmission Operator (ADMIE)***

1. The Company filed on 23/11/2016 a lawsuit against IPTO S.A. before the Multimember Court of First Instance of Athens, claiming the payment of unsettled or overdue invoices (as per principal amount) as well as default interest of the above-mentioned invoices, which IPTO owed to the Company. More specifically, the Company raised a claim against IPTO S.A. (Independent Power Transmission Operator) based on the latter's obligations under the Code of Management of the Power Transmission System (System Management Code of SMC). These invoices were issued from October 2011 to May 2015.
2. The amounts claimed had as follows: €7,851,652.64 for principal and €1,634,691.37 (where SPC applies) or €1,826,483 (where the Civil Code applies) or 1,647,888 (where the provisions of commercial transactions apply) for default interest and €1,215,461 as indemnification for material damage incurred to the Company according to the lawsuit.
3. The Judgement No 1121/2018 of the Court which was issued on 23/3/2018 and was served upon the Company on 29/5/2018, dismissed the Company's lawsuit.
4. The Company filed on 28/6/2018 the Appeal with General Filing No 63282/2018 and Special Filing No 4251/2018 against the above-mentioned Judgement.
5. The Company's appeal was heard on 10/10/2019. The Judgement of the Multimember Court of First Instance of Athens is pending.
6. On 30.07.2020 the Company filed before the Court of Appeals of Athens a petition for cassation against IPTO S.A. as well as against the Judgement No 2799/2020 of the Three-member Court of Appeals of Athens.
7. Pursuant to the above Judgement No 2799/2020, the Company's appeal for the elimination of the Judgement No 1121/2018 was dismissed. The Appeal was founded on the Company's claim against IPTO for the services the company rendered and for the injection of energy in the system in the context of the provision of these services. The main grounds of the cassation were the following:
   i. The Judgement ruled that IPTO is not considered to be the counterparty and is not obligated to discharge the obligations of the relevant defaulting Participant via its own sources, while it accepted that the Company concluded a Management Transactions Agreement with IPTO.
   ii. The Judgement violated the provisions of Law 4001/2011 as well as of the Electricity System Management Code, given that the said provisions stipulate the self-existent obligation of IPTO to settle the amounts owed to the Participants in the System for the services rendered to it as ordered, without any term or condition and regardless if the other Participants in the System have previously

settle the amounts owed by them for the services offered.

iii. The Judgement was erroneously based on the non-existence of the self-existent obligation of IPTO in relation to the adjudication of IPTO's default since the said obligation is not conditional upon the prior collection of any amounts owed to it by the defaulting Participants.

iv. The Judgement refers to the provisions of Law 4425/2016, which however were introduced after the generation of the Company's claims and these provisions introduced a legislative regime which was different than the one introduced by Law 4001/2011.

v. The Judgement violates the provisions of articles 330, 340, 341 and 342 of the Civil Code, by accepting that there was no *sub judice* obligation and thus, no *sub judice* debt of IPTO and consequently the latter was not in default.

The hearing of the case was scheduled for 21.02.2022 before the A1 Division of the Supreme Court and was examined. The Judgement of the Division A1 of the Supreme Court is pending; however the issue date cannot be specified with certainty.

B. Case of HERON versus HEDNO – Hellenic Electricity Distribution Network Operator (Multimember Court of First Instance of Athens)

1. On 9.06.2020 the Company filed before the Multimember Court of First Instance of Athens a lawsuit against the company Hellenic Electricity Distribution Network Operator (HEDNO) with the following motions:

   i. That it be acknowledged that HEDNO has systematically made increases in the calculation of settlements in the Manual of Management of the Measurement and Periodic Settlement, that these increases are illegal and are also 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.

   ii. That it be acknowledged that HEDNO incurred illegal and culpable loss during the period March 2017 – January 2018, which amounts to €2,366,585.92 and that HEDNO be ordered to pay the said amount to the Company.

2. HEDNO lodged a garnishment inviting the independent Authority RAE and the company IPTO S.A.

3. 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 motion to €1,362,751.03 and in any case, not less than €850,892.49.

4. The case was heard on 10/2/2022 and the Judgement of the Multimember Court of First Instance of Athens is pending, however the issue date cannot be specified with certainty.

34.EVENTS AFTER THE FINANCIAL STATEMENTS DATE

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

Since 14.07.2021, the sole shareholder of the Company is GEK TERNA, according to the relevant announcement , which mentions that GEK TERNA acquired the other 50% of the shares of HERON ENERGY S.A. in performance of the agreement dated 12.07.2021 with the other shareholder ENGIE, following the approval by the competent authorities which was a condition precedent for the implementation of the agreement.

Apart from the above, until the date this Report was drafted, no other significant event has occurred.

35. ANNEX I – SEPARATE FINANCIAL STATEMENTS OF THE INTEGRATED COMPANY OF PRODUCTION AND SUPPLY OF ELECTRICITY

HERON SINGLE MEMBER SOCIÉTÉ ANONYME ENERGY SERVICES
SEPARATED BALANCE SHEET OF THE FULLY INTEGRATED COMPANY
31/12/2021

(Amounts in thousands €)	ENERGY GENERATION	ENERGY SUPPLY	NATURAL GAS SUPPLY	OTHER	COMPANY TOTAL
ASSETS					
Non Current Assets	**10,267**	**26,927**	**379**	**1,497**	**39,070**
Tangible Assets	10,566	534	50	322	11,472
Intangible Assets	10	2,614	9	3	2,636
Rights-of use assets	6	404	8	48	466
Other Non-current Liabilities	23	17,785	2	9	17,819
Deferred Tax Assets	(338)	5,590	310	1,115	6,677
Current Assets	**6,404**	**440,056**	**-34,699**	**12,368**	**424,129**
Inventory	2,224	20	-	1	2,245
Trade and Other Receivables	1,774	331,244	26,881	4,379	364,278
Income tax receivables	24	655	38	221	938
Short-term receivables from derivatives	-	-	-	6,961	6,961
Cash and Cash Equivalent	2,382	108,137	-61,618	806	49,707
TOTAL ASSETS	**16,671**	**466,983**	**-34,320**	**13,865**	**463,199**
EQUITY					
Share Capital	1,016	700	700	-	**2,416**
Additional Paid in Capital	-	-	-	-	**-**
Reserves	808	-	-	-	**808**
Retained Earnings	36,546	(29,404)	16,640	5,314	**29,096**
Total Equity	**38,370**	**(28,704)**	**17,340**	**5,314**	**32,320**
Capital contribution per business unit	**(28,763)**	**87,646**	**(49,464)**	**(9,419)**	**-**
LIABILITIES					
Non-current Liabilities	**1,129**	**22,095**	**1,230**	**9,403**	**33,857**
Lease Liabilities	2	215	4	23	**244**
Provision for staff retirement indemnities	(10)	43	3	15	**51**
Deferred Tax Liabilities	-	-	-	-	**-**
Liabilities from Derivatives	-	-	-	2,290	**2,290**
Provisions for dismantlement	379	-	-	-	**379**
Liabilities from contracts with customers	-	893	-	-	**893**
Long-term loans	758	20,944	1,223	7,075	**30,000**
Current Liabilities	**5,935**	**385,946**	**(3,426)**	**8,567**	**397,022**
Suppliers and Other Liabilities	5,631		(4,353)		

		377,364		1,409	**380,051**
Short-term liabilities from derivatives	-	-	436	4,323	**4,759**
Lease liabilities	1	205	1	5	**212**
Provisions	-	-	-	-	-
Short-term loans	303	8,377	490	2,830	**12,000**
Income Tax Liabilities	-	-	-	-	-
Total Liabilities	**7,064**	**408,041**	**- 2,196**	**17,970**	**430,879**
TOTAL EQUITY & LIABILITIES	**16,671**	**466,983**	**- 34,320**	**13,865**	**463,199**

HERON SINGLE MEMBER SOCIÉTÉ ANONYME ENERGY SERVICES
SEPARATED BALANCE SHEET OF INTEGRATED UNDERTAKING
31/12/2020

(Amounts in thousands €)	**ELECTRICITY GENERATION**	**ELECTRICITY SUPPLY**	**NATURAL GAS SUPPLY**	**OTHER**	**TOTAL**
ASSETS					
Fixed Assets	**11,302**	**18,729**	**194**	**12**	**30,237**
Tangible Assets	12,317	704	15	4	**13,040**
Intangible Assets	5	2,441	39	-	**2,485**
Rights-of use assets	9	780	58	18	**865**
Other Non-current Liabilities	(1,029)	14,804	82	(10)	**13,847**
Current Assets	**2,784**	**141,683**	**16,193**	**3,568**	**164,228**
Inventory	2,229	18	-	-	**2,247**
Trade and Other Receivables	2,295	128,670	12,088	-989	**142,064**
Deferred Tax Assets	-	-	-	-	-
Income tax receivables	17	630	107	32	**786**
Cash and Cash Equivalent	(1,757)	12,365	3,998	4,525	**19,131**
TOTAL ASSETS	**14,086**	**160,412**	**16,387**	**3,580**	**194,465**
EQUITY					
Share Capital	1,016	700	700	-	**2,416**
Additional Paid in Capital	-	-	-	-	-
Reserves	805	4	-	-	**809**
Retained Earnings	34,340	(1,498)	12,369	5,775	**50,986**
Total Equity	**36,161**	**(794)**	**13,069**	**5,775**	**54,211**
Capital Allocation to Business Units	**(26,333)**	**30,604**	**(782)**	**(3,489)**	**0**
LIABILITIES					
Non-current Liabilities	**352**	**540**	**47**	**15**	**954**
Lease Liabilities	2	339	13	4	**358**
Provision for staff retirement indemnities	5	201	34	11	**251**
Deferred Tax Liabilities	-	-	-	-	-
Provisions for dismantlement	345	-	-	-	**345**
Current Liabilities	**3,906**	**130,062**	**4,053**	**1,279**	**139,300**
Suppliers and Other Liabilities	3,704	122,407	2,786	910	**129,807**
Shortoterm portion of long-term liabilities	7	432	42	12	**493**
Provisions	-	-	-	-	-

Short-term loans	195	7,223	1,225	357	**9,000**
Tax Income Liabilities	-	-	-	-	-
Total Liabilities	**4,258**	**130,602**	**4,100**	**1,294**	**140,254**
TOTAL EQUITY & LIABILITIES	**14,086**	**160,412**	**16,387**	**3,580**	**194,465**

HERON SINGLE MEMBER SOCIÉTÉ ANONYME ENERGY SERVICES

SEPARATED INCOME STATEMENT OF THE FULLY INTEGRATED COMPANY

31/12/2021

(Amounts in thousands €)	**ENERGY GENERATION**	**ENERGY SUPPLY**	**NATURAL GAS SUPPLY**	**OTHER**	**COMPANY TOTAL**
SALES					
Energy Sales - Generation	22,861	-	-	-	**22,861**
Energy Sales – Supply	16	721,604	-	1,095	**722,715**
Natural Gas Sales - Supply	-	-	43,001	235,996	**278,997**
Revenue from Utilities Charges	-	7,394	-	-	**7,394**
Revenue from Utilities Charges Consideration	-	-	-	-	**-**
Energy Exports	-	3,924	-	8,298	**12,223**
Other Income	3,783	3,778	49	3,460	**11,071**
Total Sales	**26,660**	**736,700**	**43,051**	**248,849**	**1,055,260**
EXPENSES & PURCHASES					
Natural Gas Cost	(11,666)	-	(35,680)	(196,426)	**(243,772)**
Energy Supply	(1,563)	(562,202)	0	0	**(563,765)**
Energy Imports	-	(6,545)	0	(7,770)	**(14,315)**
Natural Gas Imports	(1,742)	0	(5,862)	(39,159)	**(46,763)**
Expense from Utilities Charges	(2)	(49,255)	0	0	**(49,257)**
Expenses for System Use	0	(15,100)	0	0	**(15,100)**
Expenses for Grid Use	-	(51,350)	0	0	**(51,350)**
Expenses for Emissions Reduction Fee	-	(46,255)	0	0	**(46,255)**
Emission rights – Purchase of CO2 Rights	(3,259)	-	0	0	**(3,259)**
Consumption of Inventory	(436)	(132)	(0)	(0)	**(568)**
Personnel Fees & Expenses	(43)	(6,034)	(277)	(399)	**(6,752)**
Third Party Fees	(197)	(9,355)	(928)	(1,530)	**(12,011)**
Repairs & Maintenance	(82)	(14)	(1)	(4)	**(101)**
Other Expenses/(Income)	(3,824)	(6,164)	3,137	(2,147)	**(8,997)**
Depreciation	(2,288)	(1,725)	(47)	(93)	**(4,153)**
Bad Debt Provision	-	(14,897)	(608)	0	**(15,505)**

Financial Expenses	(25)	(1,267)	(91)	(235)	**(1,619)**
Financial Income	0	0	0	0	**0**
Total Expenses	**(25,127)**	**(770,294)**	**(40,357)**	**(247,764)**	**(1,083,542)**
PROFIT (LOSS) BEFORE TAXES	**1,533**	**(33,594)**	**2,694**	**1,085**	**(28,282)**

HERON SINGLE MEMBER SOCIÉTÉ ANONYME ENERGY SERVICES

SEPARATED INCOME STATEMENT OF THEFULLY INTEGRATED COMPANY

31/12/2020

(Amounts in thousands €)	ENERGY GENERATION	ENERGY SUPPLY	NATURAL GAS SUPPLY	OTHER	COMPANY TOTAL
SALES					
Energy Sales – Generation	9,485	-	-	-	**9,485**
Energy Sales – Supply	0	337,463	-	-	**337,463**
Natural Gas Sales - Supply	-	-	63,296	-	**63,296**
Revenue from Utilities Charges	-	26,301	-	-	**26,301**
Revenue from Utilities Supply	-	-	-	-	**-**
Electricity Exports	-	7,381	-	18,462	**25,843**
Other Income	630	4,271	394	83	**5,377**
Total Sales	**10,115**	**375,416**	**63,690**	**18,544**	**467,765**
EXPENSES					
Natural Gas Cost	(3,373)	-	(42,969)	0	**(46,343)**
Energy Supply	(596)	(221,632)	0	0	**(222,229)**
Energy Imports	-	(10,875)	0	(18,138)	**(29,013)**
Natural Gas Imports	-	0	(11,550)	0	**(11,550)**
Expenses from Utilities Charges	-	(39,554)	0	0	**(39,554)**
Expenses from System Use	0	(11,150)	0	0	**(11,150)**
Expenses for Grid Use	-	(40,749)	0	0	**(40,749)**
Expenses for Emissions Reduction Fee	-	(36,358)	0	0	**(36,358)**
Emission rights – Purchase of CO2 Rights	(205)	-	0	0	**(205)**
Impairment	(98)	(11)	(0)	(0)	**(110)**
Personnel Fees & Expenses	(25)	(5,266)	(356)	(43)	**(5,690)**
Third Party Fees	(42)	(9,911)	(502)	(100)	**(10,555)**
Repairs & Maintenance	(76)	(16)	(2)	(1)	**(94)**
Other Expenses/(Income)	(272)	(5,862)	(593)	130	**(6,597)**
Depreciations	(2,258)	(1,199)	(82)	(13)	**(3,552)**
Bad Debt Provision	-	(4,468)	234	0	**(4,234)**
Financial Expenses	6	(657)	(83)	(23)	**(756)**
Financial Income	0	9	1	0	**11**
Total Expenses	**(6,938)**	**(387,702)**	**(55,902)**	**(18,186)**	**(468,728)**
PROFIT (LOSS) BEFORE TAXES	**3,177**	**(12,286)**	**7,787**	**358**	**(964)**

A. Introduction

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

i. Integrated undertaking shall keep separate 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 if these activities were carried out by different undertakings, with a view to avoiding discrimination, cross-subsidization and distortion of competition. These accounts must clearly show the revenue from ownership of the transmission system and disatribution system..

ii. These undertakings shall keep consolidated accounts for other, non-electricity activities.

iii. Integrated undertakings shall clarify the rules for allocating assets and liabilities andincome and expenditure used to prepare the separate accounts mentioned in the previous paragraph.

RAE 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 SINGLE MEMBER SOCIÉTÉ ANONYME ENERGY SERVICES (hereinafter the "Company" or "HERON") must keep separate accounts for each of its electricity-related activities, Production and Supply.

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 Directive 2009/72/EC, no. 31 on the separation of the accounts of Integrated Electricity Companies and maintains separate accounts, Balance Sheet and Income Statement, for the activities of Generation and Supply (Trading) in the Electricity Market in and supply of Utilities Services. The remaining Company activities, besides Electricity, are kept in consolidated accounts (Others).

At the end of the fiscal year, the Company prepares and publishes in conformity with the IFRS, its separate Balance Sheet and Income Statement (Profit and Loss Account) per activity. The sum of the separated accounts are equal and in line with the Balance Sheet and Income Statement of the Company that have been prepared under the IFRS as adopted by the EU, with the exemption of Income Tax, as the separated 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 contain a certificate by the auditors, where reference is made to the rules which are approved by RAE,

[1] International Financial Reporting Standards

as referred to 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 keeping of separate accounts and the preparation of separate financial statements (income statement and balance sheet) per activity, is supported by the Company's Resource Planning (SAP) that the company operates. More specifically, the mandatory registration 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
- Other activities apart from electricity (Other).

(b) Business Area not activities

- Management

In each system entry of a document or transaction, as well as 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 characterization.

The annual separated 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, Boeotia, 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 included are expenses relating to the above income, 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 finance 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 remunerations and costs, third party fees, finance and miscellaneous expenses.

c) *Other activities besides electricity*

These activities include income from incidental activities. Expenses include fees, expenditure, depreciations, financial and extraordinary profits or loss which relate to the other activities of the Company besides the Electricity Generation and Supply, as these are mentioned above.

3. Separate Income Statement

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 separated 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 an allocation key being the participation percentage of each of them to the total income of the Company during the relevant fiscal year.

Next the Company prepares the annual income statement for each fiscal year per activity.

4. Separate Balance Sheet

The entries updating the Assets and Liabilities Accounts, such as fixed assets, reserves, customers, other receivables, suppliers, liabilities and loans, are allocated to the relative activity. At the end of each fiscal 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 activity:

i. Cash

ii. Financial products

iii. Tax assets and liabilities

iv. Provisions

v. Deferred tax

C. Verification of Regulatory Information

RAE may perform out extraordinary inspections in order to ascertain the implementation by the Integrated Company "HERON SINGLE MEMBER 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 separate accounts.

To this end, RAE 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 RAE 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 separate accounts of each of the Company's business activities are fixed and may be amended upon RAE's approval upon a reasoned request from the Company.

D. Publication of Separate Financial Statements

The Company communicates to RAE, 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 separate 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 Separate Annual Accounts of the Activities of the Integrated Undertaking "HERON SINGLE MEMBER SOCIÉTÉ ANONYME ENERGY SERVICES" constitute an integral part therewith and are amended with the same process.

CHAIRMAN OF THE BoD	MEMBER OF THE BoD
GEORGIOS KOUVARIS	LOUKAS DIMITRIOU
CHIEF FINANCIAL OFFICER	HEAD OF THE ACCOUNTING DEPARTMENT
EMMANOUIL FAFALIOS	ABRAHAM VASILEIADIS