HELLENIC ELECTRICITY DISTRIBUTION
NETWORK OPERATOR S.A.

Financial Statements
01/01/2024 – 31/12/2024
based on International Financial Reporting Standards,
as adopted by the European Union

ANNUAL FINANCIAL REPORT

Contents

ANNUAL REPORT OF THE BOARD OF DIRECTORS OF HELLENIC ELECTRICITY DISTRIBUTION NETWORK OPERATOR S.A. FOR THE FINANCIAL YEAR 01/01/2024 - 31/12/2024

Dear Shareholders,

Following the end of the thirteenth fiscal year (01/01/2024 - 31/12/2024) of the company Hellenic Electricity Distribution Network Operator SA ("HEDNO SA" or the "Company"), we are honoured to submit for your approval the financial statements for this financial year, as per the Company's Articles of Association, accompanied by our comments thereon.

HEDNO SA has prepared its financial statements for the fiscal year ended on 31/12/2024 in accordance with International Financial Reporting Standards ("IFRS"), as adopted by the European Union.

1 Analysis of the Company's Development & Activities

1.1 Institutional Framework of Operation

HEDNO SA, as the Operator of HEDN, started its operation as an independent Operator of HEDN on 01/05/2012 following the absorption of the Electricity Distribution Sector ("Sector") of the parent company, then called PPC SA, by HEDNO SA, in the context of the incorporation of Directive 2009/72/EC into the internal legal order by Law 4001/2011, under which specific legal and operational independence requirements were imposed on the electricity distribution activity. In this context, the Board of Directors (BoD) of PPC SA approved that all the activities of the Electricity Distribution Management, as well as the activities of the Operator of Non-Interconnected Islands (NIIs), to its 100% owned subsidiary, PPC RODOS SA, which was renamed into HEDNO SA, based on the provisions of Law 4001/2011.

Law 4001/2011, sets the legal framework for the operation of HEDNO SA as Operator of HEDN, while pursuant to Article 126 of the same legislation, the foreseen Management License of HEDNO was issued by the then Regulatory Authority for Energy (RAE) - starting from 29/03/2023, it was renamed to RAEWW (Regulatory Authority for Energy, Waste & Water).

By decisions of the Boards of Directors of PPC SA and HEDNO SA, dated 15/06/2021 and 18/06/2021 respectively, the separation was agreed and approved by the BoDs of the split-up of PPC SA and HEDNO SA was agreed and approved, followed by the spin-off by absorption of the Electricity Distribution Network sector of PPC SA by HEDNO SA in accordance with the provisions of Articles 4 and 54-73 of Law 4601/2019 with full application of Legislative Decree 1297/1972. Upon completion of the above mentioned absorption procedure of the aforementioned Sector by HEDNO SA (i.e. on 30/11/2021, when the required publications in the General Commercial Registry (GEMI) were posted), took place the transfer of ownership of HEDN, including its real estate and other assets of the Division and the Network of Non-Interconnected Islands (as defined in Law 4001/2011), of the relevant liabilities and other liabilities, with the exception of the High Voltage Network of Crete, including the relevant fixed and other assets. It is also pointed out that according to an explicit legislative provision /9 article 123 A of Law 4001/2011), the above-absorbed Sector does not own the existing fibre optic network, the related assets and the associated rights and obligations, as well as the right to install fibre optic or other electronic communications network elements on the HEDN, and this is because, based on the aforementioned express provision, PPC SA remains the Network Operator and the provider of access and transit rights for third parties, in the sense of the telecommunications legislation and as specifically defined in Law 4463/2017, as in force.

On 28/02/2022, the sale of the 49% stake of PPC SA in HEDNO SA was completed, upon payment of €1,320 million by Macquarie Asset Management for the acquisition of the aforementioned stake. This percentage of the company's shares has been acquired by MSCIF DYNAMI BIDCO SA, which is also the minority shareholder of the company.

The price has been adjusted to reflect the change in Net Asset Value of HEDNO SA until 28/02/2022, in accordance with the terms of the Share Purchase Agreement.

1.2 Business model

Basic outline of HEDNO SA competences under Law 4001/2011

According to Law 4001/2011, the key competences of HEDNO SA are the following.

- Development, operation and maintenance of the HEDN in such a way as to ensure its reliable, efficient and safe operation (see Article 127 of Law 4001/2011). The exercise of the competence in question must be based on the terms of the relevant Management License of HEDN and in compliance with the fundamental principle of equal treatment of HEDN Users (see Article 126 of Law 4001/2011
- With regard to the Non-Interconnected Islands, HEDNO SA, based on Article 129 of Law 4001/2011, has been explicitly designated as the Operator and Market Operator of NIIs under Article 129 of law 4001/2011.
- The management of the special account of Public Services Obligations (PSO) in the entire Greek Territory from 01/01/2018 onwards, pursuant to Article 57 of Law 4508/2017.

(Amounts in EUR thousand)

PSO ACCOUNT BALANCE 31/12/2024 Amounts in whole numbers	
ACCOUNT INFLOWS	
INITIAL PAYMENT (ΔΟΔ 0002445 ΕΞ 2017)	476,000,000
IPTO REMAINING BALANCE	8,574,066
ADDITIONAL PAYMENT (Government Gazette 4264/20.11.2019)	59,000,000
ADDITIONAL PAYMENT (Government Gazette 4768/24.12.2019)	150,000,000
ADDITIONAL PAYMENT (Government Gazette 174/30.01.2020)	44,651,690
ADDITIONAL PAYMENT - CALCULATION OF PSO COST (Government Gazette 3043/22.07.2020)	67,029,000
ADDITIONAL PAYMENT - CALCULATION OF PSO COST (Government Gazette 2378/07.06.2021)	70,000,000
TOTAL INFLOWS	**875,254,756**
ACCOUNT OUTFLOWS	
PAYMENT TO SUPPLIERS (RAEWW DIRECTIVE OF 10/2017)	359,970,228
PAYMENT TO PPC (Government Gazette 4768/24.12.2019)	150,000,000
PAYMENT TO PPC (Government Gazette 174/30.01.2020)	44,651,690
ACCOUNT DEFICIT 31/12/2017	36,579,728
ACCOUNT DEFICIT 31/12/2018	63,108,475
ACCOUNT DEFICIT 31/12/2019	127,141,072
ACCOUNT DEFICIT 31/12/2020	104,416,901
ACCOUNT SURPLUS 31/12/2021	-120,098,050
FUNDING OF SPECIAL ACCOUNT "ENERGY TRANSITION FUND" (JMD - MoEE/Electricity Directorate/81948/2763/05.08.2022)	300,000,000
FUNDING OF SPECIAL ACCOUNT "ENERGY TRANSITION FUND" (JMD - MoEE/Electricity Directorate/124862/2763/28.11.2022)	100,000,000
ACCOUNT SURPLUS 31/12/2022	-365,760,587
FUNDING OF SPECIAL ACCOUNT "ENERGY TRANSITION FUND" (JMD - MoEE/Electricity Directorate/39688/789/19.04.2023)	60,000,000
ACCOUNT DEFICIT 31.12.2023	293,832,714
ACCOUNT DEFICIT 31.12.2024	319,156,736
TOTAL OUTFLOWS	**1,472,998,906**
ACCOUNT BALANCE (SURPLUS/(DEFICIT))	**-597,744,150**
PLACEMENT PLAN 2012 - 2017	1,867,707
MINUS ADDITIONAL SETTLEMENT 2012 - 2016 (RAEWW O-76750 / 12.04.2019)	21,954,985
MINUS Social Residential Tariff (SRT) - Vulnerable Clients (EAP) 2017 (RAEWW 435/2019)	17,875,007
MINUS ADDITIONAL SETTLEMENT 2014 - 2016 (RAEWW 832/2019)	21,664,978
MINUS ADDITIONAL CONSIDERATION 2013 (RAEWW 854A/2019)	994,139
MINUS ADDITIONAL CONSIDERATION 2014 - 2016 (RAEWW 200/2020)	5,767,413
PLUS FINAL SETTLEMENT FOR PSO CONSIDER. NIIs - 2017 RAEWW 1254/2019	72,204,790
PLUS FINAL SETTLEMENT FOR PSO CONSIDER. NIIs CLIENTS - 2017	3,083,249
PLUS FINAL SETTLEMENT FOR PSO CONSIDER. NIIs CLIENTS - 2018	2,870,311
MINUS FINAL SETTLEMENT PSO CONSIDERATION 2018	45,070,690
MINUS FINAL SETTLEMENT SRT CONSIDERATION 2018	4,615,495
PSO ACCOUNT BALANCE (SURPLUS/(DEFICIT)) 31/12/2024	**-599,910,786**
PSO WITH PAYMENT SUSPENDED	**54,997,424**

- The aforementioned grid of competences is also specified in regulations, with the basic regulatory framework governing the activity of electricity distribution being the Hellenic Electricity Distribution Network Operation Code (Government Gazette B 78/2017) and the Operation Code for NIIs(Government Gazette B 304/11.02.2014), regulatory texts issued pursuant to Articles 128 and 130 of Law 4001/2011 respectively.

In this regard, it is pointed out that the Company has an active role, in particular in application of the provisions of Article 95 of the Hellenic Electricity Distribution Network Operation Code, regarding the treatment of electricity theft, through its detection and management, based on the provisions of the above-mentioned regulatory provision and its relevant implementing manuals.

Furthermore, in accordance with the provisions of article 36 of L.4508 / 2017, the Company was appointed administrator of the special account set up for the reconnection of electricity supplies to low-income consumers, as determined by a joint ministerial decision (Government Gazette B 474 / 14.02.2018), who have been disconnected from the electricity supply network due to overdue debts, in order to meet their energy needs.

Main activities of HEDNO SA

The main activities of HEDNO SA are as follows:

- Development of HEDN - either by own means or through contracts
- Strengthening, improving and modernising HEDN
- Construction of distribution centres and 150kV lines
- Operating activities of HEDN
- Operation of HEDN
- Inspection and maintenance of HEDN
- Repair of faults
- Usage metering
- Services to Users - Customers of HEDN
- New connections of consumers and producers of Renewable Energy Sources (RES) in HEDN
- Displacements of utilities - poles
- Increasing the power of existing connections
- Ensuring the reliable and economical operation of autonomous island electrical systems (Non-interconnected islands) within the competences of HEDNO SA under Article 129 of Law 4001/2011 and the specific regulatory framework (Operation Code for NII - Government Gazette, B 304/11.02.2014, as in force) in conjunction with the management of the electricity grids of these Non-Interconnected Island Electricity Systems.

Other Activities of HEDNO SA

Based on a contract, which has been concluded with the parent company, HEDNO SA has undertaken to carry out the costs related to the feasibility study of the routing of fibre optic networks - telecommunications equipment in the respective elements and infrastructure of the HEDN, intervention works - improvements in the HEDN’s network in order to enable the installation of fibre optics.

(Amounts in EUR thousand)

2 Usage Performance Analysis

2.1 Financial Overview of the year 2024

The most important financial data of HEDNO SA for the financial year 01/01/2024 - 31/12/2024 are as follows:

	31/12/2024	31/12/2023
Total Revenue	1,203,341	1,093,801
Loan Capital	2,035,027	1,676,623
Net Lending	1,912,148	1,480,568
Total Assets	7,145,284	6,264,923
Operating profit	229,248	238,161
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	575,180	561,850
Profit before tax	143,220	183,662
Net Profit	108,326	140,562
Operating Cash Flow	573,056	539,630
Total personnel cost	331,277	343,932

The table below shows the main indicators:

	31/12/2024	31/12/2023
EBITDA margin	48%	51%
Profit margin	9%	13%
Current Ratio	0.98	0.98
Quick Ratio	0.54	0.62
Cash Flow Ratio	0.11	0.16
Loan Capital / Total Assets	28%	27%
Interest Coverage Ratio	10.41	14.70

2.2 Dividend Policy

According to Article 32 of the Articles of Association, the amount of net profit distributed to shareholders as minimum dividends amounts to 35% of the Company's net profit, after deduction of the amount for the formation of a legal reserve (5% of net profit) and other credit items in the income statement that do not derive from realised profits. Following a decision of the General Meeting, taken by increased quorum and majority in accordance with the provisions of Articles 130, par. 3 and 4 and 132, par. 2 of Law 4548/2018, the above percentage may be reduced, but not below 10%. Non-distribution of the minimum dividend is allowed only by a decision of the General Meeting, taken with increased quorum and majority of 80% of the capital represented at the meeting. Following a decision of the General Meeting, taken by increased quorum and majority, it is possible that the profits distributable as a minimum dividend may be capitalised and distributed to all shareholders in the form of shares, calculated at their nominal value. For the distribution of further profits, the General Meeting decides by simple quorum and majority.

The Board of Directors of the Company, by Resolution No. 8 dated 30/07/2024. decided to distribute an interim dividend for the financial year 2024, amounting to € 42.5 million, proportionally to each of the shareholders of PPC SA and MSCIF DYNAMI BIDCO SA according to the share of each of them in the share capital of HEDNO SA, paid to them in October 2024.

For the financial year 1/1/2024 - 31/12/2024, the distribution of a dividend of € 102.9 million will be proposed to the General Meeting of shareholders which is scheduled in June 2025.

2.3 Approved RAEEY Income and under-recovery development of Network Usage Charges

As of 01/12/2021, following the spin-off of the Sector from PPC SA and its absorption by HEDNO SA, the Company is the owner of the Network since it is no longer shared. For the fiscal year ended 31/12/2024 the Company has recovered an amount of €40 million.

2.4 Capital expenditure

The Company's total investments for the financial year 2024 amounted to €812.3 million (2023: €538.2 million). An amount of €685.5 million (2023: €482.01) relates to Repeat Projects (RPs), an amount of €126.7 million (2023: €56.1m) relates to Branded Network Projects and capital equipment purchases, and €0.134 million (2023: €0.09) relates to PPC Mining Projects. The RPs are a number of Small Medium (MV)- and low-voltage (LV) network development projects which are billed in aggregate on a monthly basis. Branded Network Projects are discrete projects with a specific scope, budget and planned duration. Finally, the PPC Mining Projects are projects of small value constructed in internal MV and LV networks of third parties in PPC Mines.

The RPs in the Variations category include capitalised expenses related to improvements to the existing network for the installation of fibre optic by PPC SA amounting to €0.87 million. (2023: €3.68 million)

In 2024, distribution facilities were increased by 2,110 km in MV networks and by 946 km in LV networks while 3,169 variations were made. Thus, the MV network extends to 119,414 km and the LV network to 131,329 km, while the installed transformers in the network amounted to 168,842 in the first half of 2024. The active users of the distribution networks amounted to 7,713,585, of which 18,172 belong to MV.

2.5 Main elements of implementation of strategic & branded projects for 2024

<u>Establishment of the Network Control Centre for Islands</u>

This project has been extended to the year 2024 and is currently underway carrying out the following actions:

- Receipt of SCADA / DMS has been completed by 09/2020 (Central Maintenance Contract for the respective systems of HEDNO SA).
- Work on the installation of RTUs in HV/MV substations and in APPs/LPPs is ongoing. Specifically, 32 HV/MV substations out of a total of 33 substations have been included in the CCS. The Atherinolakos substation is pending due to technical problems and for which alternatives have been launched, marking no particular development for the year 2024.
- Installation of RTUs in the APPS, 12 substations and 5 Links involving cable interconnections (12 substations of which 7 APPs- 5 LPPs) - and 5 Links
  - ✓ The original scope was 24 substations but was reduced to 12 due to upcoming interconnections and cost-benefit ratio. Materials exist for the entire scope. Of these materials, 2 RTUs were utilised in Heraklion in 2024 and the remaining 10 RTUs are available for future installation to cover other needs beyond this project.
- Inclusion in the CCS of 12 APP-LPP substations, 7 link substations 1 BKII substation
  - ✓ The integration of 12 APPs-LPPs (7 APPs & 5 LPPs) substations, 7 link substations and 1 pilot BKII substation (and 31 city substations in synergy with Strategic Project 4) has been completed.
  - ✓ The integration of 1 APP substation in Karpathos, 1 link substation in Ios (need for replacement of MV fields by NMID) and increase of the scope with the integration of 2 additional link substations (NH-1 in Heraklion and NH22) has been completed.
- Integration of MV Networks into the CCS
  - ✓ Receipt of MV operational plans (AutoCAD) has been completed in 4/11 Regions (Lesvos, Samos, Chios and Heraklion) but only 2 Regions (Chios and Heraklion) maintain a constant updating process. For the Region of Heraklion there is a contract for the implementation of the projects. In addition, in the year 2024, the digitisation of the MV networks continued in order to include the CCS of Rhodes, Syros, Chania and Ag. Nikolaos and Lesvos once this is completed.
- Establishment of a single NCC in the DPN
  - ✓ Completion of Phase 1 of staffing & supervision (June 2018) In 2024, the staffing of the NCC of the DPN was completed and 24-hour operation was made possible. Also, in the year 2024, the planning of the operational restructuring of the company's NCCs was completed, which will be executed in the following years by merging the NCC of DPN and bringing it into full operational use.

- Additional Actions for the year 2024
  - ✓ In the context of the completion of the Special Project, various additional actions were carried out beyond the initial planning with synergies with other projects, in the context of improving the operating activities of the networks, increasing the use of RES, monitoring of the equipment of substations in LPPs and upgrading of equipment in the area of responsibility of the DPN.

<u>Modernisation of Network Control in the rest of the country</u>

The project is currently underway, carrying out the following actions:

- Receipt of new SCADA-DMS system
  - ✓ Through Strategic Project 1, 3 complete CCSs (one each for the Region of Macedonia-Thrace, the Region of Central Greece and the Region of Peloponnese-Epirus) and one disaster recovery CCS for the Region of Attica were procured, installed and put into operation. The new SCADA-DMS is identical to the one in the Department of Attica Region, has all the DMS applications and is in operation since 01/2020. The CCSs are installed on virtual servers in the data centre of the Information Technology Directorate.
- Installation of 44 RTUs & Replacement of 30 RTUs = 74 RTUs
  - ✓ To date, 61 (5 executed in FY24) of the 74 new installations and replacements of RTUs have been carried out at an equal number of RTUs in the Department of Macedonia Thrace Region, Department of Central Greece Region and the Department of Peloponnese-Epirus Region and are expected to be fully completed in the coming years.
- Specifications for the establishment of the Regional NCCs - Completed the identification of the basic guidelines for the establishment of the Regional NCCs
  - ✓ The P-NCC of the Department of Macedonia Thrace has included in its operation the MV networks of 5 areas, extending the scope of the project by one region and supervises the basic alarms in all the HV/MV Remote Controlled Automatic Reset Switches of the Department of Macedonia Thrace. For the areas of Department of Macedonia Thrace, personnel training has been completed as well as the implementation of schematic diagrams in AutoCAD. At the same time, central supervision of key alarms has been completed, while naming of assets under the new rules has not started.
  - ✓ The P-NCC of the Department of Peloponnese-Epirus Region has been set up and the training of the personnel has been completed. The schematic diagrams in Auto-CAD have been completed for the areas of the Department of Peloponnese-Epirus Region. Supervision of key alarms has not started and naming of assets under the new rules is 100% complete.
  - ✓ In the Department of Peloponnese-Epirus Region the P-NCC has been set up and the training of personnel has been completed and the supervision of all the basic alarms in the HV/MV Remote Controlled Automatic Reset Switches of the Department of Peloponnese-Epirus Region has been completed at 100%. Schematic diagrams are 100% complete and MV functional diagrams exist for all regions. Naming of assets under the new rules is 100% complete.

<u>Upgrading of peripheral remote control equipment in networks</u>

The project is currently underway, carrying out the following actions:

- Pilot Installation of new Overhead Fault Passage Indicators (FPI)
  - ✓ The contract for a new type of FPI was signed, , which were received on 12/2021 and installed in the networks of the Department of Attica Region (Attica and Andros).
  - ✓ Technical report on the pilot implementation of 247 FPI was completed in 2023.
- Remote Controlled Load Switches (2.000 pcs)
  - ✓ The distribution of the material of the 4th batch to the Regions was completed and the 1st receipt of the option materials followed on 02/2024 so that the installation can be completed by mid-year 2025.

  - ✓ By the end of 2024, around 1885 Remote Controlled Load Switches have been installed, of which 94% have been interfaced with the SCADA system, ensuring remote control of the data. In addition, there is sufficient training and education of existing staff on the specific material to ensure the smooth completion of the project while at the same time new staff is being recruited to the NCCs.

- Remote Controlled Automatic Reset Switches (R/C ARS) 830 pcs of R/C ARS
  - ✓ In previous years the 50% option was activated. The 3rd batch was delivered the previous year and the 4th batch followed and was completed in the 2nd month of 2024.
  - ✓ By the end of 2024, personnel training has been completed and about 381 R/C ARS have been installed (out of a total of 820 received), while 99% of the R/C ARS have been interconnected and monitored.
- Installation of indoor MV/LV 750 pcs of RTUs (remote control MV/LV substations)
  - ✓ The project has been extended with the corresponding activation of the equipment option.
  - ✓ By the end of 2024, 172 RTUs have been installed and the process is advancing smoothly. As of the 10th of 2024, the provision of telecommunications equipment by providers has been normalised.
  - ✓ Training facilities are underway in the Department of Central Greece Region and the Department of Peloponnese-Epirus Region to train staff in the field and to further advance equipment installations in these Regions as well.
- Fault Passage Indicators for indoor MV/LV substations 830 FPI + 1450 NCUs for MV/LV substations
  - ✓ By the end of 2024, 134 FPI and 197 NCUs have been installed on the Network.
  - ✓ At the same time, the utilisation of older FPI hardware and their connection to the new communication equipment was launched. More specifically, by the year 2024, 176 pieces of legacy hardware have been installed and the utilisation of existing legacy hardware continues until the stock is exhausted.

<u>Installation of Geographic Information System</u>

The project is currently underway, carrying out the following actions:

- Supply and installation of software & peripheral equipment licenses
  - ✓ The procurement and installation of software licenses with Enterprise licensing model was completed on 12/2020. The tender for the procurement of peripheral equipment (PCs, monitors, A3 printers, Plotters and Scanners) was completed on 03/2021. The process of delivering regional equipment to the Regions has been completed in previous years.
- Supply and installation of 60 GNSS
  - ✓ Installation of GNSS equipment in the Regions - distribution of 60 GNSS systems to District employees (54/60 have already been delivered to the units).
  - ✓ An additional 60 GNSS devices are planned.
- Call for tender for the selection of contractors for the digitisation of MV & LV networks (Regions)
  - ✓ Procedures for the award of contractors have been completed and progress on the digitisation of the network is underway.
  - Introduction of MV and LV Networks - GIS
  - ✓ Parts of the following Network Areas have been digitised: Peristeri, Karditsa, Lamia, Lamia, Larissa, Xanthi, Tripoli, Komotini, Lesvos, Athens, Piraeus, and the entire Optical Fibre Network.
  - ✓ The digitisation of the areas of Kallithea, Filothei - Kifissia, Mesogeion, Elefsina, Livadia, Thebes and West & Central. Thessaloniki has been completed.
  - ✓ In order to accelerate the digitisation process, 7 LIDAR (mobile mapper) systems were procured and the procurement of three more is planned.

- GIS user training
  - ✓ In previous years, training sessions were held for Region employees entering GIS operation - and external partners, which continued in 2024 to meet the needs and accelerate the digitisation of the network.

New User Service Information System

The evolution of the project as it is shaped within 2024 makes it necessary to split it into two periods:

Evolution Period A (before the end of 2024):

- ✓ On 30/01/2020, the Board of Directors of the Company approved the appointment of the association of companies "INDRASOFT INTERNATIONAL S.A. - OTE S.A." as the temporary contractor - the project started on 11/2020.
- ✓ Project Preparation - Phase A - Materials, Permits and Project Design was completed and the acceptance protocol was signed on 12/10/2021.
- ✓ The project started in 11/2020 and the design phase - Phase B is in full swing with delays.
- ✓ The contractor delivered the expected deliverables in 04/2022 which were not accepted by HEDNO.
- ✓ The new pilot blueprint for the New HT Connection process was completed and delivered, accompanied by minor observations.
- ✓ Due to the high complexity of the project, a redesign of the project was carried out to address the delays by re-launching the project based on the new design, so it is expected that the project will progress smoothly in the coming years, based on the revised design.

Evolution Period B (after the redesign) :

- ✓ The project was completely redesigned in 2024 and renamed "ILIOS". On 03/10/2024 the official restart of the now redesigned project took place. During the last two months of 2024, two of the project deliverables were implemented, which were expected to be received by HEDNO in 2024.
- ✓ The project is now in full swing.

Installation of Customer Tele-Service Systems

The project was redesigned (budget and scope) for the needs of the 2022-2026 Network Development Plan and included in the submitted new 2024-2028 Network Development Plan. The project started in the year 2024.

Development of NIIs Infrastructure in application of the Operation Code for Non-interconnected Islands (NIIs)

The project is currently underway, carrying out the following actions.

- Metering infrastructure for NIIs Production Stations
  - ✓ 405 meters have been installed. The project was implemented entirely for the Crete and Rhodes Thermal Power Plants by HEDNO and for the APPs and LPPs by PPC, with design and specifications prepared by HEDNO and completed in 01/2023.
  - ✓ The replacement of cables in the telecommunication loop of meters in all APPs and LPPs has been completed.
  - ✓ Completion of the software restart script download to the meters to address communication errors.
- Development of central ECC infrastructure in Athens and local ECC in Rhodes
  - ✓ The contract for the development of infrastructure for the Energy Control Centre (ECC) in Athens and the local ECC in Rhodes was signed on 17/06/2022.
  - ✓ Phase 1 "Detailed Project Design" has been completed.
  - ✓ The sub-project is in full swing.

- Development of SCADA infrastructure in 27 electrical systems of NIIs
  - ✓ Phase 1 - Implementation Study and Phase 2 - Installation and commissioning of the CCS have been completed.
  - ✓ Phase 3 - Installation and operation of NIIs electrical systems (ES) is in progress
  - ✓ The development of 26 of the 27 NIIs electrical systems has been completed (completion of works for 27/27 ES-11/2022).
  - ✓ The installation of SCADA (Supervisory Control and Data Acquisition) and Energy Management (EMS) systems has been completed in the Serifos ES, Othones ES, Ereikousa ES and Ikaria ES.
  - ✓ Audits of the entire project have been completed.
- Development of methodological infrastructure for NIIs
  - ✓ Publication of the proposed Daily Energy Planning and operation report for the entire ES, in compliance with RAEWW (formerly known as RAE) Directive No. 1009/2020.
  - ✓ Conclusion of an SLA with a thermal producer for the provision of support services in the year 2022.
  - ✓ Preparation of pre-manuals on Information and Market Operation NIIs in the year 2022.
  - ✓ Completion of the implementation of the Operation Code for NIIs Methodology as regards the remuneration of conventional units and the specific fuel consumption curves.
- Development of a NIIs information system
  - ✓ The development of an in-house information system (with HEDNO resources) for the pricing of RES as well as the liquidation of the energy market of NIIs was completed.
  - ✓ The development of the Access Requests and Licensing Status of RES/NIIs Producers subsystem, the development of the LR NII Subsystem, the development of the LR Guarantee Subsystem and the development of the NII Market Settlement Subsystem have been completed.
- Development of ECC system infrastructures in the remaining 27 ES of the NIIs
  - ✓ Development of algorithms and functions in order to transform the infrastructure developed under Project 9.3 into a ECC.
  - ✓ Creation of infrastructure, algorithms and configurations for RES generation and load provision.
  - ✓ Creation of Daily Energy Planning algorithms and automation of Daily Energy Planning development.

Telemetry of LV customers

During the years 2021 and 2022, the complete redesign of the replacement project of the LV meters with smart meters was completed, which included a revision of the action plan and operational plan, development of a new procurement strategy, the issuance of new issue specifications for meters, metering infrastructure, new telecommunications infrastructure and technologies, etc. In the year 2022, the first phase of the tender procedure for the new smart meters, based on the revised strategy, was launched and concluded with the final selection of four supplier schemes for the meter replacement project.

- There was an appeal against the tender procedure by Landys and Gyr, which was rejected by the Council of State. Subsequently, HEDNO SA proceeded to the next phase of the tender with the submission of bids on 07/12/2023 by the final shortlisted suppliers.
- At the same time, HEDNO SA proceeded to conduct an interim tender for the supply of metering equipment to ensure the availability of materials for the coming years in order to ensure the uninterrupted progress of the telemetry development project.
- In the year 2023 the process of prequalification of a telecommunications provider to meet the needs of the metering project was also advanced. One of the candidate providers submitted an appeal to the HSPPA (Hellenic Single Public Procurement Authority) after the announcement of the first

evaluation. The appeal was rejected and the applicant lodged an application for annulment with the competent administrative courts of Athens.

- The Board of Directors issued the decision to appoint the provisional contractors in the 12th month of 2024 which are the companies "Iskraemeco d.d. - Oracle France SAS" - "Itron Spain SLU - ZIV Aplicaciones y Tecnologia S.L." and "Protasis SA - Sagemcom Energy & Telecom SAS".
- In addition, the company "Itron Spain SLU - ZIV Aplicaciones y Tecnologia S.L." was selected as the provisional contractor of the Framework Agreement Contract for the Metering Data Management System (MDM System).

Restructuring of the supply chain

The project is currently underway, carrying out the following actions.

- Action 1 - Procurement Excellence
  - ✓ Completion of Category Management application, pre-evaluation tables application (measurement transformers, Synthetic Insulators), TCO application.
- Action 2 - CAPEX execution - completed
- Action 3 - Strategic Network of Warehouses
  - ✓ Formulation of the new proposal regarding the future optimal spatial layout of the warehouse network, new stocking rules, updated stock profile and proposal for the spatial reconfiguration of selected warehouses, Cost-benefit analysis study regarding the use of privately owned warehouses versus warehouses of an external provider (3PL) - In the planning phase of the pilot and examination of alternatives for the development of warehouses.
- Action 4 - Procurement Manual and New Model Tender Documents
  - ✓ The action is in the implementation phase and the Model documents are in the design phase.
- Action 5 - Sourcing Strategy for two categories of Materials
  - ✓ The action is ongoing.

Creation of an Information Management System (IMS)

The redesign of the project, which now consists of 2 main sub-projects, has been completed; the first sub-project concerns the development of a new integrated Information Management System, which will facilitate data management and will be a platform for the consolidation of the operational and information systems of HEDNO SA. The second sub-project concerns the completion of the information systems of HEDNO SA between them.

The project is ongoing.

Underwater interconnection projects MT

- In 2023, licensing of the Plaka - Spinalonga project was completed. The project is currently in the completion phase. The remaining work is the connection to the land network, which is expected to be completed in 2025.

The preliminary study and the technical tender documents of the seabed study for the Serifos - Sifnos and Serifos - Kythnos interconnection project have been completed. Geophysical studies were completed in 2024.

- The Medium Voltage Interconnection Upgrade project for the South Aegean islands (20km) was completed in 2024.

- The topographic and marine geophysical data study, the technical documents and the licensing of the Rhodes-Chalkis interconnection/transfer project were completed within 2024. The drafting of commercial documents is expected in early 2025.

- The licensing by the Ministry of Finance and the drafting of commercial documents for the Kalymnos - Leros interconnection as well as the updating of the technical documents have been completed so that after the tender procedure, at the end of 2024, the contractor will be announced in 2025.

- In 2024, the contract for the connection of the Skorpios - Lefkada interconnection project with the Department of Peloponnese-Epirus Region was completed and the drafting of technical documents and the licensing of the project is underway

- The drafting of the technical specifications of the Ikaria-Samos interconnection project and the preparation of the study contract notice by the end of 2024 has been completed.

- In 2024, preliminary design work for the project of relocation - renovation of the Skopelos MV submarine communications cable was carried out.

Substations and cable line projects

- The contract for the project "Upgrading of the Domokos High Voltage Centre" was signed in 07/2023 and the studies were approved and the start of the field work took place in 2024.
- Regarding the Trikala of the High Voltage Centre, the preliminary study has been completed while the electromechanical study was to be completed by the end of 2024.
- For the projects: New Milos substation, New Folegandros substation and New Serifos substation, the contracts were signed in 2023, while works commenced in 2024. The projects are co-financed with IPTO acting as the operator.
- Upgrading of the Grevena substation: The MV side has been completed. For this project two transformers will be installed. Within 2024, the installation and testing of transformer 1 and the installation of transformer 2 will be completed.
- Upgrading of the Oinofita substation: Increase by a total of 50MVA, by replacing both 150/20kV, 25MVA transformers with new 50MVA transformers and extending the MV side with new gates. The extension of the MV side has been completed. The receipt of the transformer and installation of transformer 1 was completed in 2024 and transformer 2 is expected to be completed in 2025.
- New substation in Amfilochia II: The project was successfully completed in 2024.
- Reconstruction with increase of the Corfu I substation: Upgrade of the transformer to 150kV, installation of two 150/20kV, 50MVA and extension of the MV side. Receipt and electrification of transformer 2 and commencement of operations for transformer 1 from 10/2023. The Special Environmental Study is at an advanced stage, while the installation of electromechanical equipment on the 150kV side is in progress. The project was completed and connected in 2024.
- Substation Distribution Centre of Ilion: 4 offers were received (12/04/2022). In the phase of evaluation of the financial offers (03/2023). During the year 2024, negotiations were held with the prospective contractor for the contract and the project is now in the contract signing phase.
- Cable lines of new Distribution Centre of Ilion: The project is highly complex, indicative of this is the fact that during the tender process, bids were received that exceeded the project's budget, leading to the cancellation of the tender.
- Substation Distribution Centre of Keratea: The contract notice has been completed by the HEDNO and has been sent to IPTO for approval due to co-declaration. This was approved by IPTO in the second quarter of 2024, the tender was launched and bids were received on 19/11/24. The contractor is expected to be announced in the first quarter of 2025.
- Reconstruction and upgrading of the Arachthos High Voltage Centre: The contract was signed on 03/2023 and field work started on 06/2023. For the year 2024, work on the construction site is in progress while Phase A (extension of the substation) is being completed.

- Upgrading of the Pylos substation: The replacement of both transformers has been completed. 2 offers were submitted for the extension of MV in 02/2023. Completion of tender evaluation and award on 29/06/2023. Signing of the contract for the extension of MV in 10/2023. The project was completed In 2024.
- Upgrading of the Skydra substation : On 05/2024 fieldwork commenced.
- Substation within Meliti High Voltage Centre: In 2024 fieldwork was underway.
- Upgrading of the Florina substation: The project was completed and connected in 2024.
- New Thira substation: IPTO is the project manager of the project as it is a co-procurement project. The contract for the project has been signed and in 2024 its execution was underway.
- Philippi High Voltage Centre: The project was completed and connected in 2024.
- Upgrading of the Megara substation: The preliminary design, the technical & commercial dossiers and the contract notice have been completed. The contract was signed in 2023 with the project being underway in 2024.
- Upgrading of the Eordaia substation (Ptolemaida II): The preliminary design as well as the technical & commercial documents have been completed. The contract notice and the initial tender procedure were completed and bids from candidate contractors were received. Approval was obtained by RRFA (the Recovery and Resilience Facility Coordination Agency) and the contract was signed. In 2024 the preliminary study is underway.
- Ag. Nikolaos substation (Replacement of transformer panels): The project was completed and connected in 2024.
- Distribution Centre of Chania II: After unsuccessful tendering procedures in previous years, in 2024 the tendering procedure was carried out again and the project is now in the phase of announcing a temporary contractor.
- Addition of gates and MT improvement works at the Agios Vasileios substation: The transformer side has been completed and the subsidence remediation phase is underway. In the year 2024, the tender procedures concerning the geotechnical rehabilitation works were ineffective and a new tender procedure will be followed to find a contractor for the preliminary study, while the electromechanical study of the project will be carried out on a self-contracting basis.
- New substation in Amfilochia II (Stanos): The project was completed and connected in 2024.
- Extension of the Mykonos substation: The project was completed and connected in 2024.
- Upgrading of the Spherchiada substation: Field work started in 2024.
- Upgrading of the Magiko substation: In 2024, fieldwork started in the order of execution.
- Distribution Centre of Glyfada: Definition of the key parameters of the project in cooperation with IPTO. Preliminary design has started and is expected to be completed in the first quarter of 2025.
- Replacement of transformer panels in the Distribution Centre of Thessaloniki VIII (Bottsari): Within 2024, the documents were completed and a contract notice was issued, followed by the announcement of a provisional contractor.
- Upgrading of the Kallistirio substation: For this project, the signing of the contracts of the transformers has been completed. In addition, in the year 2024 the preliminary design and the acceptance of the transformers has been completed.
- Replacement of transformer panels in the Distribution Centre of Thessaloniki VIII (N. Elvetia): In the year 2024, the tender dossiers and the contract notice were completed and the technical offers were evaluated. The project is currently in the p the phase of the call for applications for a provisional contractor.
- Replacement of transformer panels in the Distribution Centre of Pagkrati: Not much progress has been recorded. A new contract notice will be issued, possibly together with other projects (Nea Elvetia and Thessaloniki VIII Distribution Centres).

- Upgrading of the Lamia substation: Preparation of the contract notice dossier. Towards a competitive tender procedure in early 2025.
- Upgrading of the Agia substation: Preparation of the contract notice dossier. Towards a competitive tender procedure in early 2025.
- Reconstruction of the Igoumenitsa substation: Within 2024 the preliminary study was completed by IPTO-HEDNO.
- Power supply lines of the Glyfada Distribution Centre: In 2024, the preliminary design of the cable lines connecting the Glyfada and Elliniko Distribution Centres will be completed. At the same time, the supply system was redesigned and the preliminary study for the interconnection of Glyfada Distribution Centre with Nea Smyrni is underway.
- Double K/G 150 kV of Keratea: The project is being executed in parallel with the Keratea Distribution Centre project. The contract notice has been completed by the HEDNO and has been sent to IPTO for approval since the project is co-financed. This was approved by IPTO in the second quarter of 2024, the tender was launched and bids were received on 19/11/24. The contractor is expected to be announced in the first quarter of 2025.
- Mikro Vouno substation: This project, which started in 2024, concerns a substation with the main role of the HEDNO being the works supervision. In 2024 the contract was signed and the approval of the studies is in progress.
- Distribution Centre of Aristeidou -Ant. Transformer panels: This is a new project which will start in 2024 with the preliminary design underway.
- Replacement of the transformers in the Komotini thermal power station (Industrial area): This is a new project which started in 2024, the acceptance and installation of the transformer has been completed and is on track for completion in early 2025.
- Replacement of protection & control relays and implementation of a digital communication network in 4 Distribution Centre: The project concerns the upgrading of the protection systems in the Distribution Centres and in 2024 a provisional contractor was designated after the offerings evaluation phase was completed.
- Upgrading of Protection Systems in the Region's transformer: The project was advertised in 2023 but no bids were submitted and the tender was declared unsuccessful and an alternative implementation method was sought.
- At the same time, during the year 2024, a large number of smaller projects were executed in various substations and High Voltage Centres across the country, with an investment value of around €4 million.

3 Risk Management

3.1 Organisation and risk management

Risk management, i.e. management of the impact of uncertainty on the achievement of the Company's objectives, which is a fundamental element of the strategic pillars of HEDNO SA, is the competence of the Corporate Risk Management Committee (CRMC).

The corporate risk management as a function in HEDNO SA has the following characteristics:

- It is a continuous process, which takes place within the Company.
- It is decided by the Management and implemented by the employees at every level.
- It applies to the entire HEDNO SA, at every level.
- It is designed to help identify potential opportunities or threats to the Company's performance.
- Can provide reasonable assurance and security to members of management.
- It is oriented towards the achievement of the Company's objectives.

In addition, its importance lies in the fact that:

- contributes to the avoidance of foreseeable risks.
- enhances the adoption of appropriate decisions.
- reduces losses and losses arising from unforeseen events.

The Company follows the international standards 31000: 2018 and 31010: 2019 for risk management. On this basis, risk can be defined as: "a concept used to express uncertainty about events and their outcomes that could have an effect on the goals and objectives of an entity" (ISO 31000:2018). It is found in the activities of all organisations regardless of their purpose and the structure of their functions. Organizations are constantly faced with a variety of risks.

3.2 Major Risks

The Company's activities are affected by various types of risks, which are analysed below.

Regulatory and legislative developments and tax risk

Taking into account in particular the competences and the general framework of operation of HEDNO SA., the change in its shareholder composition with the entry of a 49% minority shareholder, the cumulation in the company's person and the status of the owner of HEDN and certain important aspects of the general legal framework governing the company's activities, the main indicative legal, regulatory and tax risks and challenges for the company are:

a) Issues related to the legal nature of the company and especially how aspects of this issue are interpreted by the Greek Courts, which sometimes creates an environment of significant insecurity and especially regarding the applicable framework and the clear demarcation of individual important obligations of the company (e.g. at the level of labour law, legal characterisation of HEDNO SA contracts, etc.).

b) The need to adapt both the secondary - regulatory framework and the company's own structures - internal operation arrangements to the new changing environment of the electricity market and the new multidimensional role of the Network Operator, which concerns, among other things, the general issues of staffing - recruitment of the company.

c) Significant specific challenges in the field of RES and in general in generation and network management issues (e.g. ancillary services, flexibility services, network management in green transition regime, etc.) in combination with the need for the company to achieve other "climate goals" such as energy efficiency.

d) Non-compliance risks, such as, but not limited to, personal data protection issues, compliance issues with the increasingly complex operating framework (especially the secondary - regulatory) of the electricity market, which as a risk potentially poses issues of significant fines for the company.

e) Risks from pending litigation: The Company is involved in various legal matters and has various outstanding obligations related to its ordinary activities. Based on the information available to date, the management believes that the outcome of these cases will not have a significant impact on the Company's results or its financial position and that no additional provisions are needed, other than those included in the financial statements.

f) Tax risks, such as the risk of changes in tax and other regulations with a potential impact on the Company's income statement.

Risk of cost absorption that RAEWW is unlikely to approve

Since RAEWW does not approve some of the cost data of HEDNO SA, this may have a negative impact on the income statement and the liquidity of the Company.

Interest rate risk

The Company is exposed to the risk of rising interest rates as it has entered into loan agreements with floating interest rates, which are linked to Euribor, and may affect the Company's cash flows and income statement.

Strong inflationary pressures, resulting from the energy crisis, and geopolitical turbulence, such as the ongoing conflict in Ukraine and tensions in the Middle East, continue to shape developments in the global and national economies. During 2024, inflation stabilised at lower levels, mainly due to the deceleration of energy prices and the normalisation of supply chains. At the same time, central banks, having succeeded in containing inflation, have started to gradually reduce interest rates as early as mid-2024. According to the latest provisions, financial markets expect this trend to continue and further declines in 2025. However, interest rates remain sensitive to unforeseen developments, such as new geopolitical tensions or a resurgence of inflation due to higher commodity prices. The Company closely monitors developments in the financial markets and implements hedging strategies, where necessary, to mitigate the impact of potential fluctuations in interest rates.

For this reason and in order to hedge the interest rate risk arising from the floating rate loan contracts, the Company has entered into OTC derivative contracts (Interest Rate Cap) that allow the Company to hedge against a positive 6-month Euribor rate while paying a premium.

Credit Risk

The Company is exposed to credit risk related to its trade receivables, while the general economic climate with increases in electricity prices has a negative impact on liquidity. With regard to the timing of the collection of receivables, the Company closely monitors those receivables that are overdue and takes all necessary measures to address this risk. The timing of repayment of the receivables regarding the operation of the Energy market is determined by RAEWW. In addition, under the current regulatory framework, the Company receives guarantees from electricity suppliers to mitigate credit risk. On 01/10/2022, the Company insured, for the first time, part of its credits for proven insolvency of the debtor with the insurance company Atradius Credito y Caucion SA with an annual contract, which was extended on 01/10/2023 for an additional year. On 01/10/2024, the Company extended for an additional year the relevant insurance coverage by signing a new credit insurance contract with the insurance company Atradius Credito y Caucion SA, with additional coverage in case of delayed collection of part of its receivables.

Liquidity risk and cash flow risk

Liquidity and cash flow risk is related to the need for sufficient funding for the operation and development of the Company. The Company manages this risk by monitoring and planning its cash flows and acts appropriately by ensuring, as far as possible, adequate credit limits and cash reserves. The Company's cash and liquidity is monitored on a daily basis.

Commodity price risk

The prices of the main raw materials used by the Company for both the operation of the Network and its development are determined by the international commodity markets and result in the Company's exposure to the risk of price fluctuations.

Risk of increased costs of network maintenance and operation - Failure to meet efficiency targets

The risk of higher than expected maintenance and operation costs of HEDN is a permanent contingency, as unforeseen factors affecting its operation (especially those outside the sphere of responsibility of HEDNO SA, such as those due to force majeure and adverse weather conditions) are numerous and potentially prevent the company from achieving its objectives.

Risk from unaudited fiscal years

The Company has not been audited by the tax authorities for the years 2019 - 2024.

The tax certificates for the fiscal years 2019 - 2023 prepared by the Certified Auditors of the Company were issued with unqualified opinion.

The work for the issuance of the tax certificate for the fiscal year 2024 has been assigned to the Company's auditors, Ernst & Young (Hellas) Certified Auditors SA, and is already in progress.

Upon completion of such work, the Company's management does not expect to incur significant tax liabilities beyond those recorded and reflected in the financial statements.

Cybersecurity and information systems risk

The increasing frequency and complexity of risks associated with cybersecurity and information systems makes their management critical for businesses, taking into account the new cybersecurity regulatory framework and the role of the HEDNO as a critical infrastructure. The Company, understanding the importance of cybersecurity, focuses on protecting its information systems from risks such as system unavailability, malicious attacks, unauthorized access, data corruption and data corruption. The increase in cyber-attacks worldwide in recent years, particularly with the continuing war between Ukraine and Russia and the deteriorating situation in the Middle East, has reinforced the need for an increased level of security.

The Company recognises that any cyber incident may affect not only its own business continuity but also the country's energy sector as a whole. Therefore, the Company gives priority to cybersecurity and continuously invests in securing both its information and operational technological environment.

In order to manage these risks, the Company takes measures to enhance the security of its information systems, such as the definition and continuous updating of relevant policies and standards and the implementation of information security and data protection mechanisms. At the same time, it has integrated cybersecurity into its strategy, structure and operations.

In this context, as of 01/10/2022 the Company has concluded a "Cyber Risk Insurance" contract with an insurance company to cover damages from cyber attacks. This insurance coverage was deemed necessary and is in line with the Company's Cybersecurity Strategy.

In line with and in continuation of the above, the Company has developed a programme for the implementation of technological solutions to enhance security operations and processes, which includes the installation of firewalls, the implementation of IT Service Management (ITSM, CMDB and SecOps), mobile device management (EMM), the creation of a buffer zone (DMZ).

The Company believes that the security policies and procedures in place are adequate to cover the risks associated with the operation and maintenance of the IT infrastructure. Regular security checks are carried out and there is constant monitoring to immediately detect possible malicious actions. It also gradually integrates key information security and data protection mechanisms such as Data Loss Prevention (DLP), Privileged Access Management (PAM), Information Rights Management (IRM), Data control language (DCL) and Identity and Access Management (IAM).

In addition, the Company has developed and is in the process of implementing a compliance plan with the NIS-2 regulation as well as with current GDPR regulatory obligations.

All of the above demonstrate the Company's commitment to ensuring the security of its information systems and data protection, adapting to the ever-changing cyber threats.

Finally, the Company has requested, in the framework of a new tender, the coverage (with an annual limit of liability) of the risk for the incidents of extortion of ransom payments using Malware "Ransomware Event Endorsement" since research shows that the financial loss from Cyber risk can reach even up to €20m for Utilities companies and even small size (turnover up to €100m).

Health and Safety Risks

Due to the nature of its activities, the Company faces risks that may have a significant impact on the health and safety of its employees.

The Company considers the health and safety of its employees of paramount importance and has recently updated its Policy on this issue, focusing on the implementation of appropriate preventive systems and protective measures and the provision of all necessary means and resources to ensure the protection of the life, mental health and psychological well-being of its personnel. The Occupational Health and Safety Policy aims at the development and continuous improvement of a healthy and safe working environment for employees, partners and third parties, being at the heart of the business operation of HEDNO SA.

The Company, in compliance with the legal framework, employs a significant number of safety technicians and occupational physicians to advise on the implementation of safe working methods and the adoption of the necessary protective measures to effectively reduce the risk and minimise the impact of identified hazards.

At the same time, in recent years, HEDNO SA has been developing programs for the transformation of the corporate health and safety culture, with emphasis on practical training, awareness and empowerment of all levels of the Company.

Risk of lack of environmental permits in storage areas

Following the Environmental Due Diligence Report of the Company's Regional Warehouses (prepared in 2021 by an external consultant), HEDNO SA continues to carry out on-site visits to its critical warehouses in order to assess and record the current situation (organisation, operation and storage of waste, hazardous and non-hazardous) and to find optimal solutions for the smooth disposal process of the materials.

HEDNO is upgrading its facilities and processes to manage its materials in an environmentally sound manner. Also, the process of filling any licensing gaps for its facilities is ongoing.

In addition, specific actions are carried out, such as tenders for laboratory tests and finding disposal contractors for the removal through disposal of accumulated materials e.g. transformers, conductors and cables that could potentially cause environmental nuisance in the area of the Regional Warehouses.

Risk from lack of insurance

The Company does not insure the inventory of materials and spare parts it maintains. Taking into account the dispersion of warehouses within Greece - the total number of warehouses is 206, of which only 31 have a stock value of more than €1.5 million, while the maximum value in one warehouse is €59.3 million - we believe that the Company faces a limited risk of a potential significant loss, which would have a corresponding impact on its profitability.

Civil liability risks are not insured, however, the Company has commissioned a recognised firm to carry out relevant studies for the insurance of the Company's premises and third party liability risks and is in the process of redefining its general insurance practice.

Legal and compliance risks

General Data Protection Regulation

The General Data Protection Regulation (GDPR) sets strict operational requirements for controllers and processors for the processing of personal data. The Company operates in an industry with a significant volume of processing of personal data (employees, consumers, producers, partners) and is therefore inevitably exposed to the risk of non-compliance.

Any failure to adequately address data protection and/or privacy concerns or to comply with applicable data protection laws, regulations and policies may result in additional costs and liability for the Company, damage their reputation and adversely affect their business. Finally, the Company has developed and is in the process of implementing a compliance plan with the current regulatory requirements under the GDPR.

Risk from pending litigation

The Company is a defendant in a significant number of cases, the negative outcome of which may have a significant impact on its income statement. In view of this risk, the Company has formed a relevant provision, which is updated with the applicable data.

Risk of breach of the time limits of the Guaranteed Services

HEDNO SA, in accordance with the relevant RAEWW Directives, is obliged to provide Guaranteed Services (technical services, service of new connections, etc.), at specific times to consumers. The violation of these time limits requires the payment of fixed amounts to the beneficiaries, which are not included in the annual required revenue by RAEWW.

On 01/04/2020, RAEWW issued a new relevant Directive (1151 A/2019) amending the Guaranteed Services program of HEDNO SA to customers, which entered into force on 01/07/2020. This Directive shall apply as amended by Directive 1593A/2020 issued by RAEWW. The last available amount for the first half of 2024, of €1.38 million, was sent for payment to consumers in October of the same year. The compensations paid for the second half of 2024 amounted to € 1.68 million. It is worth mentioning that based on the above Directives of RAEWW, for the Guaranteed Service 3.2 (voluntary termination) the payment amount was calculated for those customers who had submitted their IBAN.

(Amounts in EUR thousand)

4 Labour issues

HEDNO SA implements modern management practices of its human resources and ensures the creation of a modern working environment of equal opportunities. At the same time, the Company is committed to ensuring the health and safety of its employees, which is achieved through the implementation of existing policies and procedures, which on the one hand are in line with current legislation, best practices and international standards, and through the implementation of relevant training programmes.

Furthermore, it respects human rights and trade union freedoms and opposes child, forced and compulsory labour, as well as all forms of discrimination. The Staff Rules of Procedure of HEDNO (SRP/HEDNO) regulate, among other things, the rights and obligations of employees, the terms of employment contracts, the relations formed in the performance of work and the exercise of disciplinary powers.

The Collective Agreement (ESSE) of the Company's personnel was renewed on 27/05/2024 for a period of 3 years. The present Collective Agreement establishes a new Labour Regulation for the staff of HEDNO SA which defines the salary conditions of Group A staff (Part I), the salary conditions of Group B staff (Part II) and the institutional conditions of the Company's staff (Part III). In addition, the Company insures its staff in a Group Health and Life Insurance Programme.

The Company has a System, Policies and Procedures for Training Project Management for the analysis and identification of training needs, the design of training programmes, the selection of trainees, the selection of trainers, the organisation and implementation of training programmes, and the evaluation of the training project (training cycle).

4.1 Recruitment 2024

By 31/12/2024, the following **399** recruitments had been made broken down as follows:

Category	Notice 7K/2018	HEDNO notice 8K/2020	HEDNO notice 01/2021 & 02/2021	HEDNO notice 1_2022	HEDNO notice 1_2023	Transfer from PPC	Directors Executives	Withdrawal of contract termination
PE (University Education)	0	0	10	8	90	5	19	
TE (Technological Education)	0	0	16	7	154	3	0	
DE (Secondary Education)	0	0	14	25	35	12	0	
Total	0	0	40	40	279	20	19	1

4.2 Termination of service 2024

In 2024, 536 employees left the Company.

With Law 4533/2018 (Government Gazette A 75/27-04-2018), par. 3 of article 25 of Law 4491/1966 (Government Gazette A 1/04.01.1966), as well as any other relevant, general or specific provision of law or clause or term of the Labour Regulation or Collective Agreement and, therefore, the compensation to which the personnel covered by the SRP/HEDNO is entitled due to termination of service, corresponding to an amount of € 15 thousand, shall not be offset against the one-off allowance paid by the relevant insurance company.

5 Environmental Issues

The Company sets as a priority the full harmonization and compliance with the environmental legislation of the competent Ministries and RAEWW and ensures the implementation of good environmental management practices, significantly reducing the impact on the environment and biodiversity.

In 2024, the guidelines for the Environment and Climate Change were formulated and the Environmental Policy of HEDNO was approved, which constitutes a commitment to the achievement of environmental objectives and the continuous improvement of the company's environmental footprint. The Environmental Policy focuses on the issues of environmental protection, conservation and protection of biodiversity, prevention of pollution, combating climate change, achieving carbon neutrality and a circular economy.

Aiming to reduce CO2 emissions from its activities, the HEDNO monitors its annual environmental performance through the calculation of its Carbon Footprint, as this is a strategic objective both for the company itself and as a member of the PPC Group. In this direction, in 2024 the calculation of the Carbon Footprint of direct (Scope 1) and indirect (Scope 2 and 3) greenhouse gas (GHG) emissions was carried out, indicatively from combustion in stationary and mobile equipment, electricity usage, electricity losses in the grid, supplies of goods and services and waste management, covering the reference period 01/01/2023 - 31/12/2023. The methodology for calculating the carbon footprint as well as the GHG emissions report itself during the reporting period was verified according to ISO 14064-1:2018 by an external certification body.

The Greenhouse Gas (GHG) emissions data associated with the activities of PPCG were, among other data, the basis for the calculation of the environmental indicators in the 4th PPC Group Sustainability Report prepared in 2024 and in the 2nd annual assessment of the Global Real Estate Sustainability Benchmark (GRESB) through the submission of the Infrastructure Asset Assessment in 2024. In fact, in the latter, our performance increased by 24% compared to the year 2023.

Furthermore, in the context of the PPC Group's commitment to achieve the carbon neutrality target by 2040 in order to limit the temperature increase to 1.5°C based on the Net-Zero (net zero emissions) standard of the Science Based Targets initiative (SBTi), PPC Group participated in the development of the target and the preparation of the relevant action plan for the achievement of this goal (Net Zero Plan).

HEDNO recognises the urgent need to address the challenges posed by the loss of biodiversity and ecosystem services. As a responsible corporate entity, responsible for the development, operation and maintenance of secure distribution networks, it has initiated the development of the strategic action plan for the conservation and protection of biodiversity through the mapping of its infrastructure in priority areas to manage risks and impacts related to biodiversity issues. In this way, the organisation aims not only to mitigate potential impacts on ecosystems, but also to create long-term value for all its stakeholders, including employees, customers, suppliers and the wider society.

Preventing the loss of biodiversity, as well as protecting and preventing risks for endangered species are an integral part of the company's environmental strategy. Key actions to strengthen the network, while contributing to the protection of biodiversity and birds, are the undergrounding of networks, the replacement of bare Low Voltage (LV) and Medium Voltage (MV) conductors with twisted-pair cables and the installation of insulating covers on the conductors of the network. At the same time, it implements actions to mitigate the effects of forest fires by improving the resilience of the network, such as tree pruning and clearing vegetation alongside.

In 2024, HEDNO created the framework for the development of the HEDNO's adaptation plan to the +5°C climate scenario and the methodological steps required for this purpose. A preliminary analysis of the sensitivity of the HEDNO's network assets to the main climate change risks (acute and chronic) was carried out. The study led to the development of important adaptation measures (short, medium and long term) for the HEDNO infrastructure.

(Amounts in EUR thousand)

Finally, in 2024, as part of its Health and Safety transformation project ("ALL SAFE" Project), the company started the formulation and development of a unified Environmental Management System in accordance with the international standard ISO 14001, revising the structure, roles and processes for the management of environmental issues. In addition, in order to minimise environmental risks, HEDNO has continues to systematically record and monitor the environmental incidents that occur during the execution of works by its crews and Contractors.

6 Projected Evolution

The Company, realizing that the HEDN's facilities are strategic infrastructures of key importance for the productive and economic reconstruction of our country, for the decarbonisation of the energy sector and for the prosperity of Greek citizens, continued in 2024 the development, continuous modernization and digital transformation of HEDN.

In order to achieve the goal of digital transformation and the modernisation of its facilities and processes, the Company implements investments in important strategic projects, such as the telemetering of all meters of the network users' supplies, the tele-control of the MV networks, the management of the network information with a unified geographic information system (GIS) and the implementation of a new system to upgrade the service to HEDN users and the modernisation of technical and commercial processes. In a separate section a detailed reference is made to the development of strategic projects.

7 Non-Financial data

7.1 Non-financial information 2024

Total employees of HEDNO SA on 31/12/2024	6,220 persons
Women employees (number)	1,583 women
Women employees (%)	25.45%
Employees with a Collective Agreement (number)	6,156 persons
Employees with a Collective Agreement (%)	98.97%
Total number of employee accidents (number of employees)	104 employees
Accidents that led to absence from work for ≥1 day	54
ESAW accidents (excluding accidents due to illness, accidents from/to work and accidents that led to absence from work for ≤3 days)	34
Total number of fatal employee accidents (number of employees)	1 employee
Irrevocable court decisions concerning cases of human rights violations in the workplace (number of cases)	0
Irrevocable convictions of criminal courts on matters falling within the criminal offenses of corruption, abuse of power, embezzlement, theft, infidelity, bribery, passive corruption, fraud, forgery, false certification or falsification of documents, use of false attestation, breach and breach of judgment (number of judgments)))	0
Donations and sponsorships (amount in €)	€829,539,59
Power/supply interruption frequency (SAIFI) (average annual number of interruptions per customer)	1.70 breaks /customer
Power/Supply average interruption duration (SAIDI) (average annual interruption time in minutes per customer)*	131.55 minutes /customer

"*The values of SAIFI & SAIDI for the year 2024 have been determined based on the most recently available data and may be modified upon their finalization. "

(Amounts in EUR thousand)

7.2 Service times for new connections

The average service time (design-build) for simple new user connections was 38.47 working days, 69.42 working days for connections requiring network work and 102.4 working days for network variation requests

8 Significant Transactions with Associated Parties

Trade and other receivables and liabilities with related parties as at 31/12/2024 and 31/12/2023 are as follows:

	31/12/2024	
	Trade and other receivables	Liabilities
PPC SA	82,985	0
PPC Renewables SA	0	-1,114
KOTSOVOLOS	0	-5
FIBERGRID	4,234	0
KASTRI EVIAS	0	-50
HELLENIC POST OFFICE (ELTA)	126	0
ELTA COURIER	0	-42
ETVA	0	-3
OSY	4	0
AIA	31	0
GAIAOSE	9	0
Total	**87,389**	**-1,214**

	31/12/2023	
	Trade and other receivables	Liabilities
PPC SA	94,871	0
PPC Renewables SA	0	-6,381
Athens Water Supply and Sewage Company (EYDAP)	0	-47
HELLENIC POST OFFICE (ELTA)	35	0
ELTA COURIER	0	-48
ETVA	0	-4
EYATH	1	0
OSY	0	-1,149
AIA	27	0
GAIAOSE	9	0
OKAA (Central Markets and Fishery Organizations)	0	-5
Total	**94,943**	**-7,634**

The accrued trade and other receivables and liabilities with related parties for the fiscal year ended on 31/12/2024 and on 31/12/2023 are as follows:

(Amounts in EUR thousand)

	31/12/2024	
	Accrued receivables	Accrued Liabilities
PPC SA	143,375	-134,484
PPC Renewables SA	37	-689
HELLENIC POST OFFICE (ELTA)	49	0
AIA	25	0
Total	**143,486**	**-135,173**

	31/12/2023	
	Accrued receivables	Accrued Liabilities
PPC SA	209,138	-140,889
PPC Renewables SA	26	-599
HELLENIC POST OFFICE (ELTA)	78	0
AIA	22	0
Total	**209,264**	**-141,488**

The transactions with related parties for the fiscal year ended on 31/12/2024 and on 31/12/2023 are as follows.

	01/01/2024-31/12/2024	
	Invoices to	Invoices from
PPC SA	1,792,803	-1,554,287
PPC Renewables SA	235	-8,268
SOLARLAB	2	0
ILEKTROPARAGOGI ALEKSANDROUPOLIS S.A.	104	0
KOTSOVOLOS	0	-18
HELLENIC POST OFFICE (ELTA)	1,115	-557
ELTA COURIER	0	-143
ETVA	2	-104
STASY	0	-2
OSY	959	-5
AIA	297	0
DETH [Intern. Exposition of Thessaloniki] - HELEXPO	0	-1
HELLENIC PUBLIC PROPERTIES CO. (HPPC)	0	-1
OKAA (Central Markets and Fishery Organizations)	4	0
ZEA MARINA	1	0
Total	**1,795,522**	**-1,563,386**

(Amounts in EUR thousand)

	01/01/2023-31/12/2023	
	Invoices to	Invoices from
PPC SA	1,644,014	-1,435,844
PPC Renewables SA	38	-7,165
ARKADIKOS ILIOS 1	17	0
ILIAKO VELOS 1	8	0
SOLARLAB	91	0
VOLTERRA DOUKAS S.S. S.A.	27	0
VOLTERRA KOUKOULI S.S. S.A.	24	0
KPM ENERGY	74	0
Athens Water Supply and Sewage Company (EYDAP)	26	-73
HELLENIC POST OFFICE (ELTA)	3,040	-1,235
ELTA COURIER	0	-9
ETVA	0	-62
EYATH	43	-6
STASY	0	-2
OSY	5	-4
AIA	247	0
DETH [Intern. Exposition of Thessaloniki] - HELEXPO	0	-1
HELLENIC PUBLIC PROPERTIES CO. (HPPC)	1	-1
Total	**1,647,655**	**-1,444,402**

The invoices to PPC SA concern the majority of invoices for network utilization fees, network projects, PSOs and energy sales to NIIs. This amount includes an invoice of €2.3 million for the recovery of study costs in the fibre optic network as well as an invoice of €3.7 million for PPC SA's participation in the construction costs of the fibre optic network, which will be recognised in revenue over 35 years following the accounting treatment of participations (Note 3.1.11)

The invoices from PPC SA mainly concern purchases of energy from its thermal power stations in the NIIs, in exchange for PSO and additional services of PPC SA to HEDNO SA. The invoices from PPC Renewables relate to purchases of energy in the NIIs.

In the context of its business activity, HEDNO SA carries out transactions with a large number of companies under state control, whether for profit or not (provision of services, sales of energy, receipt of services, etc.). All transactions with State-controlled companies are carried out on commercial terms.

MSCIF DYNAMI BIDCO SA is considered a related party and the nature of the transactions relate to the distribution of dividends as disclosed in Note 35.

(Amounts in EUR thousand)

9 Company Management

9.1 Members of the Board of Directors

MEMBERS OF THE BOARD OF DIRECTORS OF HEDNO SA as at 31/12/2024				
NAME	POSITION	PROFESSION	COMMENCEMENT OF TERM OF OFFICE	END OF TERM OF OFFICE
Kefalogiannis Michail	President of the BoD Independent Non Executive Member	Economist	28/2/2022	07/02/2024 *
Alexandridis Konstantinos	President of the BoD Non Executive Member	Economist	8/2/2024	26/02/2028
Manos Anastasios	Managing Director, Executive Member	Shipbuilder - Mechanical Engineer	30/6/2022	30/06/2025
Paterakis Alexandros	Non-Executive Member	Computer and Mathematics Engineer	28/2/2022	24/04/2024 **
Presveia Efstathia	Non-Executive Member	Information Technology	25/4/2024	26/02/2028
Aggeletopoulos Evaggelos	Independent Non Executive Member	Business Consultant	28/2/2022	26/02/2028
Hatzimichail Sotirios	Non-Executive Member	Electrical Engineer	28/2/2022	26/02/2028
Papageorgiou Alexandra	Non-Executive Member	Business Administration	29/9/2022	26/02/2028
Brimont Stephane	Independent Non Executive Member	Engineer	28/2/2022	26/02/2028
Plecas Ana	Non-Executive Member	Internationalist	9/6/2023	26/02/2028
Antoñanzas Alvear Miguel	Non-Executive Member	Civil Engineer	30/6/2022	26/02/2028
Aikaterinari Ourania	Non-Executive Member	Electrical Computer Engineer	28/2/2022	26/02/2028

*On 07/02/2024 Mr Kefalogiannis Michail resigned from the position of Chairman and member of the Board of Directors and Mr Alexandridis Konstantinos was elected as a new member to replace the above resigned member.
**On 24/04/2024 Mr Paterakis Alexandros resigned from the position of Chairman and member of the Board of Directors and Mrs Presveia Efstathia was elected as a new member to replace the above resigned member.

(Amounts in EUR thousand)

9.2 Management remuneration

The remuneration of management members - members of the Board of Directors and General Directors - is as follows.

	01/01/2024-31/12/2024	01/01/2023-31/12/2023
Remuneration of Board Members		
Executive Directors' fees	598	193
Non-executive Directors' fees	287	315
Compensation / extraordinary remuneration	522	201
Employer contributions	78	80
Total	**1,485**	**789**

	01/01/2024-31/12/2024	01/01/2023-31/12/2023
Remuneration of General Directors		
Payroll	1,464	699
Compensation / extraordinary remuneration	1,634	851
Employer contributions	198	121
Other Benefits	2	1
Total	**3,298**	**1,672**

10 Branches

The Company has 7 branches nationwide.

11 Treasury shares

No treasury shares have been acquired during 2024.

12 Financial Instruments

The Company's total borrowings as of 31/12/2024 amounted to €1,999.3 million compared to €1,637.1 million as of 31/12/2023, and the annual average cost of its total borrowings - including the guarantee cost of the Greek State for the loans of the European Investment Bank ("EIB") is estimated at 3.93% as at 31/12/2024 compared to 4.05% as at 31/12/2023. During 2024, the Company repaid €291.67 million in debt repayments for long-term borrowings and €50 million in short-term borrowings from mutual accounts received during 2024. On 31/12/2024 the Company had no current liabilities from mutual accounts.

The loans and borrowings of HEDNO SA consist mainly of fixed interest rate loans from EIB, received by PPC SA with the split of the Distribution Division on 30/11/2021.

In addition, in July 2022, the Company entered into two bond loans with Eurobank and the National Bank of Greece ("NBG"), with a floating interest rate linked to the 6-month Euribor.

Specifically, on 19/07/2022 the Company signed a contract with Eurobank for the issuance of a joint bond loan of up to € 660 million, with the possibility of extension for an additional € 440 million. On 21/02/2024 the Company issued a third bond issue of €140 million, on 21/06/2024 a fourth bond issue of €130 million and on 16/12/2024 a fifth bond issue of €80 million. The total capital drawn under this loan agreement amounts to €650 million as of 31/12/2024.

At the same time, on 19/07/2022, a bond loan agreement was signed with NBG in the amount of € 22.52 million, for the purchase of a property, and was drawn on 16/12/2022.

In the context of the first phase (2023-2026) of the installation of smart metering systems in Greece, which is expected to be financed up to 80% by a combination of the Recovery & Resilience Fund ("RRF"), EIB and Hellenic Systemic Banks, the Company signed three new loan agreements. More specifically, on 06/11/2023 a contract was concluded with the EIB for €90.75 million, with the possibility of increasing the amount of the loan up to

(Amounts in EUR thousand)

€150 million and on 21/12/2023 a second contract of €151.25 million was concluded with the EIB for financing the project with RRF funds. Also, on 21/12/2023 the Company concluded a contract with Piraeus Bank for the issuance of a bond loan with two series of bonds (one series financed by RRF funds and one series financed by funds of Greek banks) with a total principal amount of up to € 195.14 million. Piraeus Bank and Eurobank participate in the coverage of this loan with a ratio of 60% - 40%. The Company has not disbursed any amount under the three aforementioned loan agreements for the "Smart Meters" project during 2024.

On 13/05/2024 the Company signed two new bond loans with the National Bank of Greece S.A. and Alpha Bank S.A., amounting to €80 million each, for the refinancing of the loan of Black Sea Trade & Development Bank for a total amount of €160 million and on 14/05/2024 the Company proceeded with the disbursement of these loans.

In the context of the implementation of an investment program, under the name "HEDNO DISTRIBUTION I", for the reinforcement, modernisation and expansion of the electricity distribution network in Greece covering the period 2024-2026 with a total budget of €592.30 million, the Company signed two new loan agreements in 2024. More specifically, on 27/05/2024 a contract was signed with the EIB for €150 million and on 06/12/2024 a second contract was signed with the EIB for financing the project exclusively with RRF resources for €296.15 million. On 24/10/2024 the Company disbursed the full amount of the first loan agreement.

In addition, in the context of the implementation of a project under the general name "Network Automation and Intelligence Improvement Projects", with a total budget of €104.45 million, the Company entered into a financing agreement with Alpha Bank on 30/10/2024. Specifically, this is an unsecured bond issue with a total principal amount of up to €83.56 million, consisting of two bond series, one fixed rate series with RRF funds and one floating rate series with Alpha Bank funds.

At the same time, the Company has access to short-term borrowing for working capital through open current accounts with the following banks:

	National Bank of Greece	Eurobank S.A.	Piraeus Bank	Bank of Attica	Cooperative Bank of Epirus
Amount of funding approved	€60 million	€50 million	€20 million	€7 million	€1 million

Within 2024, the Company repaid debts amounting to €50 million for loans and borrowings, while on 31/12/2024 it had no current liabilities from mutual accounts.

To hedge the interest rate risk arising from the two floating rate loan agreements with Eurobank and NBG as above, the Company had entered into OTC derivative contracts with each bank in 2022. These are Interest Rate Cap Transactions that allow the Company to cover against a positive 6-month Euribor rate while paying a premium.

The nominal value of the Interest Rate Cap contract with the EIB initially amounted to €21 million and has since been gradually reduced in line with the principal repayments of the loan agreement. The first Interest Rate Cap contract with Eurobank expired on 31/12/2024.

On 31/12/2024,a valuation loss on these derivatives totalling €7.3 million (€7 million for Eurobank and €0.3 million for NBG) has been recognised in the Company's finance expenses. The total value of the Company's derivatives as at 31/12/2024 is valued at €0.5 million and relates only to the Interest Rate Cap contract entered into with the EIB, which is recognised as a financial liability (2023: €0.2 million financial liability).

13 Subsequent Events

Loans with the European Investment Bank (EIB)

The Company, within the framework of the loan agreement it has concluded with the EIB for the financing of the "HEDNO DISTRIBUTION I" project exclusively with RRF resources amounting to € 296.15 million, proceeded to a disbursement of € 150 million on February 20, 2025.

Voluntary retirement program

According to the Board of Directors' resolution No 1/14.01.2025, the Company approved the granting of a voluntary departure incentive, as a voluntary benefit, for employees who resign due to the completion of retirement requirements and age limit.

Athens, 20 March 2025

For the Board of Directors

The Managing Director

Manos Anastasios

INDEPENDENT AUDITOR'S REPORT

THIS REPORT HAS BEEN TRANSLATED FROM THE ORIGINAL VERSION IN GREEK

To the Shareholders of HEDNO SA

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of HEDNO SA (the "Company"), which comprise the statements of financial position as at December 31, 2024, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.
In our opinion, the accompanying financial statements present fairly in all material respects, the financial position of HEDNO SA as at December 31, 2024 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS"), as endorsed by the European Union.

Basis for Opinion

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

Other information

Management is responsible for the other information in the Annual Financial Report. The other information, includes the Board of Directors' Report, for which reference is also made in section "Report on Other Legal and Regulatory Requirements", but does not include the financial statements and our auditor's report thereon.

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

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

Responsibilities of the Management and Those Charged with Governance for Financial Statements

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

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

Auditor’s Responsibilities for the Audit of 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 in Greek Law, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

- Evaluate the appropriateness of accounting 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, 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 those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Taking into consideration that management is responsible for the preparation of the Board of Directors’ Report, in accordance with the provisions of paragraph 1, citations aa, ab and b, of article 154C of Law 4548/2018, we report that:

a) In our opinion the Board of Directors' Report has been prepared in accordance with the legal requirements of articles 150 of Law 4548/2018, and the content of the Board of Directors' report is consistent with the accompanying separate and consolidated financial statements for the year ended December 31, 2024.

b) Based on the knowledge we obtained during our audit, concerning HEDNO SA and its environment, we have not identified information included in the Board of Directors' Report that contains a material misstatement.

Athens, June 10, 2025

The Certified Auditor Accountant

Nikos Ntiptsis

Ernst & Young (Hellas) Certified Auditors Accountants S.A.

8B Chimarras St., Maroussi

151 25, Greece

Company SOEL R.N. 107

HELLENIC ELECTRICITY DISTRIBUTION
NETWORK OPERATOR S.A.

Financial Statements
01/01/2024 – 31/12/2024
based on International Financial Reporting Standards,
as adopted by the European Union

The attached financial statements are those approved by the Board of Directors of HEDNO SA on 20/03/2025 and will be published on the internet - www.HEDNO.gr.

PRESIDENT OF THE BOARD OF DIRECTORS	MANAGING DIRECTOR	GENERAL DIRECTOR FOR FINANCIAL SERVICES	DIRECTOR OF ACCOUNTING OPERATIONS
KONSTANTINOS ALEXANDRIDIS	ANASTASIOS MANOS	NIKOLAOS PAPANGELIS	GEORGIOS KASSIS

(Amounts in EUR thousand)

COMPREHENSIVE INCOME STATEMENT

	Notes	01/01/2024-31/12/2024	01/01/2023-31/12/2023
Revenue from contracts with customers	4	1,177,599	1,075,046
Other income	5	25,742	18,755
Total revenues		**1,203,341**	**1,093,801**
Personnel cost	6	256,275	268,794
Maintenance and third-party services	7	129,840	96,054
Consumption of materials	8	40,396	33,217
Third party fees	9	158,803	90,395
Miscellaneous expenses	11	59,637	51,552
Depreciation	12	345,932	323,689
Taxes – fees	13	5,219	5,139
Total operating expenses		**996,102**	**868,840**
Provision for retirement benefits	6	-3,197	7,319
Provision for doubtful debts	10	0	-91
Provision for other risks	10	-18,812	-5,790
Total other (income)/expenses		**-22,009**	**-13,200**
Operating profit		**229,248**	**238,161**
Loss from revaluation of fixed assets	17	-15,291	0
Finance income	14	12,453	8,556
Finance expense	15	-83,190	-63,055
Profit before tax		**143,220**	**183,662**
Income tax	16	-34,894	-43,100
Profit after tax		**108,326**	**140,562**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Actuarial gain / (losses)	26	353	-4,416
Deferred tax on actuarial gain / (losses)	16	-78	972
Reserve from revaluation of assets	17	528,424	0
Deferred tax on Revaluation Reserve	17	-116,253	0
Other comprehensive income after tax		**412,446**	**-3,444**
Total comprehensive income		**520,772**	**137,118**

The notes on pages 39 - 111 are an integral part of the financial statements.

(Amounts in EUR thousand)

STATEMENT OF FINANCIAL POSITION

	Notes	31/12/2024	31/12/2023
ASSETS			
Non-current assets			
Property, plant and equipment	17	6,034,061	5,065,089
Intangible assets	17	25,552	13,027
Right-of-use assets	18	35,047	39,969
Derivative financial instruments	19	0	7,031
Other non-current receivables		258	157
Total non-current assets		**6,094,918**	**5,125,273**
Current assets			
Inventory	20	392,629	335,740
Trade and other receivables	21	284,708	268,260
Accrued trade and other receivables	22	250,150	339,595
Cash and cash equivalents	23	122,879	196,055
Total current assets		**1,050,366**	**1,139,650**
Total Assets		**7,145,284**	**6,264,923**
LIABILITIES AND EQUITY			
Equity			
Share capital	24	991,215	991,215
Statutory reserve	25	14,463	7,435
Special reserves		548,456	138,021
Retained earnings		124,583	154,809
Total equity		**1,678,717**	**1,291,480**
Non-current liabilities			
Deferred tax liability	16	382,911	291,084
Employee benefits	26	50,855	58,067
Non cur. Lease liabilities	18	24,369	26,958
Non-current loans and borrowings	27	1,845,088	1,345,790
Liabilities from derivative financial instruments	19	459	218
Consumer contributions and subsidies	28	2,031,372	2,029,373
Other non-current liabilities	29	31,240	25,098
Provisions	30	27,146	33,930
Total non-current liabilities		**4,393,440**	**3,810,518**
Current liabilities			
Trade and other payables	31	475,256	376,108
Various creditors	32	161,347	194,039
Lease liabilities	18	11,322	12,563
Current portion of non-current borrowings	27	154,248	291,312
Income tax payable	16	33,067	41,956
Other taxes and insurance liabilities	33	37,755	40,230
Accrued and other liabilities	34	200,132	206,717
Total current liabilities		**1,073,127**	**1,162,925**
Total Liabilities and Equity		**7,145,284**	**6,264,923**

The notes on pages 39 - 111 are an integral part of the financial statements.

(Amounts in EUR thousand)

STATEMENT OF CHANGES IN EQUITY

	Notes	Share Capital	Regular Reserve	Special Reserves	Retained earnings	Total Equity
Balance as at 31/12/2022		**991,215**	**6,541**	**162,047**	**79,559**	**1,239,362**
Profit after tax		0	0	0	140,562	**140,562**
Other comprehensive income after tax		0	0	0	-3,444	**-3,444**
Total comprehensive income as at 31/12/2023		**0**	**0**	**0**	**137,118**	**137,118**
Disposal of property plant & equipment		0	0	-3,531	3,531	**0**
Transfer to legal reserve		0	894	0	-894	**0**
Distribution of dividends for fiscal year 2022		0	0	-20,495	-64,505	**-85,000**
Balance as at 31/12/2023		**991,215**	**7,435**	**138,021**	**154,809**	**1,291,480**
Profit after tax		0	0	0	108,326	**108,326**
Other comprehensive income after tax		0	0	412,170	275	**412,445**
Total comprehensive income as at 31/12/2024		**0**	**0**	**412,170**	**108,601**	**520,771**
Disposal of property plant & equipment	17	0	0	-1,735	1,735	**0**
Transfer to legal reserve	25	0	7,028	0	-7,028	**0**
Distribution of dividends for fiscal year 2023	35	0	0	0	-133,534	**-133,534**
Balance as at 31/12/2024		**991,215**	**14,463**	**548,456**	**124,583**	**1,678,717**

The notes on pages 39 - 111 are an integral part of the financial statements.

(Amounts in EUR thousand)

CASH FLOW STATEMENT

	Notes	01/01/2024-31/12/2024	01/01/2023-31/12/2023
Cash flows from operating activities			
Profit before tax		143,220	183,662
Adjustments for:			
Consumer contributions attributable to the period	4,28	-100,671	-98,481
Depreciation of Property, plant and equipment, rights of use and grants	12	345,932	323,689
Provisions		-18,812	-5,882
Provision for employee benefits		-8,684	-7,745
Losses on disposal of fixed assets and right of use assets		9,981	6,428
Losses from revaluation of assets		15,291	0
Losses on valuation of derivatives measured at fair value through profit and loss		7,272	4,793
Finance income	14	-12,453	-8,556
Finance expenses and other related expenses	11	75,918	58,261
Increase in trade and other receivables	21	-28,782	-32,578
Increase in inventory	20	-44,862	-96,455
(Increase) / decrease in accrued trade and other receivables	22	82,627	-114,050
Increase/(Decrease) in other non-current liabilities	29	6,142	-7,198
Increase in trade and other payables	31	63,970	217,231
Decrease in PSO provision	30	0	-12,997
(Decrease) / Increase in accrued liabilities	34	-7,479	85,441
Consumer contributions received	28	100,389	83,965
Income tax payments	16	-55,943	-39,898
Net cash inflows from operating activities		**573,056**	**539,630**
Cash flows from investing activities			
Interest received	14	12,521	8,503
Increase in other receivables		-101	-120
Purchase of property, plant and equipment	17	-812,166	-538,114
Grants received	28	8,413	6,000
Net cash outflow from investing activities		**-791,333**	**-523,731**
Cash flow from financing activities			
Loan agreement costs		-2,887	-2,944
Interest paid on loans and borrowings	15	-70,821	-55,498
Increase in loans and borrowings		368,326	193,992
Principal paid on lease liabilities (Capital and Interest)	18	-15,983	-15,299
Dividends paid	35	-133,534	-127,500
Net cash inflows / (outflows) from financing activities		**145,101**	**-7,249**
Net increase / (decrease) in cash		**-73,176**	**8,650**
Cash and cash equivalents at the beginning of the year		**196,055**	**187,405**
Cash and cash equivalents at end of year		**122,879**	**196,055**

The notes on pages 39 - 111 are an integral part of the financial statements.

NOTES ON ECONOMIC STATEMENTS

1. ESTABLISHMENT, ORGANISATION AND OPERATION OF THE COMPANY

The company HELLENIC ELECTRICITY DISTRIBUTION NETWORK OPERATOR SA, hereinafter referred to as the "Company" or "HEDNO SA", was established on 24/09/1998 under the original name KOZEN HELLAS SOCIÉTÉ ANONYME - DESIGN, DEVELOPMENT, CONSTRUCTION AND MARKETING OF COMBINED HEAT AND POWER AND/OR COOLING PLANTS. Subsequently, by means of Decision No. 2547/03.02.2003 of the Prefect of Athens, the change of the Company's name to PPC RODOS SOCIÉTÉ ANONYME - DESIGN, CONSTRUCTION, OPERATION AND EXPLOITATION OF THE RODOS ELECTRICAL STATION, was approved.

On 12/11/2010, the Company was recovered from the liquidation stage, in which it had been in since 02/07/2006, in order to start the procedures for the transfer - by absorption - of the entire activity of the General Directorate of Distribution of PPC SA, as well as the activity of the Non-interconnected Islands Operator of PPC SA to PPC RODOS SA.

Finally, on 17/02/2012, the Extraordinary General Meeting of the Company's shareholders decided to amend the Company's Articles of Association with regard to its name and purpose. Since then, the name of the Company has been HELLENIC ELECTRICITY DISTRIBUTION NETWORK OPERATOR SA, trading as "HEDNO SA" or "HEDNO". The purpose of the Company is to exercise the competences and perform the duties of the Operator of the Hellenic Electricity Distribution Network (HEDN), as well as the Manager and Operator in the market of the Electricity Systems of Non-Interconnected Islands in accordance with the applicable legislation (in particular articles 127 and 129 of Law 4001/2011). Note that on 30/11/2021 the entire activity of the Electricity Distribution Network was separated from PPC SA and transferred to HEDNO SA, with the result that on 31/12/2021 the Company is now both the Operator and owner of HEDN.

The registered office of HEDNO SA is in the Municipality of Athens. The financial statements of the Company are included in the consolidated financial statements of the parent company PPC SA - until 31/12/2021, the latter directly held 100% of the share capital of HEDNO SA, a percentage that decreased from 28/02/2022 to 51% due to the transfer of shares held by the former to a private investor MSCIF DYNAMI BIDCO SINGLE-MEMBER SA (as a subsidiary of the Macquarie Infrastructure and Real Assets Group). The value of these shares represents 49% of the share capital of HEDNO SA, therefore the Company's financial statements will be consolidated in the consolidated financial statements of Macquarie Infrastructure and Real Assets Group ("MIRA").

2. INSTITUTIONAL FRAMEWORK

Evolution of the institutional framework of the electricity market

On 02/08/2011, the Greek Parliament adopted Law 4001/2011 of the Ministry of Environment, Energy and Climate Change (YPEKA) "On the Operation of Electricity Markets and Natural Gas for Research, Production and Transmission Networks and Other arrangements", transposing the provisions of Directives 2009/72/EC and 2009/73/EC into national law.

Pursuant in particular to articles 123, 127 and 129 of Law 4001/2011, they were transferred to the then 100% subsidiary of PPC SA - HEDNO SA, following the absorption of the Distribution Division of PPC SA by BEDDIE (see relevant article 123 of Law 4001/2011. The activities of the Electricity Distribution Sector ("Distribution Sector") as well as the Management (and Operation) in the market of the Non-Interconnected Islands ("NIS") of the (then unified) PPC SA, as well as all the assets and liabilities of PPC SA related to the aforementioned activities, with the exception of the assets of the Distribution Network, the real estate and facilities of Distribution, which remained in the ownership of the parent company.

Distribution sector means the autonomous organised functional unit of the same name, the General Distribution Directorate of PPC SA together with the Islands Management Directorate of PPC SA, including the assets of PPC SA and the related assets and liabilities, which were under the responsibility of the above Units, expressly excluding the real estate and fixed assets of the Distribution Network and the Network of the Non-Interconnected Islands, , which then remained the property of PPC SA. The above spin-off was completed on 30/04/2012 and on 01/05/2012 the operation of HEDNO SA started.

RAEWW (former RAE), pursuant to Article 126 of Law 4001/2011, with Directive No. 83/2014, approved the granting to HEDNO SA of the Management License of HEDN.

This HEDN Management Licence sets out, inter alia, the following:

- the obligations and rights of HEDNO SA regarding the exercise of this activity;

- the conditions and conditions required to carry out this activity;

- the necessary measures to ensure the impartial and non-discriminatory behaviour of HEDNO SA towards its electricity Producers and Suppliers.

The issuance of the HEDN Management License in accordance with article 126 of Law 4001/2011, does not, in principle, negate the provision under Article 129, par. 1 of Law 4001/2011 on the approval and granting by RAEWW to the HEDNO and Management Licence for the purchase of NIIs. For the purpose of issuing the Management Licence for the purchase of the NIIs, in addition to the initial relevant application of HEDNO SA to RAW (under Ref. Number 1180/17.7.2012), a new application was submitted by HEDNO SA to RAEWW for granting the above mentioned Management Licence for NIIs, in July 2017, but the issuance of the above mentioned Management Licence for the purchase of NIIs is still pending. However, note that in the absence of approval/granting of such a license by RAEWW, the management of NIIs is governed at the regulatory level, in particular by the provisions of the Operation Code for NII, which was issued pursuant to Article 130 of Law 4001/2011 and the provisions of its implementing Manuals.

From 30/11/2021 onwards, when the absorption of the Distribution Network sector of PPC SA was completed by HEDNO SA (Article 129 of Law 4819/2021, which introduced a new article 123A in Law 4001 /2011 and ref. No. 2538505/30.11.2021 Announcement by the GCR), HEDNO SA now integrates both the status of the owner of the HEDN (apart from certain explicit exceptions of assets of the above-absorbed Network Branch that are listed restrictively in the aforementioned Article 123 of Law 4001/2011), and the Manager of the HEDN, pursuant to Articles 123 and 127 of Law 4001/2011.

By Law 4986/2022, Directive 2019/944/EU on the internal electricity market was transposed into national law. This Law contains important new provisions on the obligations of Distribution System Operators, while correspondingly important new regulations for the electricity market, including HEDNO SA, are included in the Law 5037/2023.

Basic Regulatory Framework of the Hellenic Electricity Distribution Network (HEDN)

By the Board of Directors' Resolution No. 395/2016 by the former RAE (now RAEWW), the Hellenic Electricity Distribution Network Operation Code was approved (Government Gazette B 78/20.01.2017). This Code (hereinafter referred to as the "HEDN Code" or the "Network Code"), as in force, regulates in particular the rights and obligations of the Hellenic Electricity Distribution Network Operator (hereinafter the "HEDN Operator" or "Network Operator") of the Users of the HEDN, which explicitly include the Electricity Suppliers, and issues related to the development, operation, access to the Network, the services provided by the Network Operator and its financial consideration, as specifically mentioned in Article 128 of Law 4001/2011. The details of the application of the provisions of the above Code, as well as the necessary procedures and methodologies of calculations required for its implementation, are defined in its Implementing Manuals, which are integral to the implementation of the HEDN Code. So far, the following Directives - Implementing Manuals of the HEDN Management Code have been issued by RAEWW and are in force.

- ✓ RAE Directive 707A/2021: Network Usage Charges Manual: (Government Gazette B 5427/22.11.2021)
- ✓ RAE Directive 1443/2020 (Government Gazette B 4737/26.10.2020): Manual on Cash Representation and Periodic Settlement, as amended by RAEWW Directive E-70/2023 (Government Gazette B 5091/16.08.2023).
- ✓ RAE Directive 779/2020 (Government Gazette B 1891/18.05.2020): Network Operation Manual
- ✓ RAE Directive 30/2020 (Government Gazette B 370/07.02.2020): Manual of Meters and Measurements

- ✓ RAE Directive 236/2017 (Government Gazette B 1871/30.05.2017): Adoption of a Manual on electricity theft, as amended by RAE Directives 1019/2017 (Government Gazette B'4496/20.12.2017) and 1238[A] (Government Gazette B 5089/18.11.2020).
- ✓ RAE Directive 237/2017 (Government Gazette B 1946/07.06.2017): Determination of (A) the administratively set rate of surcharge and charges for the compensation of the operator against the cost of detecting and managing electricity theft, (B) the keys for sharing the revenue from detected electricity theft and (C) the distribution of the amounts collected due to electricity theft, in application of paragraphs 11 and 18 of Article 95 and paragraph 5 of Article 138 of the Hellenic Electricity Distribution Network Operation Code, as amended by RAE Directive 1020/2017 (Government Gazette B 4496/20.12.2017)

Also, by RAE Directive No. 534/2021 (Government Gazette 3292/B/26.07.2021), the methodology for the calculation of Guarantees for Consumer Network Usage Charges in the Interconnected Network of HEDN was established, while by Decision MoEE/Electricity Directorate/71867/1033/27.07.2021, Government Gazette 3635/B/06.08.2021, the methodology for the calculation of the PSO Guarantees was established.

In 2024, Directive No. E-130/2024, the Methodology for the calculation of the cost of projects for the connection of Producers falling under Article 98 of Law 4951/2022 was approved.

With regard to the approval of the HEDNO's Revenue under the provisions of the HEDN Operation Code, by means of Directive No. E-158/2024, RAEWW revised its Directive No. 1431/2020 regarding the Methodology for the Calculation of the Revenue Requirement for the HEDNO, with the main points of change compared to the methodology in force until the end of 2024 being the abolition of the incentive mechanism for the Monitored Operating Expenses (Article 19 of 1431/2020), the creation of a Special Asset Base for monitoring of Producer Connection projects implemented by the Producers themselves, the change in the handling of retired assets for sale and the setting of 31 December 2028 as the time limit for the designation of Major Projects subject to the provisions for the provision of additional performance. Based on the above revised Revenue Methodology, the submission of the Permitted Revenue for the 2nd DRP 2025-2028 was made in 2024 and the final approval by RAEWW is imminent in 2025. Regarding the incentive mechanism for the reduction of energy losses in the grid, RAEWW Directive 1432/2020 remains in force.)

By the RAEWW Directive No. E-10/2024 a revision of the Permitted Revenue 2024, as well as the Required Revenue 2024 was approved and subsequently the Network Usage Charges that entered into force on the 1st of March 2024 RAEWW Directive No. 15/2024) were approved.

Competences of HEDNO SA

HEDNO SA is responsible for the development, operation and maintenance, under economic conditions, of the HEDN, in order to ensure its reliable, efficient and safe operation, as well as its long-term ability to meet reasonable electricity needs, taking due care for the environment and energy efficiency, as well as for ensuring, in the most cost-effective, transparent, direct and non-discriminatory manner, the access of users to the HEDN in order to carry out their activities, in accordance with the HEDN Management License granted to it under the provisions of Law 4001 /2011. The application for the Management Licences was submitted to RAEWW under Ref. No. 1180/17.7.2012, which included, in addition to the application for the Management License of HEDN, the request of HEDN for the issuance of the Management License for the Non-interconnected Islands. RAE Directive No. 83/2014 approved the Management License of HEDN. Further to the provisions of the Management License of HEDN, HEDNO SA, as Operator of HEDN, is obliged in particular to ensure:

- Reliability and safety of HEDN, while taking appropriate measures to protect the environment.
- Maintenance of technically sound and cost-effective HEDN.
- Compliance with the technical specifications and requirements for the design, operation and maintenance of the Network and to ensure the achievement of the performance targets for the

Distribution activity, including in terms of losses, supply reliability, voltage quality and customer service quality, as set out in the Hellenic Electricity Distribution Network (HEDN) Operation Code.

- Access to HEDN of the Production License holders, as well as the Producers excluded from the obligation to receive it, the Suppliers and the Customers, in accordance with the terms, conditions and invoices set out in the HEDN Operation Code.
- It ensures the connection to the HEDN to those who request it in accordance with the terms and conditions set out in the legislative and regulatory framework, while the relevant connection charges are determined on the basis of the provisions of the HEDN Operation Code.
- Ensures the supply, installation, maintenance, proper operation and replacement of the measuring devices installed in the HEDN, in accordance with the provisions of the Management Code of the HEDN and its implementing Manuals and the terms of the HEDN Management License, as well as the collection of relevant data ...
- Provides the users of HEDN and the Administrator of HETS with the information required for effective access to the Network, as defined in the HEDN Operation Code.
- Refrains from any discrimination between users or categories of users of the HEDN and in particular in favour of undertakings affiliated with it.
- In particular, it cooperates with the System Operator, DAPEEP SA and other parties involved (e.g. any distribution system operators, the Network Operator of Athens International Airport (AIA) and with any Operators of Closed Distribution Networks for the preparation and implementation of appropriate communication and cooperation protocols, in order to ensure the good and uninterrupted operation of their networks, the exercise of their competences and the functioning of the market.
- Plans, schedules and ensures the implementation of the development of the HEDN,

Without prejudice to Article 141 of Law 4001/2011 or any other provision laying down an obligation to disclose information, HEDNO SA shall maintain the confidentiality of commercially sensitive information that comes to its knowledge during the performance of its duties. The information disclosed about its own activities, which may provide commercial advantages, shall be made available on a non-discriminatory basis to all users of the Distribution Network.

HEDNO SA shall publish the methodology for calculating the charges for connection to the network, the unit cost prices and any necessary information on how the charges for connection to the network are calculated. The relevant invoices are approved by RAEWW in accordance with the provisions of paragraph 1 of Article 140 of Law 4001/2011, as in force.

In particular, and as regards the sphere of HEDNO SA competences in the market of Non-Interconnected Electrical Systems (NIIs ES), these are summarised as follows:

- ✓ It is pointed out that the management of the electrical systems of the Non-Interconnected Islands (NIIs), includes the production management, the operation of the market and the systems of these islands (Article 129 of Law 4001/2011 Government Gazette A 179/22.8.2011) and is carried out by HEDNO SA. In order to carry out this activity, HEDNO SA was required, within a period of 3 months from the completion of the above spin-off procedure of the Distribution Sector, in accordance with above, to obtain a management license for NIIs Electrical Systems. For the purpose of obtaining this License, HEDNO SA submitted a request - recommendation to RAEWW which received Reference Number 1180/17.7.2012.

In view of the above, the basic outline of competences of HEDNO SA in the field of the NIIs market, as specified in Articles 129 and 130 of Law 4001/2011, as well as in the aforementioned NII Electrical Systems Operation Code (Operation Code for NII) include the following basic competences:

- Monitor and ensure the reliable, cost-effective and safe operation of the production units of NIIs, while taking appropriate measures to reduce the impact on the environment.
- Take care of the development, the technical perfection and the economy of the production in the NIIs, in order to serve the demand.

- Refrain from any discrimination between the producers of NIIs and, in particular, from discrimination in favour of undertaking affiliated with it.
- Prepare, by 31/03 of each year, generation development programmes for the Isolated Microgrids, which are approved by RAEWW and a documented report. These programmes include assessments concerning the evolution of electricity demand and the availability of existing production capacity, a replacement program for existing production capacity and the installation of new generation capacity, an interconnection program with another non-interconnected island. Estimate for the evolution of the load demand include an energy saving program and load demand management measures. A RAEWW Directive shall determine the period of time covered by these programmes, which may not be longer than 7 years. The same Directive shall determine the manner in which the programmes shall be published.
- Prepare by 31/03 of each year for the NIIs statements, in which it sets out its estimates of the generation capacity that may be connected to the NIIs, the need for interconnection with another Non-Interconnected Island or Isolated Microgrid and the demand for electricity. A RAEWW Directive shall determine the period of time covered by these estimates, which may not be longer than 7 years. The same Directive shall also specify the method of publication of the estimates.
- Ensure that the necessary spaces are provided for the installation of new production potential, for the expansion of the existing capacity or elements of aid and expansion of the HEDN in the NIIs and Isolated Microgrids.
- To conclude contracts with the holders of licenses for the injection and absorption of energy and the provision of Auxiliary Services in the distribution network of the NIIs and the remuneration of the producers of this energy and keep the necessary accounts for the remuneration of these producers, the charge of the Customers and the Suppliers for energy absorption, as well as for other charges and appropriations of special accounts, as defined in the current legislation, in accordance with the specific provisions of the Operation Code for NII.
- To conclude Electricity Sales Contracts as provided for in the Operation Code for NII and Article 12 of Law 3468/2006 (A 129), as well as any other types of aid contracts provided for by the current legislation on electricity generated by RES or CHP Stations and Hybrid Power Plants, provided that these power plants are connected to the distribution network of the Non-Interconnected Islands and pay the payments provided for in these Contracts by the Special RES and CHP account of the Non-Interconnected Islands as provided for in Article 143 of Law 4001/2011 (Government Gazette, A 179), without prejudice to more specific provisions of the Law on Hybrid Power Plants in the Non-Interconnected Islands Network.
- By Article 98, par. 8 of Law 4512/2018, as amended, subparagraph (i) of paragraph 2 of Article 129 of Law 4001/2011, the competence to collect revenue from the counterparties of the previous paragraph to cover its operational and investment costs related to this competence in accordance with the specific provisions of the Operation Code for NII was added.
- Regarding SPGGER of NIIs, HEDNO SA charges the Load Representatives, based on the usage of their customers in NIIs and carries out the necessary capital transfers, to the Special Account held by DAPEEP, based on the Operation Code for NII and the relevant provisions of Article 23 of Law 4414/2016, as applicable, so that the RES Special Account (ELAPE) NIIs (Account L-Z of the Operation Code for NII) managed by HEDNO SA, as Operator of the NIIs, appears balanced after the end of the liquidation.

1. Arrangements, calculations and special approvals required for the implementation of the Operation Code for NII shall be determined by RAEWW Directive, following a recommendation by HEDNO SA.
2. HEDNO SA maintains separate accounts for the management activity of the NIIs and the Small Connected System of Crete.
3. Furthermore, it is noted that the management of the NIIs Production is carried out in accordance with the provisions of the NIIs HS Management Code (Government Gazette, Series II, No 304 / 11.02.2014, as amended) and aims primarily at:

- ✓ ensuring the good and safe operation of the NIIs electrical systems and the uninterrupted supply of electricity to consumers of NIIs by establishing rules for the planning, management and operation of production units in NIIs systems;
- minimizing the cost of production of conventional units and related consumer charges by the Public Services Obligations (PSO);
- maximizing the penetration of RES and CHP Stations, including hybrid stations;
- initially the opening of the market and now the equal participation of suppliers/producers of electricity from RES plants in the NIIs market.

Finally, it is noted that as of 01/11/2021, the electrical system of Crete has been included in the Interconnected System as a Small Connected System (hereinafter SCS), in accordance with Article 108C of Law 4001/2011. The provisions governing the operation of the electricity market of the CCM of Crete during the period from the Final Day of phase A of the electrical interconnection of the island to the Final Date of phase B of the electrical interconnection, in accordance with Articles 58B and 108C of Law 4001/2011, as in force, are described and specified in terms of matters of competence of HEDNO in Annex C of the Operation Code for NII. In particular the basic framework of responsibilities of the HEDNO in the Small Connected System of Crete is summarised as follows:

1. The supplementary settlement of the acquisition of the Small Connected System of Crete, the frequency of this clearing, the required data exchanged between HEDNO, IPTO, DAPEEP and EnExClear, the methodology for calculating the parameters of the supplementary monthly and annual clearing.
2. Access and participation of Producers and Load Representatives in the Crete SCS.
3. The pricing of regulated tariffs in the SCS of Crete, according to Law 4821/2021.
4. The calculation of the required Load Representatives Guarantees, the accounting of accounts, the procedures for the Participants settlements and the procedures for the calculation of the compensation of the SCS PSOs and other PSOs.
5. It concludes contracts between the HEDNO and the Producers of Contractual Units, and between the HEDNO and the Load Representatives in the SCS of Crete.

Outline of competences of HEDNO SA regarding the Management of PSOs throughout the Territory - Management of the PSO Special Account

Pursuant to par. 1 of Article 57 ("Substitution for the management of a PSO special account") of Law 4508/2017 (Government Gazette 200/A/22.12.2017), HEDNO SA replaced 01/01/2018 automatically and regardless of the time of their creation in all rights, obligations and legal relations of IPTO S.A. deriving from the management of the PSO special account of par. 8 of article 55 of L.4001 / 2011 and became from the aforementioned date the sole administrator of the special account of YKO in the whole territory of Greece.

The Company maintains a special management account for the PSOs (Special PSO Account - ELYKO) that is subdivided into the special PSO account in the Non-Interconnected Islands market (NIIs ELYKO) and the special account for the PSOs in the Interconnected System market (IS ELYKO).

In the PSO Special Management Account, the compensations provided to the providers of PSO are charged as outflows and credited as inflows: a) the revenues from the relevant charges imposed on Customers, including own-producers, which are collected and paid by Suppliers and Self-supplying Customers of HEDNO, as the ELYKO operator; and b) any other revenues provided for the PSO Special Management Account by the legislation in force.

The mechanism for recovering the charges and reimbursement of the due consideration and any more specific details are defined in particular in the HEDN Operation Code and Operation Code for NIIs, in combination with and relatively applicable provisions of other regulatory texts that are applicable to the interconnected system.

Any deficit or surplus of the special account for Utility Services is covered in principle through the revaluation of the unit charges of the Utility Services charge, while potentially there is also the possibility of covering all or part of the cost of providing Utility Services from the State Budget, with a corresponding credit as an inflow to the special management account for Utility Services maintained by the HEDNO SA.

Moreover, RAEWW Directive No. 750/2021 (Government Gazette B 4893/22.10.2021) established a specific methodology for the return of exchanges due to the provision of PSO in case of deficit or surplus of the account. In particular, in the event of a deficit, the PSO consideration due to each supplier shall be reduced by the percentage of the deficit. The remaining amount is invoiced and attributed to a future account surplus.

By RAE Directive No. 749/2021 (Government Gazette 4975/B'/27.10.2021), the HEDN and NIIs Operation Codes were amended by adapting and incorporating regulatory provisions in accordance with the above mentioned.

Article 32 of Law 4872/2021 suspended the payment of PSO charges for the usage period 01/11/2021 - 31/03/2022 for specified categories of consumers.

By No. MoEE/Electricity Directorate/71867/1033/27.7.2021 (Government Gazette B 3635/06.08.2021) decision of the MoEE determined the type, amount and manner of provision of guarantees or other equivalent collateral by the Electricity Suppliers and the Self-supplied Customers to HEDNO SA, the methodology for determining the amount and its revaluation, as well as any other relevant issue, in order to ensure proper fulfilment of the obligations of HEDNO SA and the framework for the exercise of its competence in case of non-performance of the obligations of the PSO of the Interconnected System. With regard to the Non-Interconnected Islands, it is noted that the respective guarantees are taken into account in the context of the overall calculation of guarantees of the participants in the market of NIIs, in accordance with the specific provisions of the Operation Code for NIIs.

With Directive RAE 725/2021 (Government Gazette 4457/B/29.09.2021), the list of amounts of guarantees of PSO of the Interconnected System for the period 01/10/2021 - 31/03/2022 was approved.

By No. 986/2021 (Government Gazette 6485/B/31.12.2021) RAE Directive, the Table of Guarantee Amounts of PSO of the year 2022 was approved.

By No. 898/2022 (Government Gazette 6613/22.12.2022) RAE Directive, the Table of Guarantees of PSO Guarantees of the year 2023 was approved.

By No. 218/2021 (Government Gazette 908/B/09.03.2021) RAE Directive, adjusted the annual load limit of the Electricity Customers to cover the costs of providing PSO of the year 2021.

By No. 97/2022 (Government Gazette 900/B/28.02.2022) RAE Directive, adjusted the annual load limit of the Electricity Customers to cover the costs of providing PSO of the year 2022.

By No. 99/2023 RAEWW Directive, the annual load limit of the Electricity Customers to cover the costs of providing PSO of the year 2023 has been adjusted and so far the relevant Government Gazette has not been issued.

Within the current fiscal year, the Company attributed to the account of the Energy Transition Fund managed by DAPEEP an amount of € 60 million from the surplus of the MCA account.

(Amounts in EUR thousand)

PSO ACCOUNT BALANCE 31/12/2024 Amounts in whole numbers	
ACCOUNT INFLOWS	
INITIAL PAYMENT (ΔΟΔ 0002445 ΕΞ 2017)	476,000,000
IPTO REMAINING BALANCE	8,574,066
ADDITIONAL PAYMENT (Government Gazette 4264/20.11.2019)	59,000,000
ADDITIONAL PAYMENT (Government Gazette 4768/24.12.2019)	150,000,000
ADDITIONAL PAYMENT (Government Gazette 174/30.01.2020)	44,651,690
ADDITIONAL PAYMENT - CALCULATION OF PSO COST (Government Gazette 3043/22.07.2020)	67,029,000
ADDITIONAL PAYMENT - CALCULATION OF PSO COST (Government Gazette 2378/07.06.2021)	70,000,000
TOTAL INFLOWS	875,254,756
ACCOUNT OUTFLOWS	
PAYMENT TO SUPPLIERS (RAEWW DIRECTIVE OF 10/2017)	359,970,228
PAYMENT TO PPC (Government Gazette 4768/24.12.2019)	150,000,000
PAYMENT TO PPC (Government Gazette 174/30.01.2020)	44,651,690
ACCOUNT DEFICIT 31/12/2017	36,579,728
ACCOUNT DEFICIT 31/12/2018	63,108,475
ACCOUNT DEFICIT 31/12/2019	127,141,072
ACCOUNT DEFICIT 31/12/2020	104,416,901
ACCOUNT SURPLUS 31/12/2021	-120,098,050
FUNDING OF SPECIAL ACCOUNT "ENERGY TRANSITION FUND" (JMD - MoEE/Electricity Directorate/81948/2763/05.08.2022)	300,000,000
FUNDING OF SPECIAL ACCOUNT "ENERGY TRANSITION FUND" (JMD - MoEE/Electricity Directorate/124862/2763/28.11.2022)	100,000,000
ACCOUNT SURPLUS 31/12/2022	-365,760,587
FUNDING OF SPECIAL ACCOUNT "ENERGY TRANSITION FUND" (JMD - MoEE/Electricity Directorate/39688/789/19.04.2023)	60,000,000
ACCOUNT DEFICIT 31.12.2023	293,832,714
ACCOUNT DEFICIT 31.12.2024	319,156,736
TOTAL OUTFLOWS	1,472,998,906
ACCOUNT BALANCE (SURPLUS/(DEFICIT))	-597,744,150
PLACEMENT PLAN 2012 - 2017	1,867,707
MINUS ADDITIONAL SETTLEMENT 2012 - 2016 (RAEWW O-76750 / 12.04.2019)	21,954,985
MINUS Social Residential Tariff (SRT) - Vulnerable Clients (EAP) 2017 (RAEWW 435/2019)	17,875,007
MINUS ADDITIONAL SETTLEMENT 2014 - 2016 (RAEWW 832/2019)	21,664,978
MINUS ADDITIONAL CONSIDERATION 2013 (RAEWW 854A/2019)	994,139
MINUS ADDITIONAL CONSIDERATION 2014 - 2016 (RAEWW 200/2020)	5,767,413
PLUS FINAL SETTLEMENT FOR PSO CONSIDER. NIIs - 2017 RAEWW 1254/2019	72,204,790
PLUS FINAL SETTLEMENT FOR PSO CONSIDER. NIIs CLIENTS - 2017	3,083,249
PLUS FINAL SETTLEMENT FOR PSO CONSIDER. NIIs CLIENTS - 2018	2,870,311
MINUS FINAL SETTLEMENT PSO CONSIDERATION 2018	45,070,690
MINUS FINAL SETTLEMENT SRT CONSIDERATION 2018	4,615,495
PSO ACCOUNT BALANCE (SURPLUS/(DEFICIT)) 31/12/2024	-599,910,786
PSO WITH PAYMENT SUSPENDED	54,997,424

Article 124 of Law 4001/2011 - Independence of the HEDN Operator

Pursuant to Article 124, par. 1, 2, 3 and 4 of Law 4001/2011 as in force, it is provided that:

1. The persons who are responsible for the management of HEDNO. SA may not participate in structural structures of PPC SA that are responsible, directly or indirectly, for the day-to-day performance of the activities of generation, transmission or supply of electricity. The remuneration of the executive members of the Board of Directors and other management bodies of PPC SA, which includes remuneration and benefits of all kinds, is not dependent on the activities or results of PPC SA or any part thereof, other than the activities or results of PPC SA.

2. The above paragraph shall apply to all persons exercising functions of representation and management under the authority of the Board of Directors and to persons directly accountable to it for matters relating to the operation, maintenance or development of the HEDN.

3. Infringers of this Article shall be subject to a fine of EUR 50 thousand - EUR 200 thousand, in accordance with the provisions of Article 36.

4. The members of the Board of Directors and the administrative bodies of HEDNO SA may terminate, in accordance with the provisions of the article, the early termination of their employment in RAEWW. RAEWW may, with a reasoned decision, remove a member of the board of directors and the administrative bodies of HEDNO SA, if the requirements of the provisions of paragraphs 1 and 2.

Development of HEDN

HEDNO SA is obliged to ensure the necessary human, technical, material and financial resources for the operation, maintenance and development of the HEDN and in general for the effective exercise of its competences and the proper performance of its tasks (see article 124, par. 5 of Law 4001/2011). The funds and resources necessary for this purpose shall be determined by HEDNO SA, in the framework of a relevant procedure set by the relevant regulatory framework governing the activity of Electricity Distribution (see in particular HEDN Management License, Hellenic Electricity Distribution Network Operation Code, RAEWW Directives for Annual HEDN) and, without prejudice to the provisions of the following paragraph, regardless of the Vertical Integrated Enterprise PPC SA and any part thereof.

Initially, with the entry into force of no. 82/2014 of RAEWW and until 30/11/2021, was granted to PPC S.A. Exclusive Ownership License of the Electricity Distribution Network (Ownership License), Article 122 of Law 4001/2011, which defined conditions and restrictions on the protection of financial rights of the Vertical Integrated Enterprise PPC SA, as well as the supervisory rights over the management of HEDNO SA, as regards the return on the granted funds. The above conditions concerned in particular the right of the Vertical Integrated Enterprise to approve the annual budget of HEDNO SA and to set general limits on its lending level. In any case, no part of the Vertically Integrated Enterprise PPC SA was allowed to be involved or in any way influence the day-to-day activity of PPC SA or its decisions regarding the construction or upgrading of PPC infrastructure, insofar as it did not exceed the terms of its approved budget. In case of violation of the above, the penalties of article 36 of Law 4001/2011 were imposed. The above was valid given that until the completion of the absorption of the Distribution Network Division of PPC SA by HEDNO (30/11/2021), PPC SA retained ownership of the assets of HEDN, while HEDNO SA was already the independent Manager of HEDN since 01/05/2012.

It is noted, however, that from the completion of the spin-off - absorption of the Distribution Network Division, i.e. from 30/11/2021 onwards (see relevant article 123^{A} of Law 4001/2011), both the aforementioned Exclusive Ownership License of the Electricity Distribution Network (Ownership License), granted under Article 122 of Law 4001/2011, as well as the Management License of the HEDN are to be substantially changed, both in terms of content and as regards the beneficiary of said Licenses, since, as mentioned above, HEDNO SA assumes, from 30/11/2021 onwards, both the status of the HEDN owner and the status of the HEDN Operator.

Compliance Program and Compliance Officer

In order to avoid discriminatory behaviour, discriminatory corporate practices and distortion of competition in the exercise of its powers, the Company is obliged to implement a compliance program (Article 124, par. 7 et seq. Of Law 4001/2011).

The Compliance Program was prepared, as required by Law 4001/2011, Article 124, par. 7, by the Compliance Officer in cooperation with HEDNO SA within 3 months from the legal and operational separation of the Distribution activity and was submitted for approval to RAEWW on 17/07/2012. RAEWW requested specific amendments with its letter with Reference Number O-54046/13-2-2013, which the Company incorporated in the Compliance Program and sent it again to RAEWW on 26/03/2013.

RAEWW approved the Compliance Program of HEDNO SA with Directive No. 678/2014, which was notified to the Company on 09/12/2014, with the Letter No. O-60391. In parallel with this Directive, RAEWW requested the Company to submit an updated program, in accordance with its specific observations. HEDNO SA submitted an updated program to RAEWW on 31/03/2015.

Without prejudice to the responsibilities of RAEWW, compliance with the program shall be subject to the independent control of the Compliance Officer. The Compliance Officer is a natural or legal person appointed by the Board of Directors of HEDNO SA, within 2 months of its first establishment, subject to the approval of RAEWW. Paragraph 1 of Article 124 of Law 4001/11 shall apply mutatis mutandis to the Compliance Officer.

By the Board of Directors' Resolution No. 1475/02.08.2018, No. 1463/23.07.2020 and No. 23 / 28.06.2023, the Board of Directors appointed Mr. Markos Chabakis as the Compliance Officer of HEDNO SA, who remains in this position until today.

HEDNO SA is obliged to ensure the unhindered access of the Compliance Officer to all necessary data and information held by the Company or any of its affiliated companies, as well as access to the premises of the above companies without prior notice, in order to perform his duties.

The Compliance Officer is responsible for the following:

- Monitoring of the implementation of the Compliance Programme and control of the compliance of HEDNO SA with it
- Preparation of an annual report and its notification to RAEWW by 31/01 of each year. The report, published on the website of RAEWW within 5 days of its notification, mentions the measures taken for the implementation of the Compliance Program, assesses their adequacy and implementation by HEDNO SA in order to achieve the objectives of the program and states proposals of the Compliance Officer on the Compliance Program and its implementation,
- Submission of quarterly reports to RAEWW in connection with the implementation of the Compliance Program,
- Notification to RAEWW of any infringement regarding the implementation of the Compliance Program, at the time it is noted, as well as the submission of proposals for immediate action,
- Submission of a report to RAEWW in relation to trade and economic relations between the vertically integrated enterprise PPC SA and HEDNO SA.

RAEWW assesses annually the degree of independence of PPC SA and may modify at any time by decision the Compliance Programme by imposing additional measures to address discriminatory behaviour, discriminatory practices and distortions of competition, to the benefit of the vertically integrated undertaking of PPC SA or its affiliates.

On 31/01/2024, the Compliance Officer of HEDNO SA submitted to RAEWW, by order of Law 4001/2011, article 124, §10, the Annual Report for 2023. The quarterly report for the period of the first quarter 2024, was submitted to RAEWW on 30/04/2024, for the period of the second quarter 2024 on 26/07/2024 and for the period of the third quarter 2024 on 31/10 / 2024. The Annual Compliance Report of HEDNO SA for the year 2024, including the fourth quarter 2024, was submitted to RAEWW on 31/01/2025.

Guaranteed Services Program

HEDNO SA, based on RAEWW Directive No. 1151A/2019 RAEWW, which amends the "Guaranteed Services to Consumers" Programme defined in decision 165/2014, applies, starting on 01/07/2020, the Guaranteed Services Programme (17) to consumers regarding the servicing of new connections, technical services to existing consumers, meters and quality of communication and customer service. In case of exceeding the time limits set per guaranteed service and if the other conditions set by the above RAEWW Directive No. 1151A/2019 are met, the beneficiaries are paid the amount of money provided for in said Directive, which varies depending on the voltage (LV & MV), and in 11 of the 17 cases of Guaranteed Services, it is scaled according to the exceeding of the service time. Directive 1151A/2019 is valid as amended by RAEWW Directive 1593A/2020.

3. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES

Presentation Framework

The financial statements of the Company have been drawn up in accordance with the International Financial Reporting Standards ("IFRS"), as endorsed by the European Union and the Interpretations of the Interpretation Committee, as applicable to companies applying IFRS, and present the financial position, operating results and cash flows of the Company on a going concern basis. These financial statements have been prepared under the historical cost convention, except for financial assets which are measured at fair value and on a going concern basis. The financial statements are presented in thousands of Euros - € and all items are rounded to the nearest thousand, unless otherwise stated. There are no Standards that have been applied before their effective date.

The going concern principle

In determining the appropriate basis for preparing the financial statements, management must consider whether the Company can continue in business for the foreseeable future. The Company's business activities, together with the factors that management believes may affect the Company's growth, financial performance and financial position are set out in the Management Report.

The Company's future financial performance depends on the broader economic environment in which it operates. The Company is considering the potential impact on its financial operations, with an emphasis on the potential impact due to the uncertainty created in terms of continued collectability and ensuring an adequate level of liquidity. The negative working capital presented by the Company as at 31/12/2024 is temporary and all necessary actions have been taken to ensure its proper management. As can be seen from the Company's performance in the first months of 2025 and the development of its key figures, its working capital is returning to positive levels.

Regarding the impact on the economic activity of HEDNO SA in 2024, it was not considered significant, given that the non-competitive - regulated activity of the Company is a reinforcing factor in an uncertain environment.

Management believes that, at the date of approval of the financial statements, the Company has sufficient resources to continue its operations for the foreseeable future, i.e. for the next 12 months from the date of these financial statements.

3.1 SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS MADE BY MANAGEMENT

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results may differ from these estimates. The most important accounting policies, judgments and estimates regarding events that could materially affect the amounts reported in the financial statements during the next twelve-month period are as follows.

3.1.1 Income tax and recognition of deferred tax receivables

The process of determining income tax and deferred tax is complex and largely requires estimates and judgment. There are many transactions and calculations for which the final tax determination is uncertain. Where tax issues have not been settled with the local authorities, management takes into account past experience and the advice of tax and legal experts in order to analyse the specific facts and circumstances, interpret the relevant tax legislation, assess the position of the tax authorities in similar cases and decide whether the tax treatment will be accepted by the tax authorities or whether provisions need to be recognised.

When the Company has to make payments in order to appeal against the tax authorities and estimates that it is more likely to win the appeal than to lose it, the related payments are recorded as trade and other receivables, as these advances will be returned to the Company in the event of a positive outcome. Where the Company estimates that a provision is required in relation to the outcome of an uncertain tax case, any amounts already paid are deducted from this provision. If the final result of the audit is different from the one initially recognised, the difference will affect the income tax and deferred tax asset/liability in the period when the result is finalised.

Deferred tax assets and liabilities are recognised for temporary differences between the carrying amounts and tax bases of assets and liabilities using tax rates that have been enacted or substantively enacted and are expected to apply in the periods in which the differences are expected to reverse. Deferred tax assets are recognised for all deductible temporary differences and carry forward tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carry forward unused tax losses can be utilised. Accounting estimates related to deferred tax assets require management to make assumptions about the timing of future events, such as the probability of expected future taxable income and available tax planning opportunities.

3.1.2 Estimates when calculating value in use

The Company assesses at each reporting date whether there is any indication that an asset may be impaired. If there is an indication or when an impairment test is required for an asset, the Company estimates the recoverable amount of the asset. The recoverable amount of an asset is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined at the level of an individual asset unless that asset does not generate cash inflows that are independent of those from other assets or groups of assets. When the carrying amount of an asset exceeds its recoverable amount, it is considered to be impaired and is adjusted to its recoverable amount. The recoverable amounts of CGUs have been determined for impairment testing purposes based on the calculation of their value in use, or fair value less cost to sell, which requires estimates. In calculating value in use, the estimated cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks associated with the asset. The calculation uses cash projections based on budget approved by the Administration. These budgets and cash flow projections typically cover a period of five years. Cash flows beyond the period in which provisions are available shall be extended on the basis of the estimated growth rates. These growth rates are consistent with provisions included in reports for the country or sector in which the CGU is active. The key assumptions used to determine the recoverable amount of the Company's different CGU or property, plant and equipment are the relevant retirement plans, sales prices and any physical damage that may have occurred.

3.1.3 Fair value measurement of financial assets and liabilities

The fair value of financial assets that are not traded in active financial markets (e.g. derivative contracts outside the derivatives market and certain investments in equity securities) is determined using valuation techniques. The Company selects the valuation method it considers appropriate in each case, making assumptions based mostly on information available at the end of the financial year for transactions in active markets.

3.1.4 Provisions for expected credit losses on trade receivables

The Company follows the provisions of IFRS 9 and applies the simplified approach by measuring the provision for losses at an amount equal to the expected lifetime credit losses for all trade and other receivables and assets from contracts with customers. The Company's management periodically reassesses the adequacy of the allowance for doubtful debts. At each reporting date, the expected loss rate is estimated on the basis of historical losses adjusted to reflect current and future information.

Expected credit losses are based on the difference between the contractual cash flows due and all cash flows expected to be received by the Company, taking into account data from its legal department. For the year ended 12/31/2024, management assessed long-term information about its trade receivables, as well as the economic environment, and reassessed impairment provisions where required - Note 21.

3.1.5 Benefits after retirement

Provision of Energy at reduced tariff

PPC Group provides employees of all Group companies and their retirees with electricity at a reduced tariff. The reduced tariff to pensioners is recognised as a liability and calculated as the present value of future post-retirement benefits based on economic and actuarial assumptions.

The actuarial liability of pensioners relates to the present value of the total benefit, i.e. the difference between the future production costs and the future amount they will pay to the company, as they have already accrued the entire benefit.

For active employees, the future benefit is spread evenly over the total years of service. The liability is equal to the present value of the "post-retirement" benefit corresponding to the completed years of service divided by the total. The net expense for the year is included in personnel cost in the income statement. No reserve is established through the payment of contributions to cover the actuarial liability.

Note that Article 11 of Law 4643/2019 adjusted, starting on 01/01/2020, the special tariff for electricity usage personnel, so that the resulting discount in the charge of electricity usage does not exceed 30%.

Provision for personnel termination compensation

Law 4533/2018 (Government Gazette A 75/27.4.2018) repealed the provision of paragraph 3 of article 25 of Law 4491/1966 (Government Gazette A 1), as well as any other general or special provision of a law or Labour Regulation which provided for the offsetting of an employee's termination compensation with an one-off allowance to which he/she is entitled from the relevant insurance institution. Based on the above, HEDNO SA, with Board Resolution No. 472/2019, established the payment of compensation of 15,000 euros for leaving the service, to employees who leave due to termination of the employment contract, or reaching the age limit, or any other reason specified by law, if they have completed 25 years of continuous service in PPC S.A. and HEDNO S.A., regardless of the establishment of pension rights. The entry into force of the above Resolution was set at 27/04/2018, the date of publication of Law 4533/2018.

The above is a defined benefit plan in accordance with the provisions of IAS 19. The present value of the obligation undertaken by PPC SA and its subsidiaries, calculated at the end of each financial year using actuarial methods, constitutes past service cost. Details of the key assumptions and estimates for these post-retirement benefits are set out in Note 26.

3.1.6 Reasonable values and useful lives of property, plant and equipment

The Company values property, plant and equipment at revalued values (estimated fair values) as determined by a firm of independent appraisers. Independent assessments are carried out periodically, every 3-5 years.

The determination of the fair values of property, plant and equipment requires estimates, assumptions and judgements regarding ownership, value in use and the existence of any economic, operational and physical impairment of property, plant and equipment.

On the 31st of December 2024, The Company assigned an independent valuer to perform the revaluation of property, plant and equipment. The key estimates, assumptions and judgements made in determining fair value are included in Note 17.

In addition, management makes estimates of the total and remaining useful lives of depreciable assets which are subject to periodic review Company periodically reviews the useful lives of its property, plant and equipment to assess the appropriateness of the original estimates. In order to determine the useful life, which may vary due to various factors such as technological developments and fixed maintenance programs, the Company may receive technical studies and use external sources. The total useful lives as estimated are listed below - Note 3.2.3.

3.1.7 Impairment of fixed assets

The Company assesses at each balance sheet date whether or not there is any indication of impairment of its fixed assets. Determining whether there is evidence of impairment requires management to make assumptions and judgements about external and internal factors, the extent to which they affect the recoverability of assets and judgements about the determination of independent cash-generating units (Note 17).

3.1.8 Provisions for disputed cases

The Management evaluates the outcome of the pending court cases, taking into account the available information of the legal service and, if there is a possibility of a negative outcome, then it makes the necessary provisions. Provisions, where required, are calculated based on management's estimates of the expenditure required to settle expected liabilities at the date of the Statement of Financial Position. Specifically, the Company assesses the probability that the action will lead to an outflow and if it considers it significant (greater than or equal to 50%), then it makes a provision equal to the estimated amount payable.

3.1.9 Determination of lease term and differential borrowing rate

In calculating the right to use property, plant and equipment, management defines the lease term as the contractual lease term, including the period covered by (a) an option to extend the lease if it is reasonably certain that the option will be exercised or (b) an option to terminate the lease if it is reasonably certain that the option will not be exercised. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option or not to exercise a termination option.

The lease term is revised when an option is exercised (or not exercised) or the Company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is revised only if a significant event or a significant change in circumstances occurs that will affect this assessment and is within the control of the lessee.

In addition, in calculating the lease liability, management determines the incremental borrowing rate at the commencement date of the leases, as the effective interest rate is not directly determined by the lease agreements. The incremental borrowing rate is the borrowing rate that the Company would pay for cash of similar maturity and similar security in order to acquire property, plant and equipment of similar value to leased assets. The incremental borrowing rate applied by the company on lease liabilities is 4.10% (< 8 years) and 3.49% (> 8 years).

3.1.10 Determination of revenue from consumed and unbilled energy

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and to the extent that they can be reliably measured on an accrual basis.

The Company estimates the accrued revenue from Network Usage Charges in order to ensure its correct representation, which is related to the electricity used in LV from the non-monthly metered supplies in the respective financial year, and which has not yet been invoiced by the end of the current financial year, according to the following assumptions and calculations.

The actual consumption metering cycle of LV usage is quarterly and the Company, at the date of preparation of the financial statements, does not have the actual metering data for the first 4 months of the next fiscal year (FY+1) in order to be able to accurately determine the accrued income of the current fiscal year (FY0) and incorporate it into the financial statements. For this purpose, it estimates this revenue from the Network Usage Charges related to the energy that has not yet been metered and billed, according to specific assumptions, the most important of which relate to the quantities of electricity consumed in total and its losses from the Network, according to the official data of HEDNO SA, as well as the average charges for the consumption of electricity. Based on the evidence obtained from monitoring this estimate against actual meterings and invoices in past periods, the acceptable range of variation is between -1% and +3%.

As of 30/03/2023, the Company has adjusted its approach to the provision for unearned revenue to be in line with the RAEWW Directive No. 198/2023, which established new Usage Charges of the HEDN and which are now based on a split between fixed charges (power) and variable charges (usage). Accordingly, under the approach adopted by the Company, the provision is calculated as the sum of the calculation of unbilled fixed charges and unbilled variable charges.

3.1.11 Recognition of revenue from consumers contributions

The Company assesses that consumer's contribution refers to the initial and continuous connection to the distribution network, which is a distinct service, separate from the sale of Energy. The promised service is considered as a separate contractual obligation. Consequently, the income from consumers contributions is recognised during service rendered to the customer. As the contract with the customer is not of a specific duration, the revenue is recognised based on the useful life of the distribution network assets (35 years).

3.1.12 Inventory write - down

The Company recognises a provision for inventory impairment which relates to slow-moving materials due to age and Materials X that are not classified as Materials A, B or C after their removal from the Network.

The provision for impairment of slow-moving assets is based solely on their age and on percentage ranges that determine the amount of impairment up to the year ended 31/12/2024. Note that the Company takes into account further qualitative factors related to materials of significant functionality and adjusts its accounting estimate for these materials accordingly.

With respect to the provision for impairment of Materials X, during the year ended 31/12/2024 the Company, in the context of undertaking more general actions to optimise the inventory and tracking of materials, developed with the support of a consultant a multi-criteria model valuation that links the values of Materials X with those of Materials C and with metal values contained therein. The model was based on the results of the study for specific categories and groups of materials, in particular transformers and certain types of conductors and cables, whose values constituted the major part of the total value of Materials X and C respectively.

The Company has revised the methodology for estimating the impairment provision for materials X and C, taking into account the new data that have emerged which affect the original assumptions on which the estimate was based. The Company's management believes that the application of this approach results in a more reasonable representation of the value of its inventories as at 31/12/2024. Given it was completed during 3rd quarter 2024, it takes into account current data on their use and representative of market conditions and market value if they are linked to metal prices and actual data.

Under IAS 8, an estimate may be revised if there are changes in the circumstances on which it was based or as a result of new information or wider experience. By its nature, the revision of an estimate does not relate to earlier periods and is not a correction of an error. Consequently, the Company reassesses its estimate without changing its accounting policy, the effect of which is recognised in the current year's profit and loss (see Note 20.)

3.2 SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the financial statements are set out below. Accounting policies have been applied consistently in all years unless otherwise stated.

3.2.1 Consumers Contributions

Consumers or producers connected to the distribution network are required to participate in the initial costs of connection to the network (meters, lines, substations, etc.) or other types of infrastructure through the payment of statutory amounts or the contribution of fixed assets (very limited cases). It is noted that all facilities constructed belong by law to the exclusive ownership, possession and possession of HEDNO SA, while in case the customer abandons his facility and it is transferred to a new customer, the new customer is not obliged to pay a new participation.

Consumer participation refers to the initial and ongoing connection to the distribution network which is a separate service and the promised service is considered as a separate contractual obligation. Consequently, the income from consumers contributions is recognised during service rendered to the customer. As the contract with the customer is not of a specific duration, the revenue is recognised based on the useful life of the distribution network assets (35 years). Consumer contributions are classified as non current liabilities under FS line "Consumer contributions and Subsidies".

(Amounts in EUR thousand)

3.2.2 Intangible assets

Intangible assets include software. Software are measured at cost less accumulated depreciation and amortisation. In the event of withdrawal or sale, the acquisition value and depreciation are written off. Any gain or loss arising on derecognition is included in the statement of comprehensive income. Software is amortised using the straight-line method over a period of 5 years.

3.2.3 Property, plant and equipment

Property, plant and equipment includes mainly land, buildings, machinery, motor vehicles and furniture. Property, plant and equipment are listed in the acquisition cost minus the accumulated depreciation. Cost includes all direct costs incurred in acquiring the assets. Assets under construction are fixed assets under construction which are recognised at cost. Costs include construction costs, third-party fees and other direct costs. Fixed assets under construction are not depreciated as the asset they relate to is not available for use.

Subsequent to initial recognition, property, plant and equipment is measured at fair value less accumulated depreciation and impairment losses. Fair value estimates are made periodically by independent valuers (every 3-5 years) to ensure that the fair value does not differ significantly from the net book value. Any increase in value is credited to a reserve in equity, net of deferred income taxes. At the date of revaluation, accumulated depreciation is offset against its carrying amount before depreciation and the net amounts are restated to the revalued amounts. Any reductions first offset any revaluation surplus from previous revaluations and the remaining amount is charged to the income statement of the fiscal year. On removal of a revalued property, plant and equipment, the corresponding portion of the recognised surplus is transferred from the reserve to retained earnings. Repairs and maintenance are charged to expenses of the period in which they are performed. Subsequent expenditure is capitalised if the criteria for its recognition as an asset are met. For all fixed assets that are retired, their acquisition value and related depreciation are written off when they are sold or retired. Any gain or loss arising from the write-off of an item of property, plant and equipment is included in the income statement.

The latest revaluation of the tangible fixed assets in operation took place on 31/12/2024, as detailed in Note 17 of the financial statements.

Depreciation of fixed assets is calculated using the constant depreciation method based on the estimated remaining useful life of the assets. The total useful life (in years) applied for the calculation of depreciation is as follows.

Buildings - Industrial plants - City substations	50
Machinery	15-35
Transport Lines	35
Pilot cables	35
Furniture and utensils	5-25
LV-MV Distribution Networks	35
Tele-Operation Systems	15

3.2.4 Leases (IFRS 16)

The Company as a lessee

At the inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of a recognised asset for a specified period of time in exchange for consideration. The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of a low-value underlying asset. The Company recognises lease liabilities for lease payments and right-of-use assets representing the right to use the underlying assets.

Rights to use fixed assets

The Company recognises rights to use assets at the inception of the lease (the date the asset is available for use). Rights to use property, plant and equipment are measured at cost less accumulated depreciation and impairment and adjusted by the re-measurement of the related lease liabilities. The cost of property, plant and equipment rights of use includes the amount of lease liabilities recognised, the initial directly attributable related costs and lease payments made on or before the commencement date, less the amount of any discounts or other incentives offered. Except in cases where it is reasonably certain that the Company will obtain possession of the leased asset at the end of the lease, recognised rights to use property, plant and equipment are depreciated using the straight-line method over the shorter of the useful life of the underlying asset and the terms of the lease. Rights to use property, plant and equipment are subject to impairment testing either individually or as a cash-generating unit. Right-of-use assets are presented separately in the statement of financial position.

Floating rents that are not index-linked or rate-linked are not included in the measurement of the lease liability and therefore are not a component of the carrying amount of the right-of-use asset.

For rights of use arising from IFRS 16, see Note 18.

Lease liabilities

At the inception of the lease, the Company recognises lease liabilities equal to the present value of the lease payments over the total lease term. Payments include contractual fixed leases, less the amount of subsidies offered, variable rents dependent on an index, and amounts for residual value payments expected to be paid. Lease payments also include the exercise price of a purchase option that is relatively certain to be exercised by the Company and termination penalty payments if the contract terms indicate with relative certainty that the Company will exercise the right to terminate the lease. Variable leases that are not index-linked are recognised as an expense in the period in which the event or condition occurs and the payment is made.

To calculate the present value of payments, the Company uses the incremental borrowing cost at the commencement date of the lease if the effective interest rate is not directly determined by the lease agreement. Subsequent to the commencement of the lease, the amount of lease liabilities is increased by interest expense and decreased by the rental payments made. In addition, the carrying amount of lease obligations is remeasured if there is a contract amendment, or any change in the term of the contract, the fixed rents or the decision to purchase the asset. Remeasurements are presented in one line as changes under the note for Right of use assets .

For the liabilities arising from IFRS 16, see Note 18.

Short-term leases and leases of low-value assets

The Company applies the exception relating to short-term leases (i.e. leases with a term of less than or equal to 12 months from the commencement date of the lease agreement, where there is no right to purchase the asset); it also applies the exception relating to low-value assets (i.e. assets with a value of less than € 5 thousand). Rental payments for short-term and low-value leases are recognised as expenses on a straight-line basis over the term of the lease.

Determination of lease term

The IFRS Interpretations Committee issued a decision that when assessing the concept of a non-significant penalty when drafting lease terms, the analysis should not cover only the financial penalty provided for in the contract, but should use a broader economic assessment of the penalty so as to include all possible economic outflows associated with the termination of the contract. The Company applies this judgment and uses judgment in evaluating the lease, particularly in cases where the agreements do not provide for a predetermined term. The Company takes into account all relevant factors that create a financial incentive to exercise either renewal or termination.

The Company as a lessor

Leases in which the Company is the lessor are classified as either finance or operating leases. When the terms of the lease transfer substantially all the risks and rewards incidental to ownership to the lessee, the lease is classified as a finance lease. All other leases are classified as operating leases. The Company leases properties in the form of operating leases. Revenue from operating leases is recognised on a straight-line basis over the term of the lease. The initial direct transaction costs of an operating lease agreement are added to the carrying amount of the underlying asset and recognised using the straight-line method over the term of the lease.

3.2.5 Impairment of Non-Financial Assets

At each date of preparation of the financial statements, HEDNO SA assesses the existence of impairment indicators of its assets. Where there are indications, HEDNO shall calculate the recoverable amount of the asset. The recoverable amount is calculated as the higher of fair value less costs to sell and value in use. Recoverable amount is determined at the level of an individual asset unless that asset does not generate cash inflows that are independent of those from other assets or groups of assets. When the carrying amount of an asset exceeds its recoverable amount, it is considered to be impaired and is adjusted to its recoverable amount.

The value in use is calculated as the present value of estimated future cash flows using a pre-tax discount rate that reflects current estimates of the time value of money and the risks associated with the specific asset. The fair value (less costs of sale) is determined on the basis of the application of a valuation model, where appropriate. Impairment losses from ongoing operations are recognised in income statement unless the asset is measured at fair value, in which case the impairment loss is treated as a reduction of previously recognised surplus.

At each financial statement date, an assessment is made as to whether previously recognised impairment losses no longer exist or have decreased. If there are such indications, the recoverable amount of the asset is reassessed. Impairment losses previously recognised are offset only if there have been changes in the estimates used to determine the recoverable amount since the last impairment loss was recognised. The increased balance of the asset resulting from offsetting the impairment loss shall not exceed the balance that would have been determined (less depreciation) if the impairment loss had not been recognised previously. An impairment reversal is recognised in income statement unless the specific asset is measured at fair value, in which case the reversal is treated as an increase in previously recognised surplus and, after the charge, depreciation of the specific asset is adjusted so that the revised balance (less residual value) is allocated equally over the remaining useful life of the asset.

3.2.6 Financial Instruments and Derivative Financial Instruments

A financial instrument is any contract that creates both a financial asset for one entity and a financial liability or equity instrument for another entity.

Initial recognition and measurement

Financial assets are classified, on initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (OCI) and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the contractual cash flow characteristics of the financial asset and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financial component or for which the Company has applied the feasibility practice, the Company initially measures financial assets at fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financial component or for which the Company has applied the feasibility practice are measured at the transaction price determined in accordance with IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through comprehensive income, it must generate cash flows that are "solely payments of principal and interest (SPPI)" on the principal. This assessment is referred to as the SPPI test and is examined at the financial item level.

The Company's business model for managing financial assets refers to the way in which it manages its financial resources in order to generate cash flows. The business model determines whether the cash flows will result from the collection of contractual cash flows, sale of financial assets or both.

The purchase or sale of financial assets that require delivery of assets within a time frame specified in a regulation or market contract are recognised on the transaction date, i.e. the date on which the Company commits to purchase or sell the asset.

Subsequent measurement

For subsequent measurement purposes, financial assets have been classified into the following categories:

- Financial assets are measured at fair value through profit and loss
- Financial assets at amortised cost

(a) Financial assets measured at fair value through profit or loss

Financial assets measured at fair value through profit and loss include financial assets held for trading, financial assets designated as fair value through profit or loss on initial recognition through profit and loss or financial assets that are required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing them in the near future. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets are classified as current assets when they are classified as held for trading or when their maturity date is less than 12 months, otherwise they are classified as non-current assets. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, regardless of the business model.

These financial assets are classified as current assets when they are held for trading or are expected to be realised within 12 months of the reporting period.

(b) Financial assets at amortised cost

The Company measures financial assets at amortised cost if both of the following conditions are met: a) the financial asset is held in a business model with the objective of holding financial assets to collect contractual cash flows and b) the contractual terms of the financial asset generate cash flows at specified dates that are solely payments of principal and interest on the principal balance.

Financial assets at amortised cost are subsequently measured using the (EIR) method and are subject to impairment. Gains and losses are recognised in income statement when the asset is derecognised, modified or impaired.

Derecognition and impairment

A financial asset is derecognised primarily when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the cash flows received in full without material delay to a third party under a pass-through arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset or (b) the Company has not transferred substantially all the risks and rewards of ownership of the asset or (c) the Company has transferred substantially all the risks and rewards of ownership of the asset. When the Company has transferred the rights to receive cash flows from an asset or has entered into a transfer agreement, the Company assesses whether and to what extent it owns the risks and rewards of ownership. When the Company has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, it continues to recognise the transferred asset to the extent of its continuing involvement. In this case, the Company also recognises any related liability. The transferred asset and the related liability are measured on the basis of the rights and obligations held by the Company.

The Company assesses at each financial statement date whether the value of a financial asset or a group of financial assets is impaired and recognises a provision for impairment when required against expected credit losses for all financial assets not at fair value through profit or loss. Expected credit losses are based on the difference between all contractual cash flows due under the contract and all cash flows the Company expects to receive, discounted at the approximate original effective interest rate.

Expected credit losses are recognised in two stages. If the credit risk of a financial instrument has not increased significantly since initial recognition, the entity measures the provision for losses on that financial instrument at an amount equal to the expected credit losses for the next 12 months. If the credit risk of the financial instrument has increased significantly since initial recognition, an entity measures the provision for losses on a financial instrument at an amount equal to the expected credit losses over its lifetime, regardless of when the default occurred.

Regarding accounts receivables, the Company applies the simplified approach for the calculation of expected credit losses. Therefore, at each reporting date, the Company measures the provision for losses on a financial instrument at an amount equal to expected lifetime credit losses without monitoring changes in credit risk.

In determining expected credit losses related to accounts receivable, the Company uses a credit loss provisioning table based on the aging of balances, based on the Company's historical credit loss data, adjusted for future factors related to debtors and the economic environment.

3.2.7 Measurement of fair value

The Company measures financial instruments, such as derivatives, at each reporting date and non-financial assets, such as property, periodically (every 3-5 years) at fair value. The fair value of an asset is the price that would be received to sell an asset or paid to settle a liability in an arm's length transaction and between market participants at the measurement date. The measurement of fair value is based on the assumption that the transaction of selling the asset or transferring the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, the most advantageous market for the asset or liability.

The principal or most advantageous market should be accessible to the company. The fair value of an asset or liability is measured based on all the assumptions that market participants use in evaluating an asset or liability, provided that market participants act in their economic interest. The ability of market participants to create financial benefits by utilizing the asset in its highest and best usage or by selling it to another market participant who will use the asset in its highest and best usage is taken into account when determining the fair value of a non-financial asset. The company uses valuation techniques appropriate to the circumstances and for which there are available and sufficient data to measure fair value, maximising the use of relevant observable inflows and minimising the use of non-observable inflows. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy based on the lowest level of input that is significant to the fair value measurement as a whole, as described as follows:

- Level 1 - Imported (unadjusted) market prices on active markets for similar assets or liabilities
- Level 2 - valuation techniques for which the lowest input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - valuation techniques for which the lowest input that is significant to the fair value measurement is unobservable

For assets and liabilities recognised in the financial statements on a regular basis, the Company determines whether transfers between levels of the hierarchy have occurred by reassessing and reclassifying (based on the lowest level elements that are significant to the fair value measurement as a whole) at the end of each reporting period.

The Company establishes policies and procedures for both recurring measurements and for assets held for distribution or sale. External valuers are involved in the valuation of the Company's significant assets, such as property, plant and equipment, as well as significant liabilities. The participation of external appraisers is decided annually by the Group. Selection criteria include market knowledge, reputation, independence and adherence to professional standards.

3.2.8 Derivative financial instruments

The Company uses derivative financial instruments, such as Interest Rate Cap Transactions, to hedge interest rate risks associated with long-term floating rate debt contracts. These derivative financial instruments are initially recognised at fair value at the inception of the hedging relationship and subsequently measured at fair value through profit or loss, and the Company has elected not to apply hedge accounting.

The Company has entered into the aforementioned agreements to hedge the risk arising from fluctuations in the fair value of the future cash flows of the hedged instrument due to changes in market interest rates. The risk hedged in cash flow hedges is the exposure arising from the volatility in future cash flows attributable to a specific risk associated with a recognised asset or liability that arises from changes in interest rates and may affect the statement of comprehensive income of the financial year.

3.2.9 Financial liabilities

All financial liabilities are initially measured at their fair value minus transaction costs, in the case of loans and payables. For subsequent measurement purposes, financial liabilities are classified as financial liabilities at amortised cost.

A financial liability is derecognised when the obligation arising from the liability is cancelled or expires. When an existing financial liability is replaced by another from the same lender but on substantially different terms, or the terms of an existing liability are substantially modified, that exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of comprehensive income.

3.2.10 Offsetting financial assets and liabilities

Financial assets and liabilities are offset and the net amount is presented in the statement of financial position only when the Company has the legal right to do so and intends to net them off against each other or to claim the asset and settle the liability simultaneously. The legal right must not depend on future events and must be enforceable in the ordinary course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

3.2.11 Inventory

Inventory include consumable materials and spare parts of fixed assets, which are measured at the lower of cost or net realisable value, the cost being determined using the monthly weighted average method. Materials are recognised in inventory when they are purchased and expensed when they are used. A provision for impairment is formed based on the recoverable amount from the use of these materials, as well as on accounting estimates as mentioned in Note 3.1.11.

3.2.12 Trade receivables

Trade receivables from credit customers, usually between 20 and 90 days, are initially recorded at fair value and subsequently measured at amortised cost using the effective interest rate, net of any provision for impairment. For doubtful receivables, the Company applies the simplified approach of IFRS 9 and calculates expected credit losses over the life of the receivables. To this end, it uses a table that calculates relevant provisions in a way that reflects experience from past events as well as projections of the future financial condition of customers and the economic environment. Doubtful debts shall be assessed on a one-by-one basis for the purpose of calculating the relevant provision. The amount of the provision is recognised in the statement of comprehensive income under selling and distribution expenses.

The Company assesses at each financial statement date whether the value of a financial asset or a group of financial assets is impaired in accordance with the provisions of IFRS 9. The Company has adopted the expected credit losses model for each of the above asset classes.

3.2.13 Cash and cash equivalents

Cash and cash equivalents include cash, demand and sight deposits and other short-term investments that are realisable within a period not exceeding three months.

3.2.14 Share capital

The share capital includes ordinary shares of the Company. Direct costs of issuing shares are presented, after deducting the related income tax, as a deduction from the cost of issue.

Repurchases of the company's shares (treasury shares) are recognised at cost and presented as a deduction from equity. No profit or loss is recognised in the income statement on the purchase, sale, issue or cancellation of equity. Any differences arising between the carrying amount and the reissue price are recognised in equity.

3.2.15 Current and deferred taxation

Income tax for the period consists of current and deferred tax.

The tax expense/income for the period is the tax calculated on the taxable result for the period at the applicable tax rate, adjusted for changes in the deferred tax asset or liability relating to temporary differences or unused tax losses, as well as additional taxes of previous years. Tax is recognised in the statement of comprehensive income, unless it relates to amounts recognised directly in equity. In this case the tax is also recognised in Equity.

Current tax assets and liabilities are measured at the amount expected to be recovered or paid to the tax authorities.

Income tax on profits is calculated in accordance with the tax legislation enacted at the date of the financial statements and is recognised as an expense in the period in which the profits arise. Management periodically evaluates cases where the existing tax legislation requires interpretation. Where necessary, provisions are made for amounts expected to be paid to the tax authorities. Interest and penalties arising from uncertain tax positions are considered part of income tax.

Deferred income tax is determined using the liability method arising from temporary differences between the carrying amounts and tax bases of assets and liabilities in the financial statements. Deferred income tax is not recognised if it arises from the initial recognition of an asset or liability in a transaction, other than a business combination, which, when it occurs, affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates and laws enacted at the date of the financial statements and expected to apply when the deferred tax assets are realised or the deferred tax liabilities are settled.

Deferred tax assets are recognised only when it is probable that a future taxable profit will arise from the utilisation of the temporary difference that gives rise to the deferred tax asset.

Deferred tax assets are assessed at each financial statement date and are reduced if it is no longer probable that an expected taxable profit will be available in future years in order to utilise all or part of them.

Deferred tax assets and liabilities are offset only if offsetting of tax assets and liabilities is legally permitted and if the deferred tax assets and liabilities arise from the same tax authority over the taxable entity or over different entities and there is an intention to settle on a net basis.

3.2.16 Suppliers and other liabilities

Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method. Liabilities are classified as current if payment is due within one year or less. If not, they are presented in non-current liabilities.

3.2.17 Provisions

Provisions for restructuring costs and legal claims are recognised when the company has present legal or other contractual obligations arising from past events, it is probable that an outflow of cash or other economic resources will be required to settle the obligation, and when the respective amounts can be reliably estimated . Provisions cannot be recognized for future operating losses.

Provisions are calculated on the basis of the present value of management's estimates and relate to the expenditure required to settle expected liabilities at the date of the financial statements. The discount rate used reflects market conditions and the time value of money as well as increments related to the liability.

No provision is recognised for possible future liabilities associated with events that will or will not occur as a result of uncertain future events that are beyond the Company's control if it is not probable that the related liability will be settled through future cash outflows or the related liability cannot be measured reliably. In these cases, the Company recognises an continent liability.

3.2.18 Loans and credits - Cost of borrowing

Loans and credits are initially recognised at cost, which reflects the fair value of the amount received less the costs of entering into the related loan agreements. They are subsequently measured at amortised cost using the effective interest method. The calculation of depreciated cost shall take into account all types of loan and credit issue costs.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that requires a significant period to become available for use or sale are capitalised as part of the cost of the related assets. All other borrowing costs are recognised as an expense in the financial year in which they are incurred.

3.2.19 Benefits to personnel

1. The Company provides its employees and pensioners with electricity at a reduced tariff. The obligation to provide a reduced tariff to retirees is recognised as a liability and calculated as the present value of future post-retirement benefits deemed to be accrued by the end of the financial year based on the employees' rights accumulated during their service and calculated using economic and actuarial methods on the basis of economic and actuarial assumptions.
2. Starting from the 2018 financial year, the Company shall pay, on the basis of Law 4533/2018 (Government Gazette A 75/27.4.2018), retirement benefits, which may not exceed the amount of € 15 thousand to insured persons who leave due to termination of their employment contract, or reaching the age limit, or any other reason specified by law.

   The above is a defined benefit plan in accordance with the provisions of IAS 19. The net expense for the year is included in personnel cost in the income statement and relates to the present value of benefits recognised in the year. The post-retirement benefit obligation is not funded. Actuarial gains or losses are recognised directly in other comprehensive income.
3. The Company recognises, in the income statement, as an expense the contributions attributable to the services received from its employees and paid to the relevant insurance institutions, EFKA (Unified Social Security Fund) and ETEAEP (Unified Auxiliary Social Security And Lump Sum Benefits Fund), (defined contribution plan) and as a liability the part of these contributions that have not yet been paid.

3.2.20 Revenue Recognition (IFRS 15)

In accordance with IFRS 15 "Income from Contracts with Customers", the recognition and measurement of income from contracts with customers is based on the following model that includes a 5-step process:

1. Identification of the contract with a customer
2. Identification of performance obligations.
3. Determination of the transaction price.
4. Allocation of transaction price to performance obligations.
5. Revenue recognition when performance obligations are met.

The transaction price is the amount of consideration to which the Company expects to be entitled against the transfer of the promised services to a customer, excluding amounts received on behalf of third parties (other sales taxes). If the amount of consideration is variable, then the Company calculates the amount of consideration to which it will be entitled for the transfer of the promised goods or services using the expected value method or the most probable amount method.

In particular, the transaction price is allocated to the individual performance obligations based on the relevant individual selling prices of the contract entered into, the distinct good or service.

Revenue is recognised when the performance obligations are met, either at some point in time (usually for obligations relating to the transfer of goods to a customer) or over time (usually for obligations relating to the transfer of services to a customer).

The Company recognises a contractual obligation for amounts received from customers (prepayments) for performance obligations that have not been fulfilled, and when it retains a right to an amount unduly received (prior to contract performance) for performance obligations and the transportation of goods or services. The contractual obligation is derecognised when the performance obligations have been discharged and the revenue has been recognised in the Statement of Comprehensive Income.

The Company recognises a trade receivable when there is an unconditional right to receive an amount of consideration for the performed contract performance obligations to the customer. Similarly, the Company recognises a contract asset when it has fulfilled the performance obligations before payment to the customer or before they become payable, e.g. when goods or services are transferred to the customer before the invoice is issued by the Company.

Revenue from contracts with customers

- Revenue from Network Use Fees

  Revenue is recognised monthly on the basis of the charges approved by RAEWW and the use of network (metering-quantity in MWH) from the Company customers. On 30/03/2023, by RAEWW Directive No. 198/2023 revenue was approved for the 2021-2024 periods, marking an increase over the previous period. The approach to calculating unit charges is based on the allocation of these charges to both Fixed charges (power) and Variable charges (consumption), which results in an adjustment of the Company's required revenue levels. The new charges came into effect on 01/05/2023.

  Revenue is recognised in the period in which the use of the network by the Company's customers takes place, through the metering of services - either with digital meters or through metering workshops - and estimates of consumption in the respective not yet metered period - Note 3.1.10.

  It is also noted that according to Law 4001/2011, Article 129, par. 2 - case (h), HEDNO SA has become the operator of the market operation of the electrical systems of the NIIs. Specifically, the Company operates as an intermediary between the electricity producers and the final providers in the NIIs. These transactions relate to purchases and sales of electricity, as well as settlements of other charges. The above operation has no impact on the Company's income statement, as HEDNO SA is equally burdened with the relevant costs. The aforementioned transaction is shown in the netting results without any income statement.

  The main items for which the Company acts as an intermediary relate to the purchase and sale of electricity, the Special Duty of Greenhouse Gas Emissions Reduction (SDGGER) and Public Services Obligations (PSO).

- Revenue from the disposal of materials

  Revenue is generally recognised on delivery of the materials to be disposed of.

- Revenue from reconnection charges and other income from consumers

  Revenue is recognised when the service is provided to consumers.

- Revenue from Consumers Contributions and Public Services Obligations

  Revenue is recognised when the service is provided to consumers. The Company, as the Network Operator, follows the accounting treatment described in Note 3.1.11.

- Revenue resulting from the RAEWW's Directives on under-recovery

  Revenues from Network Usage Charges are recognized monthly and are based on the charges approved by RAEWW and the use of the network (metering/ quantities in MWH) by its consumers. Gains are recognised in the period in which the network is used by the Company's consumers, through the measurement of usage (either through digital meters or physical metering) and consumption estimates in the corresponding period that have not yet been assessed.

The Company recognises in the income statement the difference arising from comparison of actual energy consumption against projected demand for energy determined upon finalisation of network usage fees price list every fiscal year, following their approval by RAEWW. No asset or liability is recognised for the resulting recoverable or recoverable amount under applicable IFRS.

Other income

- Revenue from sales of network projects

  Revenue is recognised according to the percentage of completion of the project.

- Interest income

  Interest income is recognised on an accruals basis.

3.2.21 Grants

The Company receives grants from the Greek State and the European Union in order to finance specific projects which are executed within specific time periods. When government grants are related to an asset, the fair value is credited to Other non-current liabilities as deferred income and transferred to the income statement in equal annual instalments based on the expected useful life of the subsidised asset. When the grant relates to an expense, it is recognised as income in the period required to match the grant on a systematic basis to the expenditure it is intended to compensate. Amortisation of grants related to assets is presented under Amortisation in the Statement of Comprehensive Income while those related to expenses are shown under Other Income in the Statement of Comprehensive Income.

3.2.22 Subsequent Events

Subsequent events that provide additional information about the Company's assets and liabilities and position at the date of the financial statements and that meet the criteria for recognition are recognised in the financial statements. Otherwise, they shall be disclosed in the notes to the financial statements.

3.3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted are consistent with those adopted in the previous financial year except for the following amended standards which the Company has adopted as of 01/01/2024.

- ✓ IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (Amendments)
- ✓ IFRS 16 Leases: Lease obligation in sale and leaseback contracts (amendments)
- ✓ IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures - Supply Chain Finance Agreements (amendments).

The new IFRS and the amendments to IFRS adopted did not have a significant impact on the Company's accounting policies.

3.4 STANDARDS ISSUED BUT NOT APPLICABLE IN THE CURRENT ACCOUNTING PERIOD AND NOT PREVIOUSLY ADOPTED BY THE COMPANY

The following new standards, amendments/revisions to standards or interpretations have been issued but are not effective for the accounting period beginning 01/01/2024.

Standards/amendments not yet applicable but adopted by the European Union

- ✓ **IAS 21 The effects of changes in foreign exchange rates: Lack of interchangeability (Amendments)**

The amendments are effective for annual accounting periods beginning on or after 1 January 2025, with earlier application permitted. The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a current exchange rate when there is no exchangeability. A currency is regarded as exchangeable for another currency when the entity can acquire the other currency within a time frame that permits a normal administrative delay and through a market or an exchange mechanism where an exchange transaction would create enforceable rights and obligations. If a currency is not exchangeable for another currency, an entity is required to estimate the current exchange rate at the measurement date. The entity's objective in estimating the current exchange rate is to reflect, at the measurement date, the rate at which an orderly exchange transaction between market participants would occur under prevailing economic conditions. The amendments note that an entity may use an observable exchange rate without adjustment or other estimation technique. The Company's management believes that the adoption of the standard is not expected to have an impact on its financial statements.

Standards/amendments not yet applicable and not yet adopted by the European Union

- **IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures - Classification and Measurement of Financial Instruments (Amendments)**

The amendments are effective for annual reporting periods beginning on or after 1 January 2026. Earlier application of either all the amendments at the same time or amendments relating only to the classification of financial assets with a disclosure requirement is permitted. The amendments clarify that a financial liability is derecognised on the 'settlement date', ie when the liability is discharged, cancelled, expires or qualifies for derecognition. They also introduce an accounting policy option to de-recognise liabilities settled through electronic payment systems before the settlement date if certain conditions are met. In addition, the amendments clarify how to assess the characteristics (environmental, social and governance (ESG) or similar) of the contractual cash flows of financial assets. Finally, they clarify the treatment of non-recourse financial assets and contractually linked instruments and require additional disclosures in accordance with IFRS 7 for financial assets and liabilities with contingent events (including ESG) and equity instruments designated at fair value through other comprehensive income. The amendments have not yet been adopted by the European Union. The Company's management believes that the adoption of the standard is not expected to have an impact on its financial statements.

- **IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Notifications - Nature-Dependent Electricity Contracts (Amendments)**

The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with earlier application permitted. The amendments (a) clarify the application of requirements relating to contracts to buy or sell non-financial items that were entered into and continue to be held for the receipt or delivery of a non-financial item in accordance with the entity's expected purchase, sale, or "own use" requirements, (b) permit hedge accounting if contracts within the scope of the amendments are used as hedging instruments, and (c) introduce new disclosure requirements to ensure that the entity's own use of the non-financial item is consistent with the entity's expected purchase, sale, or own use of the non-financial item. The clarification on "own use" requirements is applied retrospectively, while the guidance that permits hedge accounting is applied prospectively to new hedging relationships designated on or after the date of initial application. The amendments have not yet been adopted by the European Union. The Company's management believes that the adoption of the standard is not expected to have an impact on its financial statements.

- **IFRS 18 - Presentation and Disclosures in Financial Statements**

IFRS 18 introduces new presentation requirements in the income statement. It requires an entity to classify all income and expenses in the income statement into one of five categories: operating, investing, financing, income taxes and discontinued operations. These categories are supplemented by requirements to present specified aggregates and sub-items such as "operating profit or loss", "profit or loss before finance costs and income taxes" and "profit or loss". It also requires disclosure of performance measures established by management and includes new requirements for grouping and further analysis of financial information based on the identified "roles" of the main financial statements and notes. In addition, there are subsequent amendments to other accounting standards. IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 and earlier application is permitted. Retrospective application is required for both annual and interim financial statements. The standard has not yet been adopted by the European Union. In subsequent reporting periods, management will analyse the requirements of this new standard and assess its impact.

(Amounts in EUR thousand)

- **IFRS 19 - Subsidiaries that are not public interest entities - Disclosures**

IFRS 19 allows subsidiaries that are not public interest entities to apply IFRSs with reduced disclosure requirements if their parent (whether ultimate or interim) issues consolidated financial statements for public use that comply with IFRSs. These subsidiaries shall apply the recognition, measurement and presentation requirements of other IFRSs. Unless otherwise specified, subsidiaries that elect to apply IFRS 19 will not need to apply the disclosure requirements in other IFRSs. The standard becomes effective for annual reporting periods beginning on or after 1 January 2027 and earlier application is permitted. The standard has not yet been adopted by the European Union. The Company's management believes that the adoption of the standard is not expected to have an impact on its financial statements.

- **Annual Improvements to International Financial Reporting Standards (IFRS) - Volume 11**

The IASB's annual improvements process deals with non-urgent, but necessary, clarifications and amendments to IFRSs. In July 2024, the IASB issued the Annual Improvements to International Financial Reporting Standards (IFRSs) - Volume 11. An entity shall apply these amendments for annual reporting periods beginning on or after 1 January 2026. The Annual Improvements to International Financial Reporting Standards (IFRSs) - Volume 11 include amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7. These amendments aim to clarify the wording, correct minor unintended consequences, omissions or inconsistencies between requirements in the standards. The standard has not been adopted by the European Union. The Company's management believes that the adoption of the standard is not expected to have an impact on its financial statements.

- **IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures - Amendment: Sale or contribution of assets between an investor and its related company or joint venture**

The amendments address a recognised inconsistency between the requirements in IFRS 10 and those in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when the transaction involves a business (whether or not housed in a subsidiary). A partial gain or loss is recognised when the transaction involves assets that do not constitute a business, even if those assets are housed in a subsidiary. In December 2015 the IASB indefinitely deferred the implementation date of this amendment, pending the outcome of its work on the equity method. The amendments have not yet been adopted by the European Union. The Company's management believes that the adoption of the standard is not expected to have an impact on its financial statements.

4. REVENUE FROM CONTRACTS WITH CUSTOMERS

The analysis of revenue from contracts with customers is as follows.

	31/12/2024	31/12/2023
Network Usage Fees – PPC SA	647,248	580,663
Network Usage Fees - Other providers	391,496	359,274
Network Usage Fees - electricity theft	1,751	1,150
	1,040,495	**941,087**
Operator's settlement charges	1,891,165	1,719,849
Operator's settlement returns	-1,891,165	-1,719,849
Total Network Usage Fees	**1,040,495**	**941,087**

(Amounts in EUR thousand)

	31/12/2024	31/12/2023
Contributions attributable to the fiscal year	100,671	98,481
Disposal of materials	21,376	19,336
Revenue from reconnection charges	3,546	3,253
Other consumer income	3,437	4,127
Revenue from operational costs of electricity theft	3,548	2,547
Revenue from operating RES fee under Article 5 par.5 of Law 4951/22	43	55
Revenue from the fee for the connection of own-producers PV systems MoEE/DAPEEK/18393/686	4,483	6,160
Other income from customers with contracts	**137,104**	**133,959**
Revenue from contracts with customers	**1,177,599**	**1,075,046**

The analysis of Network Usage Fees is as follows.

	31/12/2024	31/12/2023
NUT- IS Invoices - PPC SA	633,354	517,112
NUT- IS Provision - PPC SA	-26,170	26,719
NUT- NII Invoices - PPC SA	40,065	36,832
NUT- IS Invoices - Other providers	388,171	325,745
NUT- IS Provision - Other providers	-14,382	16,166
NUT- NII Invoices - Other providers	17,399	17,106
Network Usage Fees - Hybrid Power Plant	10	10
Network Usage Fees - electricity theft	1,751	1,150
Network Usage Fees - AIA	297	247
Total	**1,040,495**	**941,087**

Operator's Settlement Charges	31/12/2024	31/12/2023
Revenue from Special Duty of Greenhouse Gas Emissions Reduction - Energy PV market clearance	40,411	36,497
Revenue from the PSO services	643,544	565,209
Revenue from System Usage Tariffs (SUT)- Electricity Theft	442	291
Non-categorised charges attributed to primary supplier - electricity thefts	457	447
RES energy sales	76,461	69,694
Thermal Power Plants' energy sales	1,129,850	1,047,711
Total	**1,891,165**	**1,719,849**

Operator's Settlement returns	31/12/2024	31/12/2023
Special Duty of Greenhouse Gas Emissions Reduction charges-PV energy market clearance	-58,845	-53,104
PSO service charges	-643,544	-565,209
System Usage Tariffs (SUT)- Electricity Theft	-442	-291
Non-categorised charges attributed to primary supplier - electricity thefts	-457	-447
RES energy cost	-58,027	-53,087
Thermal Power Plants' energy purchases	-1,129,850	-1,047,711
Total	**-1,891,165**	**-1,719,849**

Charges - Operator's settlement returns

According to Law 4001/2011, Article 129, par. 2 - case (h), HEDNO SA has become the operator of the market operation of the electrical systems of the NIIs. Specifically, the Company operates as an intermediary between the electricity producers and the final providers in the NIIs. These transactions relate to purchases and sales of electricity, as well as settlements of other charges. The above operation has no impact on the Company's income statement, as HEDNO SA is equally burdened with the relevant costs. The aforementioned transaction is shown in the netting results without any income statement.

The main items for which the Company acts as an intermediary relate to the purchase and sale of electricity, the Special Duty of Greenhouse Gas Emissions Reduction (SDGGER) and Public Services Obligations (PSO).

Special Duty of Greenhouse Gas Emissions Reduction (SDGGER)

SPGGER is paid by electricity consumers to help reduce carbon dioxide emissions through the production of electricity from Renewable Energy Sources (RES). This fee is based on regulated charges of RAEWW (RAEWW Directive 235/2023).

RES - Thermal

The operator's settlement charges include invoices to electrical energy suppliers and the Renewable Energy Sources and Guarantees of Origin Operator (DAPEEP) as part of the recovery of the cost of purchasing energy from RES and thermal power plants in NIIs. Similarly, the amount relating to invoiced energy from RES and thermoelectric plants in the NIIs appears in the operator's settlement returns.

The Company, as the obligor of all transactions with the participants in the NIIs Market, from 01/01/2015 charges the Representatives, based on the consumption of their customers in the NIIs and credits equally the Special Account held by DAPEPE.

Public Services Obligations (PSO)

In the special management account YKO ("ELYKO") are credited as inputs the revenues from the relevant charges imposed on the electricity consumers, which are collected and attributed by the electricity suppliers to HEDNO SA and are charged as outputs the considerations provided to the Suppliers in order to electricity to the residents of the NIIs at the same prices as those of the BoD covering the excessive costs; and (b) to supply electricity at lower prices to specific categories of consumers (vulnerable consumers, large families). Any shortcomings of ELYKO are covered either by revaluating the unit charges or by the state budget. ELYKO, managed by the PSO Operator and monitored separately in the Interconnected System and in the Non-Interconnected Islands System, should be balanced at the end of each calendar month and at the end of each calendar year (RAEWW Directive 750/2021).

As of 04/2023, in the context of each Monthly settlement during which ELYKO becomes deficient because the appropriations of the month are less than the charges and there is not enough reserve in ELYKO to cover all the charges of the specific month, HEDNO SA (PSO Manager) specifies the impairment rate of the PSO consideration to be paid to each of the Electricity Suppliers, depending on how much each of them would be entitled to for this month if the deficit had not occurred. Respectively, the Suppliers invoice the consideration paid to them by the PSO Operator, which is impaired by the above percentage. The impairment rate is common to all Electricity Suppliers and results from the ratio of the monthly settlement result divided by total PSO consideration that all Suppliers would be entitled to if there was no deficit. The amount by which the amount by which the due consideration for the PSO was impaired in the financial year 2024 amounts to € 281 million.

Electricity theft

According to RAEWW Directives 236/2017 and 237/2017 (Government Gazette B 4496/2017), from 2018 onwards the Company is the manager of electricity thefts. The technical staff shall carry out technical checks to identify any electricity thefts (e.g. significant and sudden changes in usage) or be informed of them following the submission of corresponding complaints. Following relevant checks, the Company issues a fine for the cases of detected electricity thefts, which is recognised upon collection of the amount by the consumer. The amounts that appear in the operator's debits and settlement returns refer to the part of the electricity theft invoice, which, according to the RAEWW Directives 236/2017 and 237/2017, is paid on a monthly basis to IPTO (SUT) and PPC SA (Primary Supplier) - PS).

(Amounts in EUR thousand)

Contributions attributable to the fiscal year

The contributions are divided into consumer contributions and PPC fibre deployment contributions. The former refer to the initial and continuous connection to the distribution network, while the latter relate to the installation of optical fibres on behalf of PPC SA. The above are distinct services and the promised services are considered as separate contractual obligations. Therefore, revenue form contributions is recognised over the period in which service rendered to the customer. As the contract with the customer is not of a specific duration, the revenue is recognised based on the useful life of the distribution network assets (35 years).

The analysis of the Contributions of the year is as follows:

	31/12/2024	31/12/2023
Corresponding consumers contributions	100,616	98,476
Contributions corresponding to the installation of optical fibres PPC	55	5
	100,671	**98,481**

5. OTHER INCOME

Other income is broken down as follows:

	31/12/2024	31/12/2023
Network projects Sales	185	90
Revenue from electricity theft reserve	8,787	8,175
Other revenue	16,770	10,490
Total	**25,742**	**18,755**

The line "Network Projects Sales" includes an amount of €0,18 million, which relates to the costs of the PPC Mining Projects that were carried out during the financial year and have not yet been invoiced.

The balance of the line "Revenue from the Electricity Theft Reserve", amounting to €8.78 million, concerns the coverage of part of the Company's allowed 2024 revenue, increasing respectively the required revenue, the network usage charges and partly the cost of losses suffered by the final consumers of the network, which remains at high levels and is foreseen by RAEWW Directive164/2023.

As regards other revenue, this includes the following and is detailed in the table below.

	31/12/2024	31/12/2023
Penalties on suppliers/contractors	2,276	896
Other income	6,369	2,131
Grants-subsidies	3,111	2,425
Revenue from the provision of services to related parties	3,698	3,773
Revenue from buildings leasing	651	599
Revenue from canteens	602	492
Revenue from other services	63	174
Total	**16,770**	**10,490**

Income from the provision of services to related parties concerns revenue from PPC SA for the recovery of design costs for the installation of the Fibre Optic Network (2023: €2.43 million).

Also included in the amount of revenue from property leases to related parties is an amount of € 0.65 million. (2023: €0.6 million) which concerns the company's income from the lease of its properties in PPC SA.

(Amounts in EUR thousand)

6. PERSONNEL COST

Personnel cost is broken down as follows:

	31/12/2024		31/12/2023	
Payroll		**331,277**		**343,932**
Operating activities	254,561		264,387	
Payroll of HEDNO projects	76,716	-76,716	79,545	-79,545
Overtime / Days off		1,465		-1,537
Personnel ancillary employee benefits		6,163		6,448
Ancillary employee benefits to HEDNO projects		-14		-20
Provision for untaken leave		-5033		494
Revenue from personnel seconded to IKA		-867		-978
Total		**256,275**		**268,794**

The remuneration of the regular personnel amounted to €319 million (2023: €312 million) and of the temporary personnel to €9.6 million (2023: €10.9 million). In addition, payroll includes personnel compensation of €3.8 million (2023: €20.5 million) relating to employees who had left by 31/12/2024.

It is noted that the average number of regular personnel during the fiscal year 2024 amounted to 5,791 people (2023: 5,765) and the average number of temporary personnel to 1,610 (2023: 758).

The Overtime/Day-off line includes a provision for December overtime paid on 01/2025 amounting to €1.46 million.

The Personnel Ancillary employee benefits are broken down as follows.

	31/12/2024	31/12/2023
Reduced electricity tariff - current fiscal year	2,847	2,708
Reduced electricity tariff - Reversal of provision	-1,493	-426
Children's camps	209	199
Personnel insurance premiums	3,343	2,606
Nursery schools	563	473
Other ancillary employee benefits	694	888
Total	**6,163**	**6,448**

7. MAINTENANCE AND THIRD PARTY SERVICES

The maintenance and third party services are broken down as follows:

	31/12/2024	31/12/2023
Third-party services	25,153	19,838
Repairs - Maintenance	104,687	76,216
Total	**129,840**	**96,054**

Third party services are broken down as follows:

	31/12/2024	31/12/2023
Operating leases	8,805	7,298
Telecommunication services costs	7,739	4,919
Electricity	3,566	3,706
Other third-party services	5,043	3,915
Total	**25,153**	**19,838**

The increase of €28.5 million (37%) in repairs and maintenance is mainly due to an increase in pruning costs of €16 million. The extensive pruning and deforestation programme to ensure the uninterrupted supply of electricity by the Operator justifies the increased expenditure. In addition, the need to cover emergency repairs to the network due to faults also increased the cost of the related works by €4.6 million. Finally, in the context of the extensive maintenance programme of the network, localised maintenance works increased by €4.2 million.

(Amounts in EUR thousand)

As regards "Third party services", the increase of €5.3 million is mainly due to the increase of €2.8 million in telecommunication expenses. Also, there is an increase in operating leases by €1.5 million, which derives from the increase of €1.4 million in the leasing of generating sets to cover emergency needs (of which €1.1 million relates to generating sets leases in the Syros area following a failure in one of the three main substations of the island). Finally, there was an increase of €0.9 million in contracting costs for fibre optic network development studies.

8. MATERIAL CONSUMPTION

Material consumption is broken down as follows:

	31/12/2024	31/12/2023
Material conversion cost	11,691	9,917
Consumption - network projects	42	38
Consumption - operating activities	28,663	23,262
Total	**40,396**	**33,217**

Consumption – operating activities provisions increased by € 5.4 million (23%) mainly due to the change in the inventory balance of €2.5 million. The financial results are burdened by a deficit in the inventory of materials, in contrast to the result of the inventory of the financial year 2023 (when a surplus of €0.8 million was recorded)

9. THIRD PARTY FEES

Third party fees are analysed as follows:

	31/12/2024	31/12/2023
Cleaning - guarding of buildings	5,824	5,281
Metering Fees	35,769	6,404
Cut-off and reconnection fees	8,686	7,372
Support Expenses - PPC SA	7,850	3,961
Studies by third parties	25,745	14,608
Other third party fees	74,929	52,769
Total	**158,803**	**90,395**

Third-party fees marked an increase of €68.7 million compared to the previous year. The increase is mainly due to the €29.4 million increase in metering fees (RAEWW requires the transition to monthly metering of electricity usage). The increase (by €26.3 million) in other third party fees is mainly due to additional specialised support services which increased by €5.8 million, legal fees which increased by €4.3 million, fees for important IT projects (such as cybersecurity, the creation of a technology governance framework or the cleansing of databases on the occasion of the adoption of the most advanced computer system) amounting to €6.1 million in total and the additional charge for the call centre service which increased by €1.4 million.

The increase in studies by third-parties of €11.1 million, is mainly due to the increase in consultancy fees for data protection and information security projects (by €3.4 million), covering additional obligations imposed by the regulatory framework (by €1.7 million), optimisation of the operating model, monitoring of investments and services necessary for the proper functioning of the network (by €1.6 million), training (by €1 million) and strategic planning (by €0.8 million).

(Amounts in EUR thousand)

10. OTHER INCOME / EXPENSES

	31/12/2024	31/12/2023
Provision for slow moving inventory	387	118
Release of provision /Provision - Materials X	-4,241	534
Reversal of provision for pending litigation	-6,785	-6,442
Appreciation of X/Y materials	-8,173	0
Total	**-18,812**	**-5,790**

The change in the provision for materials is discussed in Note 20 and the provision for pending litigation is discussed in Note 36.

11. MISCELLANEOUS EXPENSES

The miscellaneous expenses are broken down as follows:

	31/12/2024	31/12/2023
Transportation costs	8,761	9,650
Travel expenses	9,123	5,957
Materials of immediate consumption	6,971	7,673
Expenses for research programs	2,067	1,563
Other operating costs	5,605	4,470
Personnel subsistence allowance	7,630	7,281
Other expenses	19,480	14,958
Total	**59,637**	**51,552**

The increase of €8 million in miscellaneous expenses is mainly due to the increase of €3.3 million in losses on disposal of assets and €3.2 million in travel expenses due to the cost of travel (food and accommodation) for employees.

12. DEPRECIATION

Depreciation is broken down as follows:

	31/12/2024	31/12/2023
Depreciation - property, plant and equipment	328,981	312,205
Depreciation - Software	4,806	1,312
Depreciation - Right-of-use assets	15,470	12,209
Amortisation of grants	-3,325	-2,037
Total	**345,932**	**323,689**

The increased depreciation of property, plant and equipment is due to increased additions of property, plant and equipment in FY 2024.

(Amounts in EUR thousand)

13. TAXES - FEES

Taxes are broken down as follows:

	31/12/2024	31/12/2023
Taxes - fees for motor vehicles	352	349
Fees for cleaning - lighting	2,466	2,473
Stamp duty on leases	199	192
Other taxes - fees	341	225
Property taxes	1,861	1,900
Total	**5,219**	**5,139**

14. FINANCE INCOME

Finance income is broken down as follows:

	31/12/2024	31/12/2023
Credit interest on deposits	3,119	3,568
Income from discounting interest	28	0
Interest on SWAP contracts	8,959	4,411
Other finance income	347	577
Total	**12,453**	**8,556**

Regarding the interest on SWAP contracts, the positive change in 2024 is due to the fact that the interbank deposit rate (Euribor) in 2024 far exceeds the cost of the hedging contracts and compared to 2023 the nominal value of the SWAP contract with EUROBANK increases.

15. FINANCE EXPENSE

Finance expense is broken down as follows:

	31/12/2024	31/12/2023
Bank expenses	97	80
Interest on bank loans	55,235	38,226
Interest on long term liabilities	3,462	1,426
Loss on fair value measurement of financial assets	7,272	4,793
Interest on SWAP contracts & amortisation of expenses	740	205
Interest expense from discount	0	30
Guarantee commissions	16,384	18,295
Total	**83,190**	**63,055**

The increase in interest on bank loans in 2024 is due to the raising of new loan capital totalling €710 million at an increased interest rate compared to the loans repaid during the fiscal year.

With respect to SWAP derivatives, the increased fair value loss on the valuation of these derivatives that occurred in 2024 compared to 2023 is due to the fact that a portion of the gain has been realized and accounted for in 2024 as well as changes in interest rate estimates that may result in a decreased valuation of the derivatives. In addition, the SWAP contract with EUROBANK expired on 31.12.2024.

The decrease in guarantee commissions in 2024 is due to a decrease in commissions for the provision of guarantees by the Hellenic Republic to the European Investment Bank and the Black Sea Trade & Development Bank for the provision of financing, as during the financial year 2024 loans bearing the relevant guarantee amounting to €290.2 million were repaid.

(Amounts in EUR thousand)

16. INCOME TAX - CURRENT AND DEFERRED

Income tax (current and deferred) is broken down as follows:

	31/12/2024	31/12/2023
Current income tax	58,988	55,652
previous years' tax	410	138
Deferred income tax	-24,504	-12,690
Total	**34,894**	**43,100**

Tax reconciliation between tax calculated on the Company's taxable accounting income and the actual income tax presented in the income statement is as follows.

	31/12/2024	31/12/2023
Profit before tax	143,218	183,662
Nominal tax rate	22%	22%
Tax calculated on the basis of the established tax rate	31,508	40,406
Income tax of previous fiscal years	410	138
Tax effect of expenses not deductible for tax purposes	2,830	2,513
Other items for which no deferred tax is recognised	146	44
Income tax	**34,894**	**43,100**
	24.36%	**23,47**

The movement of current tax in the Statement of Financial Position is as follows.

	31/12/2024	31/12/2023
Current income tax	-33,067	-41,956
Total	**-33,067**	**-41,956**

For purposes of better presentation and comparability, the "Tax Advance" is not classified within "Receivables", and more specifically within "Other Receivables", but is offset against current income tax and the result is recorded in the lines "Income tax receivable" and "Income tax payable" in the Statement of Financial Position, respectively.

The movement of deferred tax in the Statement of Financial Position is as follows.

	31/12/2024	31/12/2023
Opening balance	**-291,084**	**-304,746**
Credit / (charge) directly to equity	-116,331	972
Credit to income statement	24,504	12,690
End of use balance	**-382,911**	**-291,084**

Deferred tax assets and liabilities are further broken down as follows:

Deferred tax assets	31/12/2024	31/12/2023
Materials and spare parts	-183	2,463
Trade receivables	23,055	23,055
Reversal of provision for risks and expenses	22,265	25,391
Consumers contributions and subsidies	322,454	325,718
Total	**367,591**	**376,627**

The charge for deferred taxes in income statement is broken down as follows:

(Amounts in EUR thousand)

Deferred tax liabilities	31/12/2024	31/12/2023
Depreciation & revaluation of property plant & equipment	-734,598	-641,287
Valuation of derivatives of financial instruments	101	-1,498
Provision for revenue from network usage fees	-16,004	-24,926
Total	**-750,501**	**-667,711**
Net deferred tax liabilities	**-382,910**	**-291,084**

Deferred tax expense/(income)	31/12/2024	31/12/2023
Materials and spare parts	2,646	-143
Trade receivables	0	20
Provisions for risks and costs	3,048	2,849
Consumers contributions and subsidies	3,265	3,518
Depreciation & revaluation of property plant & equipment	-22,942	-27,314
Valuation of derivatives of financial instruments	-1,600	-1,055
Reversal of provision / (provision) for network usage income	-8,921	9,435
Income of Deferred Tax	**-24,504**	**-12,690**

The Company has not been audited by the tax authorities for the years 2019 - 2024. The tax certificates for the fiscal years 2019 - 2023 prepared by the Certified Auditors of the Company were issued with unqualified opinion.

The work for the issuance of the tax certificate for the fiscal year 2024 has been assigned to the Company's auditors, Ernst & Young (Hellas) Certified Auditors SA, and is already in progress. Upon completion of such work, the Company's management does not expect to incur significant tax liabilities beyond those recorded and reflected in the financial statements.

During the preparation of the financial statements for the financial year ended 31/12/2024, the corresponding accounting differences have been calculated and the Company estimates that no provision is required for this financial year.

(Amounts in EUR thousand)

17. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Property, plant and equipment and intangible assets are broken down as follows

	Plots of land	Buildings & Technical Facilities	Machinery & Other Mechanical Equipment	Motor vehicles	Furniture & Utensils	Fixed assets in progress	Total Property, Plant and Equipment	Software	Total
Cost 01/01/2024	**197,633**	**142,931**	**5,414,886**	**18,484**	**36,236**	**111,383**	**5,921,553**	**24,628**	**5,946,181**
Additions	0	1,247	684,255	454	18,749	90,442	**795,147**	17,019	**812,165**
Disposals/Write-offs	0	0	-13,934	-355	-1,107	-604	**-16,000**	-22	**-16,022**
Transfers/Reclassifications	24	1,876	16,307	0	888	-19,345	**-250**	250	**1**
Offsetting of accumulated depreciation with acquisition cost due to the revaluation of fixed assets.	0	-57,451	-1,086,998	-12,522	-22,552	0	**-1,179,523**	0	**-1,179,523**
Revaluation of acquisition value	51,147	71,794	379,782	9,327	1,082	0	**513,133**	0	**513,133**
	248,804	**160,397**	**5,394,298**	**15,388**	**33,296**	**181,876**	**6,034,061**	**41,875**	**6,075,935**
Advances for the Acquisition of Property	0	0	0	0	0	0	**0**	0	**0**
Cost 31/12/2024	**248,804**	**160,397**	**5,394,298**	**15,388**	**33,296**	**181,876**	**6,034,061**	**41,875**	**6,075,935**
Accumulated Depreciation 01/01/2024	**0**	**-42,086**	**-783,863**	**-11,022**	**-19,493**	**0**	**-856,464**	**-11,601**	**-868,065**
Accumulated depreciation - disposals/Write-offs	0	0	4,585	324	1,076	0	**5,985**	22	**6,007**
Depreciation charge	0	-15,365	-307,720	-1,824	-4,072	0	**-328,981**	-4,806	**-333,788**
Transfers/Reclassifications	0	0	0	0	-63	0	**-63**	63	**0**
Reversal of accumulated depreciation due to revaluation of assets	0	57,451	1,086,998	12,522	22,552	0	**1,179,523**	0	**1,179,523**
	0	**42,086**	**783,863**	**11,022**	**19,493**	**0**	**856,464**	**-4,722**	**851,742**
Accumulated Depreciation 31/12/2024	**0**	**-0**	**0**	**0**	**-0**	**0**	**-0**	**-16,323**	**-16,323**
Net Book Value 31/12/2024	**248,804**	**160,397**	**5,394,298**	**15,388**	**33,296**	**181,876**	**6,034,061**	**25,552**	**6,059,613**

(Amounts in EUR thousand)

	Plots of land	Buildings & Technical Facilities	Machinery & Other Mechanical Equipment	Motor vehicles	Furniture & Utensils	Fixed assets in progress	Total Property, Plant and Equipment	Software	Total
Cost 01/01/2023	197,633	138,322	4,923,199	17,374	30,286	98,136	5,404,950	13,521	5,418,471
Additions	0	2,190	479,825	1,849	6,737	43,230	533,831	3,349	537,179
Disposals/Write-offs	0	0	-8,755	-739	-787	-80	-10,361	-42	-10,403
Transfers/Reclassifications	0	2,419	20,617	0	0	-30,836	-7,800	7,800	0
	197,633	142,931	5,414,886	18,484	36,236	110,449	5,920,619	24,628	5,945,247
Advances for the Acquisition of Property	0	0	0	0	0	934	934	0	934
Cost 31/12/2023	197,633	142,931	5,414,886	18,484	36,236	111,383	5,921,553	24,628	5,946,181
Accumulated Depreciation 01/01/2023	0	-26,776	-494,049	-9,697	-17,667	0	-548,189	-10,330	-558,519
Accumulated Depreciation - Disposals/Write-offs	0	0	2,506	678	746	0	3,930	42	3,972
Depreciation charge	0	-15,310	-292,320	-2,003	-2,572	0	-312,205	-1,313	-313,518
	0	-15,310	-289,814	-1,325	-1,826	0	-308,275	-1,271	-309,546
Accumulated Depreciation 31/12/2023	0	-42,086	-783,863	-11,022	-19,493	0	-856,464	-11,601	-868,065
Net Book Value 31/12/2023	197,633	100,845	4,631,023	7,462	16,743	111,383	5,065,089	13,027	5,078,116

Revaluation of Tangible Fixed Assets

As of December 31, 2024, the Company revalued its property, plant and equipment in service as of that date. The revaluation, which was performed in accordance with IAS 16 by an independent appraisal firm ("Appraiser"), did not include the Fixed Assets under construction as well as the Software Programs.

The results of the revaluation were a profit of € 528.4 million, which was recorded in the Company's books as at 31 December 2024, as a credit to Equity, net of deferred tax, as well as a loss of € 15.3 million which recorded in the results of the year ended December 31, 2024. The previous revaluation was performed as of 31 December 2019.

The method and significant assumptions applied by the independent appraisal firm were as follows:

- All of the assessed real estate was considered to be fully owned by HEDNO, while properties, for which the Company notified the independent firm of appraisers or during the appraisers' inspections it was determined that there were commitments, were not subject to valuation.

- The appraisers assumed that for all of its real estate, the Company has the property titles, building permits and other similar approvals, or has taken steps to settle any outstanding issues, as required by Greek law.

- The majority of the properties valued were considered to be used by the Company itself, both for the distribution network and for covering its administrative services, and that the same use is expected throughout their remaining useful lives.

- In order to determine the fair value of land, buildings and means of transport, the Market Approach, i.e. the method of comparative data, was mainly applied. In the cases of buildings where sufficient data was not identified, due to their specialized nature, the Cost Approach and the Income Approach were applied.

The machinery and other equipment of the distribution network, due to the specialized nature of the fixed assets, were valued mainly based on the Cost Approach and more specifically with the Depreciated Replacement Cost method, after taking into account the impairments due to loss of value due to normal, functional and economic depreciation - as determined by the independent valuer based on the Profitability testing.

Furniture and other equipment were valued using the Trending Method. This method is applied to a large number of fixed assets and is based on the acquisition values of the Fixed Assets Register and the Useful Lives applied by the Company.

The economic depreciation was determined by the Valuer following the Company's profitability test by applying the annuity approach, in particular the discounted cash flow method.

The comparison of the values resulting from the Valuer's work with the net book value of the assets resulted in net surplus amounting to € 528.4 million which was directly credited to the statement of comprehensive income (€ 412.2 million net of deferred taxes). Also, an amount of € 15.3 million, which was not covered by surplus from previous revaluations, was charged to the results for the year ended 31 December 2024 (€ 11.9 million net of deferred taxes).

Reserve for revaluation of fixed assets

The following table presents the total impact of the revaluation of fixed assets on the financial statements, as well as the movement in the revaluation reserve.

(Amounts in EUR thousand)

	2024
Reserve on revaluation of fixed assets directly to statement of comprehensive income	528,424
Impairment on fixed assets in the income statement	-15,291
Total Impact of the 2024 revaluation	**513,133**
Revaluation Reserve	528,424
Deferred tax (expense) on revaluation	-116,253
Total revaluation of fixed assets directly in statement of comprehensive income, net of deferred taxes	**412,171**
Impairment losses of fixed assets in the income statement	-15,291
Deferred tax on impairment (credit to results)	3,364
Total revaluation of fixed assets in the income statement, net of deferred taxes	**-11,927**
Total revaluation effect 2024, net of deferred taxes	**400,244**

18. LEASES

The following table shows the cost of right-of-use assets and the value of lease liabilities and their movement during the year ended 31/12/2024 and 31/12/2023.

	Property	Other Equipment	Motor vehicles	Software	Total
RIGHT TO USE					
01/01/2024	**21,769**	**0**	**13,507**	**4,693**	**39,969**
Additions	4,616	7	7,053	17	**11,693**
Decreases	-1,145	0	-0	0	**-1,145**
Depreciation	-7,162	-3	-6.226	-2.080	**-15.470**
31/12/2024	**18,078**	**4**	**14,335**	**2,630**	**35,047**

	Property	Other Equipment	Motor vehicles	Software	Total
LIABILITIES					
01/01/2024	**22,954**	**-0**	**13,867**	**2,700**	**39,521**
Additions	4,597	7	7,053	17	**11,674**
Decreases	-1,158	0	-0	0	**-1,158**
Finance expenses	881	0	669	87	**1,637**
Payments	-7,986	-3	-6,838	-1,155	**-15,983**
31/12/2024	**19,288**	**4**	**14,750**	**1,649**	**35,691**

	Property	Other Equipment	Motor vehicles	Software	Total
LIABILITIES					
Non-current	4,589	2	5,552	1,179	**11,322**
Current	14,698	3	9,197	471	**24,369**

The following is a breakdown of the contractual expirations of the Company's lease obligations as of 12/31/2024:

(Amounts in EUR thousand)

	Property	Other Equipment	Motor vehicles	Software	Total
LIABILITIES					
Up to 12 months	5,469	3	6,256	1,219	**12,947**
From 1 to 5 years	10,534	3	10,404	475	**21,416**
Over 5 years	9,702	0	979	0	**10,681**

	Property	Other Equipment	Motor vehicles	Software	Total
RIGHT TO USE					
01/01/2023	**20,467**	**391**	**11,344**	**445**	32,647
Additions	7,900	0	6,197	5,545	**19,642**
Decreases	-110	0	-1	0	**-111**
Depreciation	-6,488	-391	-4,033	-1,297	**-12,209**
31/12/2023	**21,769**	**0**	**13,507**	**4,693**	**39,969**

	Property	Other Equipment	Motor vehicles	Software	Total
LIABILITIES					
01/01/2023	**21,577**	**214**	**11,625**	**450**	33,866
Additions	7,901	0	6,197	5,545	**19,643**
Decreases	-114	0	-1	0	**-115**
Finance expenses	856	2	503	65	**1,426**
Payments	-7.266	-216	-4.457	-3.360	**-15,299**
31/12/2023	**22,954**	**-0**	**13,867**	**2,700**	**39,521**

	Property	Other Equipment	Motor vehicles	Software	Total
LIABILITIES					
Non-current	6,622	0	4,889	1,051	**12,562**
Current	16,331	0	8,978	1,650	**26,959**

The following is a breakdown of the contractual expirations of the Company's lease obligations as of 12/31/2023:

	Property	Other Equipment	Motor vehicles	Software	Total
LIABILITIES					
Up to 12 months	7,433	0	5,362	1,138	**13,933**
From 1 to 5 years	11,812	0	9,408	1,695	**22,914**
Over 5 years	10,258	0	0	0	**10,258**

19. DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments are broken down as follows:

	31/12/2024	31/12/2023
Interest rate swaps (asset)	0	7,031
Interest rate swaps (liability item)	-459	-218
Total	**-459**	**6,813**

To hedge the interest rate risk arising from the two floating rate loan agreements with Eurobank and NBG as above, the Company had entered into OTC derivative contracts with each of the aforementioned banks. These are Interest Rate Cap Transactions that allow the Company to cover against a positive 6-month Euribor rate while paying a premium. The Company does not follow hedge accounting, as mentioned in Note 3.2.9.

(Amounts in EUR thousand)

20. INVENTORY

Inventory is broken down as follows:

	31/12/2024	31/12/2023
Materials and spare parts in contractor warehouses	76,062	75,027
Materials, spare parts and consumables in HEDNO SA warehouses	314,141	248,642
Inventory write - down	-7,342	-11,197
Appreciation Valuation of C/G materials	8,173	0
Goods-in-transit	1,223	22,796
Total materials and spare parts	**392,257**	**335,268**
Projects in progress	372	472
Total inventory	**392,629**	**335,740**

The movement of the provision is as follows.

	31/12/2024	31/12/2023
Opening balance	**11,197**	**10,545**
Provision - slow moving materials	386	118
(Release of provision) / provision - Materials X	-4,241	534
Closing balance	**7,342**	**11,197**

In fiscal year 2024, the Company revised the methodology for the estimation of the provision for the impairment of materials X and C, taking into account new data that have emerged which affect the original assumptions on which the estimate was based (see Note 3.1.12).The Company's results were affected due to the above revision by €12.4 million.

21. RECEIVABLES

The receivables are broken down as follows:

	31/12/2024	31/12/2023
Receivables from PPC	61,310	73,195
Receivables from other providers	242,507	230,317
FIBERGRID SA	4,234	0
IPTO	151	631
Provisions for doubtful debts	-122,808	-122,808
VAT	17,670	
Other receivables	39,144	44,425
Interim dividend to PPC	21,675	21,675
Interim dividend to MSCIF DYNAMI BIDCO SINGLE-MEMBER SA	20,825	20,825
Total	**284,708**	**268,260**

Receivables from PPC mainly concern Network Usage Fees and energy transactions in NIIs (RES NPPs - PV Roof-SPGGER). The cost of RES is recovered on the 5th day of the billing month (Article 183 of Hellenic Electricity Distribution Network Operation Code).

Note that Network Usage Fees from the providers are recovered in the Interconnected System on the 15th of month following the month of invoicing and in the NIIs on the 5th day from the date of receipt of the invoice (RAEWW Directive No. 314/2016).

(Amounts in EUR thousand)

The "Other Receivables" includes an amount of €1.5 million (2023: €1.8 million) concerning due contributions of employees of category T4 / Electricians of the Network from their retroactive inclusion in the Heavy and Unhealthy Professions. Also, this item includes an amount of €19.9 million (2023: €23.2 million), which relates to goods-in-transit for which the vendor bears the transfer risk at the date of the Statement of Financial Position.

Following all the procedures provided for by the relevant legislation, the Board of Directors of the Company, at its Meeting no. 8, dated 30/07/2024, decided to distribute an interim dividend of €42.5 million to the shareholders of PPC SA and MSCIF DYNAMI BIDCO SINGLE-MEMBER SA.
Provisions for doubtful debts

Provisions for doubtful debts

In the balance of the provision of doubtful debts €122.8 million (2023: €122.8 million) an amount of €119.6 million is included which relates to: a) an amount of €118 million mainly refers to the customers HELLAS POWER, ENERGA, KENTOR, REVMA ENA, GENIKI ENALAKTIKI ENERGIAKI whose operations have been discontinued, of which an amount of €18 million refers to PSO transactions and b) an amount of €1.7 million refers to the customer ELLINIKA LIPASMATA SA for PSO transactions. The Company has taken legal action against them. In addition, the amount of €3.1 million (2023: €3.1 million) relates to provision for various debtors and customers.

The movement of the provision is as follows.

	31/12/2024	31/12/2023
Opening balance	122,808	122,899
Reversal of provision	0	-91
Closing balance	122,808	122,808

22. ACCRUED RECEIVABLES

Accrued trade and other receivables are broken down as follows:

	31/12/2024	31/12/2023
Accrued trade and other receivables - thermal power plants	66,511	77,810
Accrued trade and other receivables - RES	4,536	4,753
Accrued trade and other receivables - Network Usage Fees	47,507	85,729
Accrued trade and other receivables - SPGGER	2,491	2,291
Accrued trade and other receivables - PSO	44,960	40,364
Accrued requirements for connection fees for photovoltaic plants	292	0
Expenses for subsequent years	2,328	979
Expenses on loans for subsequent years	588	4,499
Procurement of Greek public guarantees for the next financial year	1,045	1,045
Provision for NUT revenue - NII	72,746	113,298
Income from grants	646	527
Other Revenue Accrual	6,500	8,232
Interest on Swap interest rates	0	68
Total requirements	250,150	339,595

Accrued trade and other receivables relate to invoices issued in 2024 - the part of accrued and other receivables relating to related parties is shown. Other Revenue Accrual includes an amount of € 3.2 million that relates to income from the recovery of study costs for the fibre optic network and also an amount of €0.94 million that relates to income from the recovery of fibre optic network construction costs that are presented under the item Consumer contributions and subsidies and will be gradually recycled to income statement over 35 years.

(Amounts in EUR thousand)

	31/12/2024	31/12/2023
Accrued trade and other receivables - thermal power plants	44,014	51,168
Accrued trade and other receivables - RES	3,110	3,320
Accrued trade and other receivables - Network Usage Fees	18,786	52,340
Accrued trade and other receivables - SPGGER	1,618	1,443
Accrued trade and other receivables - PSO	25,500	22,231
Provision for NUT revenue - Interconnected System	45,423	71,593
Accrued trade and other receivables from fibre optic	4,163	6,356
Accrued trade and other receivables from building rental	34	23
Other Revenue Accrual	838	790
Total	**143,486**	**209,264**

The table below shows a breakdown of the above amount by related party - the amounts are included as offsets in the relevant lines in Note 37.

	31/12/2024	31/12/2023
PPC SA	143,375	209,138
PPC Renewables SA	37	26
HELLENIC POST OFFICE (ELTA)	49	78
AIA	25	22
Total	**143,486**	**209,264**

23. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are broken down as follows:

	31/12/2024	31/12/2023
Fund	11	14
Sight deposits	76,168	102,541
Fixed term deposits	46,700	93,500
Total	**122,879**	**196,055**

The Company's cash and cash equivalents on 31/12/2024 amount to € 123 million (31/12/2023: €196 million). All cash of HEDNO SA is in Euros - €.

Included in the Company's cash is the balance of the PSO account operated by the Company. The PSO account on 31/12/2024 shows a deficit of €599.9 million (against a deficit of €281 million on 31/12/2023). From April 2023 and based on the RAEWW Directive 750/2021, during the months when ELYKO is in deficit and there is insufficient reserve to cover all the charges of the month in question, the Company determines the percentage of reduction of the PSO compensation that it must pay to each of the electricity suppliers, depending on the amount that each of them would be entitled to for that month if the deficit had not occurred. Accordingly, the suppliers invoice the consideration paid to them by the Company, which is impaired by the above percentage. The amount by which the amount by which the due consideration for the PSO was impaired in the fiscal year 2024 amounts to €599.9 million.
Interest income from demand and sight deposits for 2024 amounts to €3.119 million. (2023: €3.568 million) and are included in the "Finance Income" in the Statement of comprehensive income - Note 14.

24. SHARE CAPITAL

By relevant decision of the General Meeting, dated 05/11/2021, the share capital of the Company was increased by €953.662.960, which comes from the contribution to the Company, after the spin-off from the joint stock company PPC SA of the Distribution Network Division as defined in Article 123A of Law 4001/2011, which includes all the activities of the autonomous operating activities of the Hellenic Electricity Distribution Network (HEDN), which includes the ownership of HEDN, including the real estate and other assets of the Distribution Network Branch and the Network of the Non-Interconnected Islands, the related liabilities and other liabilities, with the exception of the High Voltage Network of Crete, including the related property and assets, the existing fibre optic network and related assets, the right to install fibre optic or other electronic communications network elements on the HEDN, as well as the obligations and rights arising from Law 4463/2017 (A 42), in accordance with the provisions of Law 4601/2019 and Law 1297/1972, in conjunction with the Transformation Balance Sheet, dated 31/03/2021 and the valuation report of the assets and liabilities, dated 29/06/2021, of the de-merged Distribution Network Branch, prepared on behalf of the independent expert Grant Thornton Chartered Accountants, by issuing 95,366,296 new ordinary registered shares with a nominal value of €10 each.

(Amounts in EUR thousand)

Therefore, the total share capital of the Company amounted on 31/12/2021 to € 991,214,970 divided into 99,121,497 shares with a nominal value of € 10 each and remains unchanged until 2024.

25. STATUTORY RESERVE

According to Greek commercial legislation, companies are obliged to set aside 5% of their net profit for the fiscal year as a statutory reserve until it reaches one third of their paid-up share capital. During the life of the Company, the distribution of the statutory reserve is prohibited.

The amount of the statutory reserve of € 0.89 million formed in this fiscal year is derived from the profits of fiscal year 2023. For 2024, the statutory reserve corresponding to 5% of net profits amounts to €7.03 million.

26. EMPLOYEE BENEFITS

Liability from reduced tariff

HEDNO SA, as a subsidiary of PPC SA, provides employees and pensioners of the Company with electricity at a reduced tariff. The reduced invoice to retirees is recognised as a liability and calculated as the present value of future post-retirement benefits deemed to be accrued by the end of the financial year based on the employees' post-retirement benefit rights accrued during their service. The relevant liabilities are calculated on the basis of economic and actuarial assumptions. The net expense for the year is included in staff remuneration in the income statement and relates to the present value, the interest rate used, the past service cost. The post-retirement benefit obligation is not funded.

The results of the actuarial study for the year ended 31/12/2024 are as follows.

Change in the liability in the Statement of Financial Position

Liability from reduced tariff	31/12/2024	31/12/2023
Net liability at the beginning of the fiscal year	**21,465**	**21,460**
Benefits paid by the company	-1,718	-1,363
Total charge to the income statement	911	937
Total amount to be recognised in other comprehensive income	-1,248	432
Net liability at the end of the fiscal year	**19,410**	**21,466**

Components of the Statement of Comprehensive Income

Components of the Profit and Loss Account	31/12/2024	31/12/2023
Benefits paid by the employer	-1,718	-1,363
Expenditure to be recorded in the income statement	911	937
Total	**-807**	**-426**

(Amounts in EUR thousand)

Components of Comprehensive Income	31/12/2024	31/12/2023
Revenue to be recorded under Other Total Income	-1,248	432
Total	**-1,248**	**432**

Sensitivity Analysis for Financial and Demographic Scenarios

	31/12/2024	31/12/2023
Discount rate plus 0.5% - % Difference in the PV of liabilities	-5.20%	-5.30%
Discount rate minus 0.5% - % Difference in PV of liabilities	5.80%	5.90%

Actuarial Study Assumptions values

Date Valuation	Interest rate Prepayment	Increase Invoice	Duration Liabilities	Margin Profit of PPC Group
31/12/2024	3.40%	0.00%	11.46	2025: 9.0% 2026: 11.0% 2027+: 10.0%
31/12/2023	3.30%	0.00%	10,93	2025: 7.0% 2026: 10.0% 2027+: 9.0%

Employee benefits obligation

With Law 4533/2018 (Government Gazette A 75/27-04-2018), par. 3 of article 25 of Law 4491/1966 (Government Gazette A 1/04.01.1966), as well as any other relevant, general or specific provision of law or clause or term of the Labour Regulation or Collective Agreement and, therefore, the compensation to which the personnel covered by the SRP-PPC is entitled due to termination of service, corresponding to an amount of €15,000, shall not be offset against the one-off allowance paid by the relevant insurance company. The relevant liabilities are calculated on the basis of economic and actuarial assumptions.

The results of the actuarial study for the year ended 31/12/2024 are as follows:

Valuation date	Number of Persons	Average Pensionable Salary	Average Price of Years of Previous Service	Actuarial Obligation
31/12/2024	5,620	2,670	20	35,904

Change in the liability in the Statement of Financial Position

	31/12/2024	31/12/2023
Net liability at the beginning of the fiscal year	**39,481**	**40,216**
Current service cost	547	352
Interest expense	1,140	1,349
Benefits paid by the employer	-6,159	-6,420
Actuarial loss / (profit) - Financial assumptions	1	1,190
Actuarial Profit- Demographic assumptions	0	500
Actuarial Profit - period experience	894	2,294
Net Liability at the end of the fiscal year	**35,904**	**39,481**
Current part of liability	**4,459**	**2,880**
Non-current part of liability	**31,445**	**36,601**

(Amounts in EUR thousand)

Components of the Income statement	31/12/2024	31/12/2023
Current service cost	547	352
Benefits paid by the employer	-6.159	-6.420
	-5.612	**-6.068**
Amount transferred to personnel cost	2.415	-2.600
Subtotal	**-3.197**	**-8.668**
Interest expense	1.140	1.349
Total	**-2.057**	**-7.319**

Components of Comprehensive Income	31/12/2024	31/12/2023
Actuarial loss - Financial assumptions	1	1,190
Actuarial Profit - Demographic assumptions	0	500
Actuarial Profit - Experience period	894	2,294
Total	**895**	**3,984**

Note that, in 2024, an amount of €0.46 million (2023: €2.8 million) was transferred from the "Provision for retirement benefits" of the Income Statement to "Personnel cost", as it concerns the cost of compensation of employees who left until 31/12/2024 and will be compensated within 2025.

Furthermore, it is noted that the amount of € 4.5 million, which is presented in current liabilities, refers to the actuary's estimate regarding the compensation cost of employees who meet the retirement criteria and may leave within 2025.

Sensitivity Analysis for Financial and Demographic Scenarios	31/12/2024	31/12/2023
Discount rate plus 0.5% - % Difference in the PV of liabilities	-3.5%	-3.6%
Discount rate minus 0.5% - % Difference in the PV of liabilities	3.7%	3.8%
Salary Increase assumption plus 0.5% -% Difference in the PV Obligations	0.60%	0.30%
Salary Increase assumption minus 0.5% -% Difference in the PV Obligations	-0.70%	-0.40%

Actuarial Study Assumptions values	31/12/2024	31/12/2023
Discount rate	3.20%	3.20%
Inflation	2.00%	2.10%
Increase in Salaries	2.00%	2.10%
Future Pension Increases	0.00%	0.00%
Duration of obligations	7.44	7.58

(Amounts in EUR thousand)

27. LOANS

Loans are broken down as follows:

	31/12/2024	31/12/2023
Non-current Loans		
Bank loans	1,179,576	1,319,750
Bond loans	819,760	317,352
Total borrowing	**1,999,336**	**1,637,102**
Minus - Current part		
Bank loans	140,508	290,174
Bond loans	13,740	1,138
Total current part	**154,248**	**291,312**
Total non-current part	**1,845,088**	**1,345,790**

The following is a brief discussion of the Company's existing non-current debt agreements:

Loans with the European Investment Bank (EIB)

With the spin-off of the Distribution Sector - Note 4 - on 30 November 2021, loans amounting to €1,256.30 million were transferred from PPC SA to HEDNO SA. These are loans with a total maturity of 15-20 years from the date of disbursement and are guaranteed by the Greek State.

The following are the new loan agreements signed by the Company with the EIB, without the guarantee of the Greek State:

- ✓ Funding of the project "SMART METERS I"
  The Company, in the context of the financing of an investment programme under the general name "SMART METERS I", signed on 6 November 2023 a 15-year loan agreement with the EIB for a term of €90.75 million, with the possibility of increasing the amount of the loan up to €150 million. The purpose of the loan is to finance the first phase of the project, which will take place between 2023 and 2026.
  On 21 December 2023, the Company signed a second loan agreement with the EIB for a period of 15 years for the financing of this project exclusively with the resources of the Recovery Fund & Resilience Fund (RRF) for an amount of €151.25 million.
- ✓ Funding of the project "HEDNO DISTRIBUTION I"
  The Company, in the context of the financing of an investment program under the general name "HEDNO DISTRIBUTION I", signed on 27 May 2024 a 15-year loan agreement with the EIB for €150 million. The aim of the project is to strengthen, modernise and expand the electricity distribution network in Greece covering the period 2024-2026. On 24 October 2024, the Company disbursed the total amount of €150 million.
  On 6 December 2024, the Company signed a second 15-year loan agreement with the EIB for the financing of this project exclusively with RRF resources amounting to €296.15 million.
  Total EIB loans amounted to €1,179.58 million as at 31/12/2024 compared to €1,159.75 million as at 31/12/2023. Within 2024, the Company repaid debts amounting to €130.17 million.

Bond Loan with Eurobank

On July 19, 2022, the Company signed a contract with Eurobank for the issuance of an unsecured joint bond loan with a total principal amount of up to €660 million with the possibility of extension for an additional €440 million. Eurobank participates in the coverage of the loan by 54.55% and the National Bank, Piraeus Bank and Alpha Bank by 15.15% each. The purpose of the loan is to finance the investment plan of the Distribution Network, the repayment of part of the loans by PPC SA, the coverage of working capital liquidity needs and the repayment of the costs of this loan.

(Amounts in EUR thousand)

On February 21, 2024, the Company proceeded with the third bond issue of €140 million, on June 21, 2024 with the fourth bond issue of €130 million and on December 16, 2024 with the fifth bond issue of €80 million. The total capital drawn under this loan agreement amounts to €650 million as of 31/12/2024.

Bond Loans with the National Bank of Greece (ETE)

On 19 July 2022, the Company signed a contract with the NBG for the issuance of a 15-year €22.52 million joint bond loan. The purpose of the loan was to finance the cost of purchasing a property, which will house the Company's administrative services, plus repair & improvement costs. It is noted that a first-class mortgage lien has been granted to the NBG on the property to secure the claims from the bond loan.

On 13 May 2024, the Company signed a new bond loan with the NBG for the partial refinancing of the Black Sea Trade & Development Bank loan of €80 million. On May 14, 2024, the Company disbursed this amount and on May 15, 2024, the Company made a partial repayment of the Black Sea loan.

Bond Loans with Alpha Bank

On 13 May 2024, the Company signed a new bond loan with Alpha Bank S.A. for the partial refinancing of the Black Sea Trade & Development Bank loan of €80 million. On 14 May 2024, the Company proceeded to disburse this amount and on 15 May 2024, in combination with the above mentioned bond loan with the NBG, it proceeded to the full repayment of the Black Sea loan for a total amount of €160 million. The objective of the refinancing of the Black Sea loan was to ensure the Company’s cash liquidity, but also to provide better long-term cash planning through an instalment repayment plan over a long-term horizon.

In addition, in the context of the implementation of the project under the general name “Network Automation and Intelligence Improvement Projects”, the Company entered into a financing agreement with Alpha Bank on 30 October 2024. This is an unsecured bond issue with a total principal amount of up to €83.56 million, consisting of two series of bonds, one series with RRF funds and one series with Alpha Bank funds, with a maturity of 10 years.

Bond Loan with Piraeus Bank

The Company, in the context of the financing of the “SMART METERS I” project, signed on 21 December 2023 a contract with Piraeus Bank for the issuance of an unsecured bond loan with a total principal amount of up to €195.14 million. Piraeus Bank accounts for 60% of the loan and Eurobank for 40%. It is a bond loan with two series of bonds, one series with RRF funds and one series with funds from the Hellenic Banks, with a maturity of 15 years.

In summary, the Company’s total borrowings as at 31/12/2024 amounted to €1,999.3 million compared to €1,637.1 million as at 31/12/2023. During 2024, the Company made debt repayments totalling €291.67 million on long-term debt.

The annual repayment schedule for long-term borrowings after 31/12/2024 is as follows:

	31/12/2024	31/12/2023
Within one year	154,248	291,312
Between two and five years	622,466	482,118
After five years	1,222,622	863,672
Total	**1,999,336**	**1,637,102**

(Amounts in EUR thousand)

FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT POLICIES

Future interest payments on borrowed financial liabilities, not including mutual accounts, are as follows:

	Immediate expiry	3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Current Loans	0	63,242	91,006	0	0	**154,248**
Non-current Loans	0	0	0	622,466	1,222,622	**1,845,088**
Interest	0	3,684	59,519	215,013	181,950	**460,166**
	0	**66,926**	**150,525**	**837,479**	**1,404,572**	**2,459,502**

Interest is calculated on the already raised loan capital and especially for floating rate loans future interest is estimated on the basis of the 6M Euribor of the current maturity period.

The following table shows the movement of loans by maturity for the period ended 12/31/2024.

Loans movement	**31/12/2024**	**31/12/2023**
Opening balance	1,637,102	1,445,138
New loans	760,000	405,000
Repayment	-391,674	-211,007
Additions to borrowing costs	-6,832	-2,234
Amortisation of borrowing costs	740	205
Closing balance	**1,999,336**	**1,637,102**

Deferred borrowing costs

Bond loans include unamortised deferred borrowing costs of €9,760 thousand, which are amortised in the income statement using the fixed method, which does not differ significantly from the effective interest rate method

The movement of deferred borrowing costs during the period ended 31 December 2024 is shown in the following table:

	31/12/2024	**31/12/2023**
Opening balance	3,668	1,639
Additions	6,832	2,234
Amortisation of borrowing costs	-740	-205
Closing balance	**9,760**	**3,668**

	31/12/2024	**31/12/2023**
Current part	1,093	362
Non-current part	8,667	3,306
Total	**9,760**	**3,668**

28. CONSUMER CONTRIBUTIONS AND SUBSIDIES

As mentioned in Note 3, based on the provisions of IFRS 15, the Company classifies consumers contributions in non-current liabilities. This item includes the following elements:

	31/12/2024	**31/12/2023**
Distribution network grants	100,052	94,964
Consumers Contributions	1,928,120	1,929,674
PPC contributions for the installation of optical fibres	3,200	4,735
Total	**2,031,372**	**2,029,373**

(Amounts in EUR thousand)

	Distribution network grants
Total 31/12/2022	**91,002**
Receipts from distribution network grants	6,000
Subsidies' amortisation	-2,037
Total 31/12/2023	**94,965**
Receipts from distribution network grants	8,413
Subsidies' amortisation	-3,326
Total 31/12/2024	**100,052**

	Consumers Contributions	PPC contributions for the installation of optical fibres
Total 31/12/2022	**1,948,925**	
Receipts from participations	79.225	4,740
Transfer of income from contracts with customers	-98,476	-5
Total 31/12/2023	**1,929,674**	**4,735**
Receipts from participations	99,060	1,329
Transfer of income from contracts with customers	-100,614	-55
Change in provision	0	-2,809
Total 31/12/2024	**1,928,120**	**3,200**

The receipts for consumer contributions and grants are presented in the Cash Flow Statement in the operating and investment cash flows respectively according to the policy of the parent company.

29. OTHER NON-CURRENT LIABILITIES

The other non-current liabilities are analysed as follows:

	31/12/2024	31/12/2023
Guarantees	1,273	1,469
Grants	4,995	4,813
Electricity theft reserve	24,607	18,457
Penalty reserve/L-LW-NII	365	359
Total	**31,240**	**25,098**

In order to secure its transactions, the Company receives guarantees from the providers operating in the NIIs and the Interconnected System either through letters of guarantee or cash as collateral.

The amount of grants relates to an amount of €3.9 thousand received from the European Union for the grant of assets and to an amount of €1.076 million (2023: €0.89 million) for expenditure on research programs for which the relevant expenditure has not been incurred.

Electricity theft reserve

According to the Hellenic Electricity Distribution Network Operation Code, Article 95, par. 17, provides for the creation of a reserve to finance, first of all, actions and activities, as well as the provision of incentives to the Network Operator and/or Suppliers, with the aim of detecting electricity theft and, in general, limiting and preventing the phenomenon. Also, according to par. 18 of the above Code, a RAEWW Directive may also regulate the allocation of the amounts accumulated in the reserve of the previous paragraph for the compensation of the financial loss suffered by consumers due to electricity theft in the Network, by crediting the accounts of case (a) of the previous paragraph of the Code, if there is no immediate need or specific proposals for their utilisation in order to more effectively detect and limit electricity theft in the Network.

(Amounts in EUR thousand)

Based on the above provisions, the Company transferred in fiscal year 2024 to Other Income an amount of €8.7 million (2023: €8.1 million) (see Note 5).

30. PROVISIONS

The movement in the Provision for Pending Litigation is as follows:

	31/12/2024	31/12/2023
Opening balance	**33,930**	**40,372**
Reversal / utilisation of provision	-7,010	-8,591
Additional provision	226	2,149
Closing balance	**27,146**	**33,930**

31. TRADE AND OTHER LIABILITIES

Trade and other payables are broken down as follows:

	31/12/2024	31/12/2023
PPC Renewables SA	1,114	6,381
Suppliers - Contractors	451,798	360,706
DAPEEP SA	21,691	8,432
Other liabilities	653	589
Total	**475,256**	**376,108**

The payment terms for key suppliers - contractors are set out in the terms of the contracts signed with them. The normal payment terms are the twenty-fourth day of the third month following the month of receipt of the invoice. As regards RES producers, it is specified that they must be paid on the 20th day from the date of receipt of the invoice (Ministerial Decree No. 17149 / 30.08.2010 - Government Gazette 1497/B / 06.09.2010, Article 12).

32. VARIOUS CREDITORS

Various creditors are broken down as follows:

	31/12/2024	31/12/2023
Various creditors	2,915	1,586
In-transit credit accounts - vulnerable consumers	10,095	12,026
In-transit credit accounts - roof photovoltaics	52,997	95,220
Customer down payments	93,755	81,873
Debtor advances	644	558
Bank credits	287	2,213
Temporary staff wages payable	655	563
Total	**161,347**	**194,039**

(Amounts in EUR thousand)

33. OTHER TAXES AND INSURANCE CONTRIBUTIONS

Other taxes and insurance contributions are broken down as follows:

	31/12/2024	31/12/2023
VAT	0	4,861
VAT and other withholding taxes	11,338	12,517
Insurance contributions	17,044	15,000
Withholding of RES / ESIDIS (National Electronic Public Procurement System) taxes	2,287	2,485
Other taxes - fees	7,086	5,367
Total	**37,755**	**40,232**

34. ACCRUED LIABILITIES

Accrued liabilities are broken down as follows:

	31/12/2024	31/12/2023
Accrued personnel costs	24,595	30,303
Non-invoiced liabilities - RES energy / settlement	70,430	81,147
Non-invoiced liabilities - PSO	78,063	69,256
Accrued interest and loans' commissions	6,427	5,833
Accrued Expenses	20,617	20,178
Total	**200,132**	**206,717**

Accrued expenses relate mainly to invoices issued in 2025. "Accrued personnel costs" include the provision of untaken leave, rest, overtime and compensation.

The table below shows the part of accrued liabilities relating to related parties.

	31/12/2024	31/12/2023
Non-invoiced liabilities - RES energy / settlement	67,153	78,365
Non-invoiced liabilities - PSO	58,782	56,013
Costs of use accrued	9,237	7,110
Total	**135,173**	**141,488**

The table below breaks down the above amount by related party - the amounts are included in the relevant lines in Note 37.

	31/12/2024	31/12/2023
PPC SA	134,484	140,889
PPC Renewables SA	689	599
Total	**135,173**	**141,488**

35. DIVIDEND

Based on the shareholders agreement and the sale and purchase of 49% of the shares by PPC SA to MSCIF DYNAMI BIDCO SINGLE-MEMBER SA (trading as MSCIF DYNAMI BIDCO SA), the General Meeting with Minutes 74/10.06.2024 unanimously and unanimously approved the distribution of a dividend of €133 million for the fiscal year 01/01/2023 - 31/12/2023, which was paid to the shareholders on 27/06/2024.
For the fiscal year 1/1/2024 - 31/12/2024, the distribution of a dividend of € 102.9 million is proposed to the General Meeting of shareholders which is scheduled in June 2025.

It is pointed out that by means of Decision No. 8, dated 30/07/2024, of the Board of Directors Meeting, it was decided to distribute an interim dividend of €42.5 million, which was paid to the shareholders on 24/10/2024.

36. CONTINGENT LIABILITIES AND OTHER CLAIMS

The Company is involved in various legal matters and has various outstanding obligations related to its ordinary activities. Based on the information available to date, the management believes that the outcome of these cases will not have a significant impact on the Company's results or its financial position and no additional provisions are required, other than those already recognised in these financial statements.

(A) REGULATORY - Regulatory Affairs, Users of the HEDN and Corporate Governance Branch, concerning matters of a regulatory nature:

I. Actions brought by "HEDNO SA" against third parties

1. Actions brought by HEDNO against Energa Power Trading & Hellas Power regarding NUT
"HEDNO SA" brought six (6) actions against these companies before the Athens Court of First Instance and two (2) actions against the legal representatives of these companies. The total amount requested amounts to €98,455,412.54 and concerns the non-payment of the Network Charges due by the above companies and the tort to the detriment of HEDNO SA by their legal representatives. Decisions No. 3613/2018 and 3818/2018 were issued by the Athens Multi-Member Court of First Instance, accepting the actions brought by HEDNO against the companies and the Decisions 3599/2018 and 3826/2018 of the Court, which deferred as regards natural persons. Appeals have been filed by the defendant companies against the decisions of the Athens Multi-Member Court of First Instance No. 3613/2018 and 3818/2018 and the decisions of the Athens Court of Appeal No. 5852/2022 and 5853/2022 have been issued. Against the aforementioned No. 5852/2022 and 5853/2022 decisions, Applications for Appeal have been filed by the above opposing companies, both of which are scheduled to be heard before the Supreme Court (A3 Civil Division) on 31/03/2025.

2. Actions brought by "HEDNO SA" against Energa Power Trading/Kentor & Hellas Power for PSO
IPTO SA and HEDNO SA submitted joint proposals on 10/01/2018 before the Athens Multi-Member Court of First Instance. HEDNO SA claimed the amount of €16,284,532.08 in legal interest for fees for the provision of PSOs, as a universal successor of IPTO to the operation of PSOs from 01/01/2018. On the action, Decision No. 2239/2019 of the Multi-Member Court of First Instance was issued, which in its final provision accepts the action against the companies Energa, Kentor and Hellas Power and, otherwise, postpones the issuance of a final decision regarding the natural persons, for their tortious liability v. IPTO and HEDNO, until the adoption of an irrevocable judgment of the criminal court. Against the above Decision No. 2239/2019 of the Multi-Member Court of First Instance, an appeal has been lodged by the aforementioned opposing companies, which is pending.

3. PSO cases of own-producers
A. "HEDNO SA", as the manager of the PSOs, regarding the debts from PSOs for the years 2017-2018, brought actions before the Athens Court of First Instance: **a)** against the company MOTOR OIL, for an amount of €1,600,627.51 and **b)** against the company "ELFE SA", for an amount of €771.187,44, on which,

respectively, the No. 274/2020 and 219/2021 rejection decisions of the Multi-member Athens Court of First Instance, due to lack of jurisdiction of the civil courts.
HEDNO SA has lodged **a)** an appeal (file No. 4631/3402/2022) against the Multi-member Athens Court of First Instance decision No. 274/2020 and against "MOTOR OIL", which was heard before the Athens Three-members Court of Appeal (Section 16) on 14/11/2024 and a decision is yet to be issued; and **b)** an appeal (file No. 886/659/2023) against the Multi-member Athens Court of First Instance (PPA) decision No. 219/2021 and against "ELFE SA", which was heard before the Athens Three-members Court of Appeal (Section 14) on 09/01/2025 and a decision is yet to be issued.
b. At the same time, it was issued the Decision No. 414/2019 by the Athens Multi-Member Court of First Instance, which dismissed as legally unfounded 2 ELFE SA claims seeking the recognition that own-producers do not owe the PSO. ELFE SA appealed against the above decision, on which an appeal was lodged, which was followed by the Decision of the Three-Member Court of Appeal of Athens No. 6492/2020, by which the appeal was rejected. Against the Decision of the Three-Member Court of Appeal of Athens No. 6492/2020 the No. 749/2024 appeal before the Supreme Court, which will be heard before the A3 Civil Section on 26/05/2025. On the respective declaratory actions of "ELFE SA", the decisions of the PPA No. 3651/2018 and 3592/2019 were issued, due to lack of jurisdiction of the civil courts. Similarly, for formal reasons, the respective declaratory actions of MOTOR OIL were dismissed by Decisions No. 2534/2018 and 1068/2019 of the same court (PPA).
c. Following the adoption of the above decisions, the following actions were brought before the Administrative Court of Appeal of Athens: **a)** the Appeal of "MOTOR OIL" filed under No. 1282/2019 and **b)** the Appeals of "ELFE SA" filed under No. 1283/2019 and 812/2021, for the annulment of the briefing notes of IPTO and HEDNO. The application of "MOTOR OIL", filed under No. 1282/2019, will be heard, after adjournment, on 13/03/2025 (6th section - Athens Administrative Court of Appeal) and the application of "ELFE SA", filed under No. 1283/2019, will be heard, after adjournment, on 02/04/2025 (7th Section - Athens Administrative Court of Appeal). The Action of "ELFE SA", filed under No. 812/2021, was heard, after adjournment, at the hearing of 04/02/2025 (2nd Section - Athens Administrative Court of Appeal) and a decision is yet to be issued.

II. Third party actions against "HEDNO SA"

1. Action brought by LAKON ATE/GREEK STATE, now RAEWW/former RAE, HEDNO, IPTO:
The opposing company LAKON SA, by its action No. 23290/2015 before the Athens Administrative Court of First Instance (Three-Member Chamber), requested that the defendants' obligation to pay to it "the amount of EUR 21,500,000" as indemnity for the compensation of property damage and moral damages caused, according to its claims, by unlawful acts and omissions, in particular by IPTO SA HEDNO SA and RAEWW/former RAE which took place during the procedure for the granting to the applicant of an offer/reservations for connection to the Electricity Transmission System for a photovoltaic power station owned by the applicant in the Municipality of Gerontres in the Prefecture of Laconia. The action was discussed at the hearing of 15/01/2020 before the Three-Member Administrative Court of First Instance of Athens and decision No. 17299/2020 was issued, by which the action was dismissed (due to uncertainty). Subsequently, the opposing party filed a claim before the Athens Administrative Court of First Instance, with the amount in dispute being €11,010,000.00, under file number AG 5700/2022. The case was heard on 13/03/2024 and a decision is pending.

2. Actions "M. ISAILIDOU & CO. LP" against "HEDNO SA".
By said Action (GAK 118394/2015 & EAK 4466/2015) filed before the Athens Court of First Instance, the company "M. ISAILIDOU & CO. LP" claims from "HEDNO SA" the sum of €15,158,080.00, on the basis of the alleged positive and consequential damage which it claims to have suffered as a result of the alleged exceeding, on the part of the HEDNO, of the four-month deadline for the granting of the conditions for the connection of PV stations. The case was discussed, after being reopened by GAK 50921/2019 & EAK 620/2019 Summons of the opposing party, before the Athens Court of First Instance, on 08/10/2020 after adjournments and on this occasion the decision No. 956/2021 was issued by the Athens Multi-Member Court of First Instance, dismissing the above-mentioned action as inadmissible, due to lack of jurisdiction of the civil courts. An appeal against the above decision was filed by the opposing party (GAK

4361/2022 and EAK 3192/2022 at the Athens Court of Appeal), the hearing of which, before the Athens Court of Appeal (Law of obligations Section 15), on 23/01/2025, was cancelled.

3. Actions for small wind turbines
The Council of State decision No. 303/2017 annulled the failure of the Greek State to issue the regulatory acts specifying the terms of connection of small wind turbines under Article 4 of Law 4203/2013, as well as the failure of HEDNO SA to connect a series of such wind turbines. By the end of 2017 and in the first half of 2018, a total of seventeen (17) actions, for a total amount of €9,086,572.44, were brought by above RES producers requesting that "HEDNO SA" pay such sum as compensation. All of the above actions have been heard and: **a)** Fifteen (15) decisions have been issued rejecting the actions, for a total amount of €8,089,094.94 **and b)** the decision in two (2) of the above actions, for a total amount of €997,217.5, has been postponed. In all cases, the State has been invoked as a procedural guarantor, as it was obliged to issue the relevant ministerial decision. Also, in this regard, a direct action has already been brought by "HEDNO SA" against the Greek State, for the positive and consequential damages, in this regard, for a total amount of €3,628,079, on which the decision No. 13745/2024 was issued by the Athens Administrative Court of First Instance (Section 19), dismissing the above-mentioned action.

4. Action brought by LAGIE - PPC recourse
In the present action, LAGIE claims the total amount of €143,928,898.14, for principal and interest on arrears from invoices issued by the plaintiff to "HEDNO SA" and relating to the operation and the clearing procedure of the market of the Non-Interconnected Islands (NIIs). Three (3) additional interventions were made on behalf of LAGIE by RES producers and their associations. HEDNO S.A. appealed to the PPC as a procedural guarantor, which did not intervene and was limited to the refusal of the summons, in essence to the refusal of the indemnity obligation. In this case, which was discussed on 21/02/2018, an objection was raised by HEDNO to the partial repayment of the pipeline funds, as regards the capital, in the amount of EUR 107,304,987.29 and the decision No. 1302/2019 was issued by the Athens Multi-member Court of First Instance, which upheld the action brought by "LAGIE SA", recognising the obligation of "HEDNO SA" to pay to "LAGIE SA" the total amount of EUR 48,855,212.74, together with the legal interest on the contracts at issue, while offsetting the costs between the parties. The claim of HEDNO SA to PPC as a procedural guarantor was rejected by the Court. The aforementioned Decision No. 1302/2019 of the Athens Court of First Instance was appealed by HEDNO before the Athens Court of Appeal (GAK 15474/2021, EAK 990/2021 - 26/03/2021 Athens Court of First Instance), which was heard on 22/09/2022 before the 14th Three-Member Chamber of the Athens Court of Appeal, Decision No. 2643/2023 was issued by the Three-Member Court of Appeal of Athens, which upheld the appeal of HEDNO and dismissed the lawsuit of LAGIE (now DAPEEP).

5. Action brought by farmers against HEDNO SA (Case of farmers in Kria Vrisi)
A number of farmers have brought an action, dated 26/6/2020, against HEDNOS SA, filed under GAK 41027/2020 and EAK 1324/2020, on 30/06/2020, before the Athens Multi-Member Court of First Instance, concerning issues of correct implementation of the prescribed licensing procedure (and in particular compliance with the terms of the Connection Offer). The main claim of the action, as regards the valuation part, amounts to €300,000, and the subsidiary claim amounts to a compensation of €815,815 to each of the applicants, thus in total for the six applicants amounts to €4,894,890. Motion/legalisation, as well as addendum/rebuttal have been filed and the file has been closed. The (formal) hearing of the action was set for 24/03/2022 and the decision No 2310/2022 of the Athens Multi-Member Court of First Instance was issued rejecting the action. The parties have already filed an appeal against the said original judgment, which was heard, after adjournment, at the hearing on 06/02/2025 and the decision is expected.

6. Action brought by L. HOTOS and AIK. PSARRI KRANIDI GP against HEDNO SA
The opposing company filed a lawsuit against HEDNO SA before the Athens Three-Member Administrative Court, requesting the payment of the amount of €4,445,062.00 due to the alleged late signing of the Interconnection Agreement by HEDNO SA, due to which the opposing company claims the cancellation of its investment in the construction of a 0,9864 MW RES power plant. Decision No. A630/2022 was issued by the Administrative Court of First Instance of Athens, rejecting - for material

reason due to lack of jurisdiction. Subsequently, the opposing party filed, pursuant to Article 41 of Law 3659/2008, before the Athens Court of First Instance, the action No. GAK/EAK 60237/1629/2022, on which the decision of the Athens Court of First Instance No. 3058/2024 was issued, by which the action of the opposing party against "HEDNO SA" was rejected.

7. Pending legal cases concerning the constitutionality of subparagraph X of Law 4254/2014

- With the provisions of subparagraph X of Law 4254/2014 and in particular with the provisions of subparagraphs X.1 and X.3 of Law 4254/2014, on the one hand, a downward revaluation (downward revaluation) of the reference prices for the pricing of RES stations, which included (and included) the RES stations in operation at the time of the adoption of Law 4254/2014 (4th 2014), and on the other hand, the imposition of an obligation on RES producers to issue a credit invoice in favour of the Special RES Account of Article 143 of Law 4001 /2011, the value of which was calculated as a percentage of the annual turnover of each RES Station for the year 2013. Numerous RES producers both in the Interconnected System and in the NIIs have challenged in court, both before the Administrative and the Civil Courts, as unconstitutional the above provisions of Law 4254/2014, with the relevant involvement of HEDNO SA resulting from the status of HEDNO SA as the legal contractor of the RES producers in NIIS pursuant to Article 129, par. 2 of Law 4001/2011.
- With regard to the aforementioned legal cases before the Council of State and the Ordinary Administrative Courts, the lack of jurisdiction of the Council of State and the Administrative Courts and a decision of the Plenary Session of the Council of State has been issued in this regard (see. (see in particular, in this regard, the Supreme Court of Appeal, Plenary Session 1947/2021), and the few such cases pending before the Ordinary Administrative Courts are estimated with certainty (due to the aforementioned case law of the Council of State) that they will also be dismissed for lack of jurisdiction.
- With regard to the litigation before the Civil Courts, a significant (double-digit) number of such litigation is still pending both in the first and second instance, the total amount in dispute is approximately in excess of EUR 4,000,000,00. So far, all of these lawsuits against HEDNO have been dismissed (several of them for formal reasons e.g. lack of jurisdiction of the civil courts, vagueness of the lawsuit) and some of them due to the recognition of the constitutionality of the contested and above mentioned legislative provisions of Law 4254/2014. Finally, in several cases these lawsuits accumulate in the same document the claim for funds due to the imposition of the Special Renewable Energy Tax of paragraph I. of Law 4093/2012 - similarly, the relevant involvement of HEDNO SA arises from the status of HEDNO SA as a legal counterparty of RES Producers in the NIIs pursuant to Article 129 par. 2 of Law 4001/2011 - but stressing that the constitutionality of the above legislative regulation has already been judged in particular by the 2408/2014 Decision of the Plenary Session of the Council of State, issued in the context of Pilot Procedure.

8. NIIs RES Producers against HEDNO - Default interest claims

During the period, especially after RAEWW Directive No. 366A/2018, there has been an increase in the number of lawsuits brought by RES producers in NIIs against HEDNO with a request (not always exclusive) to claim interest on arrears due to late payment, by HEDNO SA, of their invoices for the electricity generated by their plants. It is noted that based on Article 12 of the relevant electricity sales contracts (the content of which is defined by regulation) the due date of repayment of these invoices, which should be repaid within 20 days from their submission to HEDNO SA (as the NIIs Operator), a contractual provision which was repeated in a contractual term of the current SEST (Fixed Price Operational Aid Contract) NIIs contracts (the content of which is also regulated). In a non-exhaustive list, a significant (double-digit) number of such legal cases are pending before the civil courts, both at first and second instance, with the amount of the claim, which concerns interest on arrears, amounting, as regards the aforementioned actions, to approximately €900,000.00.

III. REMEDIES CASES OF HEDNO AGAINST DECISIONS RAEWW

1. Reduced tariff TAYTEKO cases

- The Company brought before the Council of State applications for annulment against RAEWW Directive No. 196/2014 in the part that did not include in the annual cost and the required revenue of the Manager of HEDN for the year 2014 **a)** the corresponding expenditure to cover the burden of the Manager with part of the cost of payroll and employer contributions of the seconded staff of HEDNO SA in TAYTEKO (Insurance Fund for Employees of Banks and Public Utilities) **b)** the cost for the provision of reduced electricity tariff to the Company's employees and pensioners, amounting to € 11.33 million. The CoE referred the appeals to the Administrative Court of Appeal of Athens, where they were heard as appeals. a) With regard to the case concerning TAYTEKO, the Athens Administrative Court of Appeal issued decision no. 354/2017, which rejected, in substance, the appeal of HEDNO SA. "HEDNO SA" brought appeal No. E1750/2017 before the CoE, which was heard on 15/02/2022.
  a) Regarding the case of the reduced tariff, the Administrative Court of Appeal of Athens issued its decision No. 2886/2017, which accepted the appeal of HEDNO SA. The decision is final and generates a compliance obligation for RAEWW, which must take this decision into account when determining the Annual Required Income for the year 2018. RAEW filed Appeal No. C2097/2017 before the CoE, which was heard on 15/02/2022. Regarding the aforementioned Appeals of HEDNO SA and RAEWW, the Council of State issued Decisions A626/2022 and A625/2022, by which the Applications for Appeal were accepted and the cases in question were referred back to the Athens Administrative Court.
- Subsequently, the following were issued: **a)** Decision No. 289/2023 of the Administrative Court of Appeal of Athens (18th Three-members Chamber), which rejected the appeal of HEDNO regarding the non-recognition in favour of our company of the costs for the seconded HEDNO personnel at TAYTEKO **and b)** Decision No. 3325/2023 decision of the Administrative Court of Appeal of Athens, which upheld the appeal of HEDNO and annulled the decision of RAEWW No. 196/2014, in so far as it did not include in the operating costs of HEDN, an expenditure of €11.33 million for covering the supply of electricity by PPC SA to the employees of the Operator on the basis of a reduced tariff. An appeal against the above decision has been filed by RAEWW (under No. AP491/9-2-2024), before the Council of State, for which the date of hearing has been set for 03/06/2025 (after adjournment from 19/11/2024).
- Note that RAEWW with Directive No. 545/2018, for the determination of the Annual Network Income for 2018, after recognising the Expenditure of the Network Operator for the provision of a reduced electricity tariff to its personnel for the years 2014, 2015 and 2016, it included the expenditure of € 10,424 thousand for the year 2014 and € 8,500 thousand for 2018, as part of the admissible Entry 2018, in compliance with Decision 2866/2017 of the Athens Administrative Court of Appeal and without prejudice to the decision of the Council of State on its appeal. The remaining amounts of €17,100 thousand for 2015 and 2016, plus the corresponding amount of €8,386 thousand for 2017, will be refunded gradually in the future. However, in its above Directive, RAEWW states in this respect that, if the appeal filed against the aforementioned decision of the Administrative Court of Appeal is accepted, all the above expenditure amounts will be deducted from the required revenue of the HEDN for the following years.

2. RAEWW Directive for the determination of Annual Income 2018

The Company has filed on 12/10/2018 a Request for Review against the Decision No 545/2018 of the RAEWW by which the Annual Income of the HEDN was approved. Said Request for Review challenged, inter alia, the refusal of RAEWW to recognise in favour of HEDNO the funds relating to the coverage of the salary costs and employer's contributions of the staff seconded to TAYTEKO and the costs relating to the reduced electricity tariff of the staff of HEDNO SA. HEDNO filed an appeal before the Athens Administrative Court of Appeal against RAEWW's Directive No. 545/2018 and the presumed implied rejection of the relevant Request for Review, on which the Athens Administrative Court of Appeal Decision No. 2995/2021 was issued, by which the aforementioned Appeal of HEDNO SA was partially upheld, only on the ground of appeal concerning the determination of the amount of the company's working capital, recognizing on the merits an additional return on the working capital of EUR 4,000,000 in favour of HEDNO SA (according to the calculation made at the time of the filing of the aforementioned Appeal). Against this Decision a Complaint an appeal has been lodged (No. E 1215/2022) by HEDNO before the

CoE, as regards the parts of the appealed Decision, according to which HEDNO SA is considered a losing party, the hearing of which has been set, after repeated postponements, for 10/06/2025.

3. Fines of RAEWW on "HEDNO SA"

a) 1.800.000,00 RAEWW fine for violations of the Operation Code for Non-interconnected Islands.
By No. 366A/2018 RAEWW Directive, regulatory violations (with an emphasis on the provisions of the Operation Code for NIIS concerning the management of the accounts and its provisions on monthly and annual clearing) were declared against the company by RAEWW, on the basis of which the regulatory violations (with emphasis on the provisions of the PPA Code concerning the management of the accounts and its provisions on monthly and annual clearing), on the basis of which, by No. 366B/2018 and 268/2018 Decisions of RAEAY, a fine of €1,800,000 was imposed. HEDNO filed the Request for Review, dated 31/12/2018, before RAEWW against the RAEWW Directives No. 366B/2018 and 268/2018 and after the expiry of three months from the date of the latter's filing, it filed appeals against the above decisions of RAEWW, on which the Decisions of the Athens Administrative Court of Appeal No. 1023/2022 and 2368/2022 were issued in relation to the above-mentioned appeals, by which the fine imposed on HEDNO was reduced by €500,000 (€1,300,000 instead of €1,800,000) and otherwise the contested RAEWW Directives were upheld. HEDNO SA has filed Appeals against the above decisions before the CoE, which will be heard, after adjournments, before the Section D, on 29/04/2025.

b) Imposition of a fine to HEDNO SA in the amount of €1,000,000.00. RAEWW Energy Section E Directive -132/2023
The Directive of the Energy Sector of RAEWW No. E-132/2023 imposed a fine of one million (€1,000,000) on HEDNO SA for the violation, by HEDNO SA, of the obligation to carry out with due diligence the obligations relating to ensuring access to the network under conditions of equality and transparency and high quality standards arising from its status as an Electricity Distribution Network Operator in the exercise of its functions, with regard to the conduct of 21/10/2022 and 25/10/2022 procedures of Electronic Submission of Applications for the granting of an offer of connection to photovoltaic stations in the Saturated Networks of the Peloponnese and Crete.
Against the above decision of the Energy Sector of RAEWW, HEDNO SA filed a Request for Review (No. 360794/ 27/10/2023), on which RAEWW was obliged to decide within 3 months. On the implicit rejection of the latter, "HEDNO SA" filed an Appeal, No. PP267/2024, before the Administrative Court of Appeal of Athens, the hearing of which is pending.

IV. Municipal Tax Cases
Many municipalities across the country impose municipal fees, contributory or not, to HEDNO SA both during the construction of network projects and for other facilities of the Distribution Network (HEDN). HEDNO SA has consistently questioned administratively and judicially the general legality of the imposition of such fees, and a jurisprudential trend has already been established towards acceptance of our company's positions.

- **1.** By decision number 1999/2022 of the Council of State (Section B 5-member), it was ruled that HEDNO SA is exempted from the use tax on public areas of municipalities and communities and their subsoil used by PPC in order to install, in their favour or under them, overhead or underground installations feeding wires and networks, such as poles and aboveground substations (KAFAO). The decisions of the Council of State (Section B, 5-members), Nos. 640/2021, 2341/2020, 1124/2020, 1860/2019, 1861/2019 and 2994/2019 ruled the same.
- **2.** Furthermore, by Decisions No 1952/2022 and 1955/2022 of the Council of State (Section B 5-member), it was considered that a cleaning and lighting fee cannot be imposed for the occupied common airspace and underground network of PPC, which includes, inter alia, underground substations, in which electrical equipment is installed for the conversion and subsequent distribution of electricity to the inhabitants of the municipality concerned, because this use cannot be considered to resemble the ordinary or professional use of private property.
- **3.** By the Council of State decisions Nos. 1954/2022 and 2028/2022 rejected as inadmissible the Appeals of HEDNO SA against the Municipality of Athens and against the company's acts of registration in the City's money lists for municipal fees for the financial years 2014 and 2012

respectively. By the Council of State decisions Nos. 393/2023, 394/2023, 1953/2022, the Appeals of the Municipality of Athens against HEDNO SA and against the company's acts of registration in the City's money lists for municipal fees for fiscal years 2016, 2017 and 2013, respectively, were rejected as inadmissible.

- **4.** The Applications for Appeal of HEDNO SA against the Municipality of Athens with the filing numbers E169/2020, E2861/2020, E139/2020, E2819/2019 and E2588/2022, are pending before the CoE (2nd Section) and are scheduled for discussion in 2025. In particular, Appeal No. E169/2020 concerning Municipal Fees (MF) for the fiscal year 2010, for a total amount of €430,833.00, Appeal No. E2861/2020 for MF of € 419,275.92 for the fiscal year 2019, Appeal No. E319/2020 for MF of a total amount of €401,723.84, year 2007, Appeal No. E2819/2019 for MF of a total amount of €423,178.08 for the fiscal year 2018 and Appeal No. 2588/2022 for MF of a total amount of €419,825.94 for the fiscal year 2021.
- **5. The Commission Decision No. 2225/2024 Decision of the CoS (Council of State) accepted the Application for Appeal filed by "HEDNO SA" under file number E2085/2021 and annulled the Decision No. 1164/2021 of the Athens Trial Administrative Court of Appeal, upholding the PP369/2020 Appeal of HEDNO SA and annulling the company's registration in the AHK/16609/2020/2020 of the Municipality of Athens for 2020, for a total amount of €419,461.32.**

(B) CONTRACT cases, in particular concerning the claims of contractors/contractors or banking institutions, where the latter have assigned their claims against "HEDNO SA", regarding issues related to the execution of the concluded Project Contracts (e.g. for contractor's fees etc.).

1. BANK CLAIMS FROM ASSIGNED INVOICES

a) The Pancreta Cooperative Bank and the single-member société anonyme "QQUANT MASTER SERVICER LOAN AND CREDIT CLAIMS MANAGEMENT" brought actions before the Athens Court of First Instance, requesting the payment of the amount of €3,114,453.04 and €645,861.93, respectively, relating to assigned invoices of contractors performing network maintenance work, which were not paid to them, due to the existence of numerous seizures executed by HEDNO SA as a third party, damages, claims of the contractor's employees, etc.
- In response to the action brought by the above Bank, a decision was adopted in the form of No. 2392/2022 rejection decision of the Athens Court of First Instance, against which the Pancreta Cooperative Bank appealed before the Athens Court of Appeal. The case was heard on 09/01/2025 and a decision is pending.
- In the action brought by "QQUANT MASTER SERVICER LOAN AND CREDIT CLAIMS MANAGEMENT", No. 2010/2024 rejection decision has been issued by the Multi-Member Athens Court of First Instance dismissing the applicant company in absentia for non-payment of the court stamp duty

b) On certain letters of guarantee of ATTICA BANK, which were not paid (Piraeus, Kallithea and Peristeri/Elefsina areas), despite the discount of the contractor TOXOTIS and their forfeiture, a claim was filed by "HEDNO SA" against said Bank and No. 2789/2021 Decision of the Multi-Member Athens Court of First Instance was issued, by which our claim was accepted and the Bank was obliged to pay us the total amount of €2,200,011, declaring the decision provisionally enforceable for the amount of €800,000. The above decision is the subject of an action for annulment under No. 1834/2023 Appeal of the Bank, which was heard on 22/02/2024 and a decision is expected.

c) On a letter of guarantee of ATTICA BANK that was not paid (Lesvos area and worth approximately €460,000) despite the discount of the contractor TOXOTIS and its forfeiture, a lawsuit was filed by "HEDNO SA" against the said Bank and the rejection decision 238/2021 of the Athens Multi-Member Court of First Instance was issued, since the repayment was accepted by offsetting with certain claims of the above Contractor (worth €630,000). Furthermore, on the basis of the rejection decision, "HEDNO SA" lodged the Appeal No 912/2024, the hearing of which was set for 28/11/2024.

2. ACTION BROUGHT BY "ATERMON ATTEA" AGAINST "HEDNO SA"

Regarding the action brought by "ATERMON ATTEE" against "HEDNO SA", amounting to €5,145,000, claiming non-observance of contractual terms by HEDNO, the decision of the Athens Court of First Instance, number 846/2018, was issued, which rejected said action. The above decision was appealed by the company "ATERMON ATTEE" and the decision number 1648/2022 of the Athens Three-Member Court of Appeal was issued, which rejected the appeal. This decision was published on 29/03/2022 and has already become irrevocable in favour of the HEDNO.

(C) Civil cases (claims for damage to the Network, claims for accidents of third parties and accidents of staff of HEDNO contractors and HEDNO employees)

1. Court decisions on civil liability of HEDNO SA from risk

A number of decisions have been adopted accepting that the civil liability of HEDNO SA, as operator of HEDN, is subject to the liability status from risk. Under this scheme, HEDNO is liable even if it is not responsible for the occurrence of the damage, if the damage is causally linked to the operation of the network (decisions of the Court of Justice Nos. 1904/2022 and 1503/2023). Liability from risk is formed as a specific form of tort liability that deviates from the general rule of tort liability. The generalisation of this position in case-law may lead to an increase in the amounts paid as compensation in the event of damage to the network. However, court decisions have been issued where it is accepted that in the case of damage caused by a power cut, there is no strict liability, on the grounds that strict liability covers damage caused by the realisation of the risk inherent in electricity, and not damage caused by the fact that electricity is not supplied (power cut), since then the consumer does not come into contact with it, and therefore does not come into contact with the particular risk it poses. It is noted that many court decisions reject liability from risk and with the following reasoning: There is no general provision in Greek law in the form of a general clause, which provides for a general and uniform system of liability for risk. Instead, a case-by-case system of regulating individual cases is followed in the Civil Code and special civil laws, while many sources of risk remain unregulated, such as liability for damage caused by energy installations or the electricity distribution network, and therefore the injured party is not able to seek compensation for his damage on the favourable terms of strict liability, i.e. irrespective of fault, illegality and human conduct. Analogous application of the special grounds for liability for hazards to unregulated hazardous sources or hazardous activities, such as in the electricity distribution network, is not possible.
A number of decisions have been adopted accepting that the civil liability of HEDNO SA, as operator of HEDN, is subject to the liability status from risk. Specifically: Decision No. 1792/2018 of the Single-Member Court of Appeal of Thessaloniki, decision No. 652/2021 of the Athens Court of Appeal, decision No. 12849/2020 of the Athens Court of First Instance, decisions Nos. 3123, 3124, 3125, 3127, 3128 and 3241/2022 Piraeus Single-Member Court of First Instance.

2. CASE OF THE MUNICIPALITY OF VRILISSIA AGAINST "PPC SA" & IN THE INTERVENING ACTION AGAINST "PPC SA" AGAINST "HEDNO SA", FOR THE DEMOLITION OF THE VRILISSIA DISTRIBUTION CENTRE WITH A CLAIM FOR COMPENSATION

The Municipality of Vrilissia brought a lawsuit against "PPC SA" before the Athens Multi-Member Court of First Instance for the demolition of the Vrilissia Distribution Centre, for being unlicensed, and for the payment of compensation, amounting to €6,087,130. "PPC SA" brought an ancillary action against "HEDNO SA". Both the main action against "PPC SA" and the cross action against "HEDNO SA" were dismissed by the Decision No. 88/2021 of the Athens Multi-Member Court of First Instance. An appeal against the above decision has been lodged by the Municipality of Vrilissia, for which a hearing date has not been requested.

3. CASE OF THE ACTION FOR DAMAGES AGAINST "HEDNO SA" ON GROUNDS OF NON-MATERIAL DAMAGE SUFFERED BY REASON OF AN ALLEGED DEFAMATION AGAINST A THIRD PARTY

An action has been brought against "HEDNO SA" before the Karditsa Multi-Member Court of First Instance, claiming from HEDNO the payment of damages in the amount of €5,000,000, as monetary compensation for moral damages, due to the plaintiff's claim of insult to his personality and slanderous defamation due to the attribution to him of the act of theft of electricity, for which he was acquitted, due to doubts, by the Decision No. 977/2016 of the Karditsa Single-Member Court. That action was dismissed initially by a Court of First Instance Decision No. 35/2017 of the Multi-Member Court of First

Instance of Karditsa and definitively by Decision no. 172/2019 of the Larissa Three-Member Court of Appeal (after dismissal of the appeal of the opposing party).

4. THIRD PARTY ACCIDENT CLAIMS

Case of an accident caused by a helicopter crash at the Poros - Galata pass, with a total amount of the claims against the PPC of €6,567,416.27.

On 20/08/2019, a helicopter crash occurred at the Poros-Galatas pass, where there are medium voltage cables. The following three (3) actions have been brought before the Athens Multi-member Court of First Instance against "HEDNO SA": **a)** Action (EAK 1527/2024) brought by the relatives of one of the deceased-passengers of the helicopter, claiming the amount of EUR 3,186,600, on which the parties have submitted proposals and a decision is pending; **b)** Action (EAK 1529/2024) brought of the relatives of the second of the deceased-passengers of the helicopter, for an amount of €2,000,000, on which the parties have submitted proposals and a decision is pending; and **c)** Action brought by the insurance company "GENERALI HELLAS SAE" (EAK: 2092/2024), requesting the amount of €1,380,816.27, on which the parties have filed submissions and a decision is pending. It is pointed out that two (2) actions had previously been filed by the relatives of the two victims respectively, against the company that managed and operated the helicopter in question, and incidental lawsuits by this company against "HEDNO SA" from which actions the plaintiffs waived their right to sue for damages from the helicopter's insurance company.

b) Action brought by a co-counsel against "HEDNO SA", for the injury of her son by electrocution, for a sum of €5,358,283.80.
On this claim, the decision No. 3076/2022 of the Athens Court of First Instance was issued, which sentenced "HEDNO SA" to pay to the plaintiff the amount of €310,594.00, of which the amount of €100,000.00 was declared provisionally enforceable and paid by HEDNO. The judgment also suspended the progress of the proceedings until the claimant had produced certain documents from the insurance institution, which it has not yet produced. Otherwise, the judgment dismissed the incidental action brought by HEDNO against the other co-defendants. In this respect, the decision is final and HEDNO has lodged an appeal, which is pending the determination of a hearing date.

c) Eight (8) actions have been brought against "HEDNO SA", for a total amount of approximately €5,820,000, as a result of injury or death of a third party due to electrocution, which are pending before first and second instance civil courts.

5. CLAIMS BY HEDNO HIRED, CONTRACTORS FOR ACCIDENTS

a) Six (6) actions have been filed against "HEDNO SA", for a total amount of €7,106,162.69, as monetary compensation for moral damages or mental anguish of relatives of victims, as a result of injuries and deaths, respectively, of HEDNO hired contractors from work accidents.

b) A total of five (5) actions have been brought before the Court of First Instance of Chalkida, for a total amount of €3,600,000 and specifically, the amount of €3,400,000, as monetary compensation for mental anguish for the death of relatives of employees of the contractor company "AKTOR ATE" (HEDNO hired contractor) and the amount of €200,000, for the injury of an employee of the above contractor company, as a result of an industrial accident, which took place on 01/04/2021 in Gymno of Evia. The aforementioned claims for damages, relating to the accident at GYMNO of Evia, have been entirely withdrawn (with waiver of pleading and right), due to an out-of-court settlement between the plaintiffs with the insurance company INTERAMERIKAN and the contractor company "AKTOR SA".

6. DAMAGE TO THE NETWORK

a) Three (3) third party actions have been brought against "HEDNO SA", for a total amount of €3,148,640, for the payment of damages due to Network Damage (e.g. from power outages, voltage fluctuations, substation explosion, etc.).

b) Three (3) actions have been filed by "HEDNO SA" against third parties damages caused to the Network and in particular to submarine communication cables of the Network, due to the fault of third parties, for a total amount claimed of €4,360,682.91.

"ALBENA" ship case: "HEDNO SA" filed an action on 10/01/2017 under EAK 209/2017, which concerns damage caused on 27.3.1998 by the fishing vessel refrigerator named ALBENA , registered in Bourgas, Bulgaria, which was owned by the company under liquidation under the name OKEANSKI RIBOLOV LTD, in the submarine power transmission cable in Kythira, owned by PPC S.A. and which was insured to the defendant mutual insurance cooperative. The action was heard before the Athens Multi-Member Court of First Instance (Ordinary Procedure - Law of obligations Section), requesting an amount of €3,254,330.57 and the decision number 427/2019 of the above Court was issued, which REMANDED the present case to the competent court, namely the Maritime Litigation Department of the Piraeus Multi-Member Court of First Instance. Subsequently, the case was discussed at the Piraeus Multi-Member Court of First Instance and the decision number 1266/2020 of the Piraeus Civil Court was published, which suspended the discussion of the lawsuit of HEDNO SA until the opposing appeals filed by both parties to the case at the Athens Court of Appeal since July 2019, concerning the decision No. 427/2019 decision of the PPA, as there are legal issues to be investigated, which were discussed on 07/11/2024 at the 15th Section of the Athens Three-Member Court of Appeal, as well as the filed additional grounds of appeal and the filed appeal by HEDNO and the decision is awaited.
Case of the navy ship "PFA LYKOUDIS": "PPC SA" filed a lawsuit against the Greek State, claiming the amount of €139,139.55, as compensation for the tortious liability of the appointed bodies of the Greek State, due to the injury of the submarine interconnecting cable Paxos - Continental coast No 2, caused by the anchoring of the Navy ship "PFA LYKOUDIS". The case was discussed by "HEDNO SA", as the universal successor of PPC SA, and the decision of the Athens Administrative Court of First Instance (Section 15, Three Members), number 4317/2019, was issued, by which the above claim of "HEDNO SA" was rejected. The above decision was challenged by a lawsuit filed on 03/07/2019 and with ABEM File No: EF2139/03.07. 2019 Appeal of "DEDDIE SA" against the Greek State, on which the decision of the Athens Three-Member Administrative Court of Appeal No. 2799/2020 was issued, which upheld the appeal of "HEDNO SA", deleted the decision No. 4317/2019, retained the action and upheld it in part, recognizing the obligation of the Greek State to pay to DEDDIE SA the amount of €139,139.55 in legal interest. On 06.07.2021 the total amount of €211,654.44 was paid to "HEDNO SA" from the Navy Fund. The Hellenic State has filed an Appeal (No. 539/2021) against the above decision (No. 2799/2020), which is scheduled to be heard before the Council of State, after repeated postponements, on 17/03/2025.
Case of the ship "NISSOS KEFALONIA": HEDNO SA has brought an action, under GAK 10170/2023 and EAK 5111/2023, before the Piraeus Multi-Member Court of First Instance (Maritime Litigation Department) against the companies "KEFALONIAN LINES MARITIME COMPANY" and "LEVANTE FERRIS V MARITIME COMPANY", for the amount of €967,212,79, as compensation for the damage - injury of the backup submarine communication cable of the Medium Voltage Electrical Interconnection of Kefallonia - Ithaca, on 25/09/2018, due to the anchoring of the ship "NISSOS KEFALONIA" in the port of Pissaetos, Ithaca Island. Motions have been filed by the parties, the formal hearing of the case took place on 14/01/2025 and a decision is pending.

(D) FIRES - Claims of individuals against "HEDNO SA", regarding damages, which they claim to have been caused by fires.

- **1. Fire at Faraklo in Neapoli of Laconia**
  As a result of a fire in 2015, two (2) actions for damages against "HEDNO SA" were brought in 2020 (under filing numbers 45/2020 and 50/2020) before the Gythio Single-Member Court of First Instance, for a total amount of €1,475,985.06, on which have been issued, respectively a) the decision number 69/2024 which partially accepted the claim for the amount of €75,445.57, awarding against "HEDNO SA" the amount of €63,280 and against which HEDNO filed the appeal

No. 40/2024, the hearing of which is pending; and b) the order No. 7/2024 by the Single-Member Court of First Instance of Gythio on the claim for the amount of €1,400,539.49, ordering an expert examination by a licensed agronomist (who has been already sworn) and by a civil engineer (not yet sworn). Subsequently, in 2021, two more lawsuits were brought against "HEDNO SA": a) the action filed under No. 18/2021, with a claim of €6,895,436.24 , on which the action under No. 6/2024 of the SM C.of I. of Gythio, ordered expert examination by a qualified agronomist (not yet sworn) and b) the lawsuit under filing number 45/2021, claiming an amount of €1,060,338.93, on which Decision No. 18/2023 of the SM C. of I. of Gythio was issued, postponing the discussion until the irrevocable conclusion of the criminal proceedings. In addition, in 2022, actions for damages (after waiver of the original claims) were filed under file No. 90/2022 and 91/2022, with a claim amount of €328,216.44 and €303,800.00, respectively, the discussion of which was referred to the Neapolis Voies Magistrate Court and is pending.

- **2. Fire in Vamvakopoulo, Chania**
  Thirteen (13) lawsuits have been filed against "HEDNO SA", for a total amount of € 5.023.932,99, for the payment of damages to compensate for material damage and alleged moral damages of the plaintiffs, from a fire that occurred on 29/05/2013 in an extensive area in Vamvakopoulo, Chania, Crete.
  Of the above thirteen actions: **a)** for two of them, of a total amount claimed of €1,292,470.25, a first instance decision is pending, **b)** for one of them, of a total amount of €224,580.00, the hearing at first instance is pending (Hearing date: 12/06/2025 - SM C. of I. Chania), **c)** for one of them with a requested amount of €56,640.00 it has been ordered (under No. 21/2023 by the SM C. of I. Chania) the conduct of an expert examination and the appointment of an expert is pendeing, **d)** for two of them, amounting to €40,000.00 and €300,853.88, respectively, the final decision was suspended until a final decision on the criminal proceedings is issued and for one of them, amounting to € 300,853.88, it has already been summoned for a retrial before the SM C. of I.. Chania, on 13/03/2025, **e)** for two of them, requesting the amounts of €26,729.60 and €631,965.18, respectively, relevant decisions by the Magistrate's Court of Chania have been issued (number 390/2019 and 384/2019), which rejected the above claims and against which appeals have been filed by the opposing parties, which are scheduled to be heard on 22/01/2026 and 22/05/2025 respectively, **f)** for two of them, for a requested amount of €27,100.00 and €40,000.00, respectively, the SM C. of I. Chania (numbers 228/2023 and 229/2023) has issued decisions, which partially upheld the actions in question, ordering "HEDNO SA" to pay the amount of €10,615.90 and €2,000.00, respectively. Appeals against the above decisions have been lodged by HEDNO, the hearing date of which has not yet been set, **and g)** for three of them, for a requested amount of €1,023,757.04, €702,863.40 and €656,973.64, respectively, decisions have been issued by the Multi-member Court of First Instance of Chania (under numbers 73/2024, 124/2023 and 108/2024), which upheld in part these actions, recognising the obligation of "HEDNO SA" to pay the amounts of €356,317.193, €167,323.30 and €10,000.00, respectively. Appeals against the above decisions are bound to be filed by HEDNO.

3. Fire DARIZA - Poros Troizinia
A total of nineteen (19) actions for compensation have been brought against HEDNO SA for the fire, on 20/08/2012, at the DARIZA site, for a total amount of more than 15,000,000 euros. The development of these cases to date is as follows:

- **(A)** Ten (10) actions were partially upheld by the Kalavria Magistrate's Court and the same number of appeals were filed by HEDNO, of which:

- **1)** For eight (8) appeals, by non-final (identical) decisions of the court, an expert examination was ordered, after which:
  (a) six (6) appeals filed by HEDNO SA were upheld with decisions No. 3123/2022, 3124/2022, 3125/2022, 3127/2022, 3128/2022 and 3241/2022 decisions of the Piraeus Single Court of First Instance (as Court of Appeal), which held that there was no liability of "HEDNO SA" in tort, and which partially upheld the claims, for the amount of € 2.076.400,94, accepting the subsidiary basis of

the actions on the basis of the liability of the HEDNO SA and ordering the HEDNO SA to pay to the plaintiffs in the above actions the total amount of € 642,944.09, together with interest, plus costs. Appeals against the above decisions were lodged by BEDDIE: a) three (3) of them were discussed on 01/04/2024 before the Supreme Court (A1 Section) and decisions are expected to be issued; b) one (1) of them is being discussed, with adjournment, before the Supreme Court (A2 Section), on 13/10/2025; and c) two (2) of them were discussed on 20/05/2024 before the Supreme Court (A2 Section), on 20/05/2024, and decisions were issued thereon, no. 111/2025 and 110/2025 irrevocable judgments which annulled the contested decisions, tried the merits and dismissed the claims, in the amount of € 109.360,64 and € 215.233,00, respectively.
(b) two (2) appeals were cancelled (due to the death of the applicants) and, following calls by the heirs, were discussed at the hearing of 08/01/2024 and the decisions of the Court of Justice are expected. 3257/2024 and 3256/2024 final judgments of the Mon. Prot. Piraeus (as the Court of Appeal), which allowed the appeals and dismissed the claims, amounting to € 134.057,71 and € 290.810,97, holding that the PPDSE is not liable for the fire neither in tort nor in recklessness. Against the above decisions, the applications of 04/11/2024 were filed by the heirs of the plaintiffs, not yet determined.

- **2)** One (1) appeal was discussed and the decision No. 552/2023 final decision of the Piraeus Court of First Instance (as the Court of Appeal), which held that there was no liability of "HEDNO SA" in tort and partially upheld the claim, for the amount of € 25.497,30, accepting the alternative basis of the action on the liability of "TENEX SA" for strict liability and ordering TENEX to pay to the plaintiff the amount of € 8.288,00 (with interest for part of it € 5.024,00). An appeal against the above decision was filed on 10/10/2023 by HEDNO, which is being heard before the Supreme Court (A3 Chamber) on 31/03/2025.
- **3)** One (1) appeal was discussed and the definitive decision No. 4169/2023 of the Piraeus Multi-Member Court of Appeal was issued, which ruled that HEDNO was not liable for the fire, neither in tort nor in endangerment, and rejected the claim for the amount of €131,706.93. Against the aforementioned decision, an appeal was brought by the applicants on 05/02/2024, which was not yet determined.

- **(B)** One (1) claim for the amount of €740,381.00, was rejected by the final decision of the Athens Court of First Instance, No. 2513/2022, which ruled that HEDNO SA is not liable for the fire, neither for tort nor for endangerment. An appeal was lodged by the applicant against which the No. 3095/2024 final decision of the Athens Three-Member Court of Appeal (Section 16 was issued), which dismissed the appeal, as it held that the HEDNO is not liable for the fire, neither in tort nor by endangerment.
- **(C)** One (1) claim, for an amount of €14,134,240.00 was rejected due to lack of precision by the decision no. 57/2017 of the Kalavria Magistrate's Court, which was appealed by HEDNO. At the same time, a (1) new (identical) action was brought, concerning the same lands and the same fire victims as in the previous action, as well as 2 others, requesting the amount of € 10.529.212,00 otherwise (using another method of calculation) € 15.362.757,00 , on which the decision no. 45/2018 decision of the Kalavria Magistrate Court, which suspended the issuance of a final decision until the final conclusion of the proceedings of the above appeal of "HEDNO SA". The aforementioned appeal of HEDNO SA was rejected by the final decision No. 3126/2022 of the Single Member Court of First Instance of Piraeus (as Court of Appeal). Following this, the applicants lodged a call for a new court hearing of their new action, which was discussed at the hearing of 17/10/2023 and the Court's decision is expected. 11/2024 judgment of the Court of First Instance, which declared the debate inadmissible. Following a new summons of the plaintiffs, this action was reheard on 17/12/2024 and the Court's decision is awaited.
- **(D)** One (1) claim, for an amount of € 480.528,00 was rejected by the decision no. 4327/2018 of the Single-Member Court of First Instance of Piraeus due to the applicants' default of appearance. Before the hearing, the plaintiffs brought a new (1) new (identical) action, for the amount of € 480.528,00, on which, by the action no. 1967/2019 Decision Mon. Prot. Piraeus, the final judgment was suspended until the final judgment in their original action. Against the call for tender No. 4327/2018 of the Single-Member Court of First Instance of Piraeus, an appeal was lodged by the applicants, which was upheld by the final decision No. 608/2022 of the Piraeus Court of Appeal,

which ruled that HEDNO was not liable for the fire, neither in tort nor in endangerment, and dismissed the action. The plaintiffs have filed an appeal against the decision, which is being heard, with adjournment, before the Supreme Court (A2 Section) on 13/10/2025.

- **(E)** Two (2) claims, amounting to € 431.476,60 and € 302.964,88 were rejected, respectively, by the decisions no. 44/2018 and 43/2018 of the Court of Justice of the Peace of Kalavria due to the applicants' default of appearance. Prior to the hearing, two (2) new (identical) actions were brought by the plaintiffs for the same amounts claimed above, respectively, on which, by means of the actions no. 14/2019 and 15/2019 decisions of the Mon. Prot. Piraeus, the issuance of a final judgment was stayed until the final disposition of their two (2) original actions. Against the abovementioned Decisions 44/2018 and 43/2018, two (2) appeals were also lodged by the applicants, which were accepted in the absence of HEDNO SA (it was held that the representation by declaration was inappropriate), by decisions Nos 83/2020 and 82/2020 decisions of the Piraeus Single-Member Court of First Instance (as the Court of Appeal), which partially upheld the above actions, recognising the obligation of HEDNO to pay the amount of €216,372.50 and €179,718.97, respectively. Against the abovementioned Nos. 83/2020 and 82/2020, two (2) appeals in default were filed by the BEDDIE, which were rejected by the decisions no. 1218/2023 and 1219/2023 of the Single Member Court of First Instance of Piraeus (as Court of Appeal). Against the decisions Nos 1218/2023 and 83/2020, as well as against the decisions Nos 1219/2023 and 82/2020 have been filed a) two applications for reconsideration, which were heard before the Piraeus Court of First Instance (as the Court of Appeal) on 04/03/2024 and a decision is expected and b) two (2) applications for appeal by the Hellenic Public Utility Company, which are being heard before the Supreme Court, with postponement, on 09/02/2026 (while a stay of execution has been granted by the Supreme Court).

4. Fire in Chios

Against "HEDNO SA" (3) lawsuits have been filed, for a total amount of € 6.929.679,00, as compensation, due to a fire caused by the Network, on 25/07/2016. In particular, the first claim, amounting to €3,832,260.00, was discussed on 04/05/2022 and the claim was dismissed by virtue of the decision of the Chios Multi-member Court of First Instance No. 6/2023, as the opposing parties did not submit any proposals. The second claim, amounting to €3,030,404.00, was discussed on 04/05/2022 and the claim was dismissed by virtue of the decision of the Chios Multi-member Court of First Instance No. 7/2023, as the opposing parties did not submit any motions. The third claim for the amount of € 67.015,00 has been scheduled to be heard on 25/09/2025 before the Athens Court of First Instance.

5. Fire at "6th km of the Larissa-Sykouri road"

Before the Athens Multimunicipal Court of First Instance, the action for damages brought on 07/03/2006 by three (3) companies against "HEDNO SA", for compensation for a fire caused on 08/08/2004, at the "6th km. of the Larissa-Sykouriou road", with a total amount of € 7.526.379,84, with interest from the service of the claim, which was discussed, following a summons of the PPC, on 11/12/2013, from the pleading of which the above companies waived, bringing in parallel before the Court, their second claim of 26.05.2012, for their damages from the above fire, with a total amount of € 7.988.879,83, with interest from the service of the first claim (13/04/2006). This second action was heard before the Athens Court of First Instance, on 29.1.2014 and a decision was issued on it, no. 3732/29.8.2014 decision of the above Court, which dismissed the action and ordered the plaintiffs to pay the costs of the PPO in the amount of € 19.600,00. The applicants appealed against the above decision on 22/08/2015, on which the appeal No. 614/2019 final decision of the Athens Court of Appeal, which dismissed in its entirety the appeal and the action of the defendants and ordered them to pay the costs of the PPO for the appeal proceedings of € 8.000,00. An appeal against that judgment was brought by the applicants, which has not yet been determined.

6. Fires in Lefkada - Plantations of Xeromeros - Eastern Mani - Kalamos, Attica - Rethymno, Crete (cheese factory) - Agioi Theodoroi, Corinthia - "Aura" location in Kalambaka, Prefecture of Trikala - Total amount requested €4,543,327.55.

Specifically, the following actions have been brought against "HEDNO SA" **a)** four (4) lawsuits before the Lefkada Court of First Instance, for a total amount of €2,564,369.33, as compensation due to the fire that occurred in the centre of Lefkada, on 08/08/2016, **b)** one (1) lawsuit before the Athens Court of First Instance, for a total amount of €248,128.76, as compensation for property, positive and consequential damage, as a result of a fire caused by the network on 20/07/2016 at the location "MEGAS KAMPOS" in Fytia Xiromeros, **c)** one (1) lawsuit, for a total amount of €29,750.00, as compensation due to a fire that occurred in the area of East Mani, on 01/07/2017, **d)** one (1) claim, total amount claimed €195,000.00, as compensation due to a fire that occurred in the area of Kalamos, Attica, on 13/08/2017, **e)** one (1) lawsuit, total amount claimed €370,903.35, as compensation due to a fire that occurred in a cheese factory, in Rethymno, Crete, on 11/02/2014, **f)** five (5) actions before the Single Member Court of First Instance of Corinth, for a total amount of € 724,476.11, as compensation due to a fire that occurred in Ag. Theodoros, Corinthia, on 23/07/2018 and **g)** one (1) lawsuit, for a total amount of €410,700, as compensation due to a fire that occurred in the location "Aura" Kalambaka, Prefecture of Trikala, on 23/07/2015.

(E) EMPLOYMENT LAW MATTERS - Staff matters of the UNDP - Claims of UNDP employees for benefits, allowances, reduction of salary.

1. "DEDDEE S.R.O." v e-EFKA (formerly TSMEDE)
THE 'DEDDEE S.R.L.' has brought an action against e-EFKA (formerly TSMEDE) on 16/02/2023 for the annulment of the decision no. 64787 / 16.12.2022 of the debt certificate. The aforementioned contested act of the Head of the Fourth Pension Division of e-EFKA confirmed to the Company the total amount of EUR 15,350,240.50, as differences in personal contributions of main pension sector and employer contributions as well as contributions on gifts Easter, Christmas and holiday allowance for the period from 01/05/2012 to 31/12/2016. The requests for suspension made by HEDNO were accepted. The aforementioned appeal was heard on 24/11/2023 and decision no. 8943/2024 decision of the CFCA, which upheld the action brought by BEDDIE, for the annulment of the decision No. 64787 / 16.12.2022 of the debt certificate.

2. Lawsuits of tenants against "HEDNO SA" for YBAE (overweight)
Twenty-three (23) lawsuits have been filed by tenants against "HEDNO SA" for illegal reduction of their salaries as a result of the retroactive inclusion of them in the YBAE (overweight), for a total amount claimed of € 5.352.634,88. On these actions:
a) on one of them, with a claim amount of €528,000.00, the decision of the Athens Single-Member Court of First Instance No. 2190/2019 was issued, which accepted the claim and obliged "HEDNO SA" to pay the amount of €528,000.00, with statutory default interest. An appeal (under GAK/EAK/12032/9707/2019) was filed by "HEDNO SA" before the Athens Court of Appeal, on which the decision No. 926/2021 was issued, dismissing such appeal of HEDNO SA. Against the above decision, the appeal No. 1941/2021 was filed by "HEDNO SA", on which the decision of the Supreme Court No. 720/2024 was issued, by which the above action was dismissed, **b)** on fifteen (15) of the above actions, for a total amount of €2,506,112.76, the Athens Single-Member Court of First Instance has issued the same number of rejection decisions and **c)** for seven (7) of the above actions, total amount claimed of €2,318,522.12, a decision is pending.

(F) REAL ESTATE - LAND REGISTRY MATTERS

1. Expropriation by the Greek State of the YMITOS 22/6.6 YMITOS (PYRKAL): The following have been issued: a) a) No. 322/2024 decision of the Athens Court of Appeals, by which the intervention of HEDNO was accepted and the Company was recognized as the beneficiary of the amount of € 76.876,051 for the occupation of the expropriated property and the execution of works before the determination of the expropriation compensation (a. 7A KAA); and (b) No. 3711/2024 decision of the Athens Court of Appeals, which partially accepted the counterclaim of the Hellenic Public Utility Company and determined the amount of the provisional compensation for expropriation in the total amount of € 599.876,61 instead of the amount of € 109.822,93 requested by the Greek State. Furthermore, the Company was recognized as the beneficiary of the above total compensation and its removal from the expropriated property was ordered on condition that the Greek State paid it. The filing of a petition/appeal to determine the final expropriation compensation price is pending.

(Amounts in EUR thousand)

2. Action by PPC against the Municipality of Keratsini: In this regard, the Piraeus Multi-member Court of First Instance has issued a non-definitive decision, No. 2753/2019, ordering a new expert opinion on the value of the disputed properties in the amount of €19,000,000. On 08/10/2024 the experts carried out an autopsy on the properties in question in the presence of representatives of the parties and our technical consultants and the submission of the opinion to the Court's registry is expected by the end of this year, for the resumption of the discussion.

3. Actions under Article 6, par. 2 of Law 2664/1998 (Land Register): A series of lawsuits, mainly by the Greek State for the recognition of ownership of forest land - Defendant "HEDNO SA" as a contractor: With our proposals we deny the lawsuits for lack of passive legitimacy - the jobs involved Transmission Lines transferred to IPTO.

37. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Trade and other receivables and liabilities with related parties as at 31/12/2024 and 31/12/2023 are as follows:

	31/12/2024	
	Trade and other receivables	Liabilities
PPC SA	82,985	0
PPC Renewables SA	0	-1,114
KOTSOVOLOS	0	-5
FIBERGRID	4,234	0
KASTRI EVIAS	0	-50
HELLENIC POST OFFICE (ELTA)	126	0
ELTA COURIER	0	-42
ETVA	0	-3
OSY	4	0
AIA	31	0
GAIAOSE	9	0
Total	**87,389**	**-1,214**

	31/12/2023	
	Trade and other receivables	Liabilities
PPC SA	94,871	0
PPC Renewables SA	0	-6,381
Athens Water Supply and Sewage Company (EYDAP)	0	-47
HELLENIC POST OFFICE (ELTA)	35	0
ELTA COURIER	0	-48
ETVA	0	-4
EYATH	1	0
OSY	0	-1,149
AIA	27	0
GAIAOSE	9	0
OKAA (Central Markets and Fishery Organizations)	0	-5
Total	**94,943**	**-7,634**

The accrued trade and other receivables and liabilities with related parties for the fiscal year ended on 31/12/2024 and on 31/12/2023 are as follows:

(Amounts in EUR thousand)

	31/12/2024	
	Accrued receivables	Accrued Liabilities
PPC SA	143,375	-134,484
PPC Renewables SA	37	-689
HELLENIC POST OFFICE (ELTA)	49	0
AIA	25	0
Total	**143,486**	**-135,173**

	31/12/2023	
	Accrued receivables	Accrued Liabilities
PPC SA	209,138	-140,889
PPC Renewables SA	26	-599
HELLENIC POST OFFICE (ELTA)	78	0
AIA	22	0
Total	**209,264**	**-141,488**

The transactions with related parties for the fiscal year ended on 31/12/2024 and on 31/12/2023 are as follows.

	01/01/2024-31/12/2024	
	Invoices to	Invoices from
PPC SA	1,792,803	-1,554,287
PPC Renewables SA	235	-8,268
SOLARLAB	2	0
ILEKTROPARAGOGI ALEKSANDROUPOLIS S.A.	104	0
KOTSOVOLOS	0	-18
HELLENIC POST OFFICE (ELTA)	1,115	-557
ELTA COURIER	0	-143
ETVA	2	-104
STASY	0	-2
OSY	959	-5
AIA	297	0
DETH [Intern. Exposition of Thessaloniki] - HELEXPO	0	-1
HELLENIC PUBLIC PROPERTIES CO. (HPPC)	0	-1
OKAA (Central Markets and Fishery Organizations)	4	0
ZEA MARINA	1	0
Total	**1,795,522**	**-1,563,386**

(Amounts in EUR thousand)

	01/01/2023-31/12/2023	
	Invoices to	Invoices from
PPC SA	1,644,014	-1,435,844
PPC Renewables SA	38	-7,165
ARKADIKOS ILIOS 1	17	0
ILIAKO VELOS 1	8	0
SOLARLAB	91	0
VOLTERRA DOUKAS S.S. S.A.	27	0
VOLTERRA KOUKOULI S.S. S.A.	24	0
KPM ENERGY	74	0
Athens Water Supply and Sewage Company (EYDAP)	26	-73
HELLENIC POST OFFICE (ELTA)	3,040	-1,235
ELTA COURIER	0	-9
ETVA	0	-62
EYATH	43	-6
STASY	0	-2
OSY	5	-4
AIA	247	0
DETH [Intern. Exposition of Thessaloniki] - HELEXPO	0	-1
HELLENIC PUBLIC PROPERTIES CO. (HPPC)	1	-1
Total	**1,647,655**	**-1,444,402**

The invoices to PPC SA concern the majority of invoices for network utilization fees, network projects, PSOs and energy sales to NIIs. This amount includes an invoice of €3 million for the recovery of study costs in the fibre optic network as well as an invoice of €0.87 million for PPC's participation in the construction costs of the fibre optic network, which will be recognised in revenue over 35 years following the accounting treatment of participations (Note 3.1.11)

The invoices from PPC SA mainly concern purchases of energy from its thermal power stations in the NIIs, in exchange for PSO and additional services of PPC SA to HEDNO SA. The invoices from PPC Renewables relate to purchases of energy in the NIIs.

In the context of its business activity, HEDNO SA carries out transactions with a large number of companies under state control, whether for profit or not (provision of services, sales of energy, receipt of services, etc.). All transactions with State-controlled companies are carried out on commercial terms.

MSCIF DYNAMI BIDCO SA is considered a related party and the nature of the transaction relates to dividends.

Management remuneration

The remuneration of management members - members of the Board of Directors and General Directors - is as follows.

	01/01/2024-31/12/2024	01/01/2023-31/12/2023
Remuneration of Board Members		
Executive Directors' fees	598	193
Non-executive Directors' fees	287	315
Compensation / extraordinary remuneration	522	201
Employer contributions	78	80
Total	**1,485**	**789**

(Amounts in EUR thousand)

	01/01/2024-31/12/2024	01/01/2023-31/12/2023
Remuneration of General Directors		
Payroll	1,464	699
Compensation / extraordinary remuneration	1,634	851
Employer contributions	198	121
Other Benefits	2	1
Total	**3,298**	**1,672**

38. MANAGEMENT OF FINANCIAL RISK

38.1 Financial risk factors

(a) Market risk

(i) Foreign exchange risk

The foreign exchange risk consists in the probability that the fair value of the cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company's transactions are mainly carried out in Euro and therefore the Company is not exposed to foreign exchange risk. However, the Company's management continuously monitors its exposure to potential foreign exchange risks and assesses the need to take appropriate measures.

(ii) Risk of interest rate fluctuations

The Company is exposed to the risk of rising interest rates as it has entered into loan agreements with floating interest rates, which are linked to Euribor, and may affect the Company's cash flows and income statement.

Strong inflationary pressures, resulting from the energy crisis, and geopolitical turbulence, such as the ongoing conflict in Ukraine and tensions in the Middle East, continue to shape developments in the global and national economies. During 2024, inflation stabilised at lower levels, mainly due to the deceleration of energy prices and the normalisation of supply chains. At the same time, central banks, having succeeded in containing inflation, have started to gradually reduce interest rates as early as mid-2024. According to the latest provisions, financial markets expect this trend to continue and further declines in 2025. However, interest rates remain sensitive to unforeseen developments, such as new geopolitical tensions or a resurgence of inflation due to higher commodity prices. The Company closely monitors developments in the financial markets and implements hedging strategies, where necessary, to mitigate the impact of potential fluctuations in interest rates.

Given the uncertainty that remains, in order to hedge the interest rate risk arising from floating rate loan contracts, the Company has entered into OTC derivative contracts (Interest Rate Cap) that allow the Company to hedge against a positive 6-month Euribor rate while paying a premium.

(b) Credit risk

The Company is exposed to credit risk related to its trade receivables, while the general economic climate with increases in electricity prices has a negative impact on liquidity. With regard to the timing of the collection of receivables, the Company closely monitors those receivables that are overdue and takes all necessary measures to address this risk. The timing of repayment of the receivables regarding the operation of the Energy market is determined by RAEWW. In addition, under the current regulatory framework, the Company receives guarantees from electricity suppliers to mitigate credit risk. On 01/10/2022, the Company insured, for the first time, part of its credits for proven insolvency of the debtor with the insurance company Atradius Credito y Caucion SA with an annual contract, which was extended on 01/10/2023 for an additional year. On 01/10/2024, the Company extended for an additional year the relevant insurance coverage by signing a new credit insurance contract with the insurance company Atradius Credito y Caucion SA, with additional coverage in case of delayed collection of part of its receivables.

(Amounts in EUR thousand)

(c) Liquidity risk

Liquidity and cash flow risk is related to the need for sufficient funding for the operation and development of the Company. The Company manages this risk by monitoring and planning its cash flows and acts appropriately by ensuring, as far as possible, adequate credit limits and cash reserves. The Company's cash and liquidity is monitored on a daily basis.

The following table analyses the Company's financial liabilities as at 31/12/2024 and 31/12/2023, grouped by maturity date, as calculated according to the time remaining from the Balance Sheet date to the contractual maturity date. The amounts shown in the table are the contractual cash flows.

31/12/2024

MATURITY OF FINANCIAL LIABILITIES

	Up to 1 year	Between 1 and 5 years	Over 5 years	Total
Trade Payables	475,256	0	0	**475,256**
Other current liabilities	67,592	0	0	**67,592**
Lease liabilities	12,947	21,416	10,681	**45,044**
Loans and Borrowings	217,451	837,479	1,404,572	**2,459,502**
	773,246	**858,895**	**1,415,253**	**3,047,394**

31/12/2023

MATURITY OF FINANCIAL LIABILITIES

	Up to 1 year	Between 1 and 5 years	Over 5 years	Total
Trade Payables	376,108	0	0	**376,108**
Other current liabilities	112,167	0	0	**112,167**
Lease liabilities	13,933	22,914	10,258	**47,105**
Loans and Borrowings	336,115	621,920	1,011,078	**1,969,113**
	838,323	**644,834**	**1,021,336**	**2,504,493**

Lease liabilities and loans do not correspond to the amounts in the statement of financial position, as they relate to contractual (undiscounted) future cash flows, which include both principal and future interest that will accrue in the respective year.

Other current liabilities do not correspond to the amounts in the statement of financial position as they only include financial liabilities. They do not include customer advances, contractual obligations and insurance contributions.

38.2 Capital Management

The Company's objectives in managing capital are to ensure its ability to continue as a going concern and to maintain an ideal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may increase or decrease borrowings, issue shares, adjust the amount of dividends to shareholders or return capital to shareholders. The Company monitors capital based on the financial leverage ratio. This ratio is calculated by dividing net borrowing by total capital employed. Net borrowings include interest-bearing loans and non current and current lease liabilities, less cash and cash equivalents. Total capital employed is calculated as total equity as shown in the statement of financial position plus net borrowings.

(Amounts in EUR thousand)

	31/12/2024	31/12/2023
Non-current lease liabilities	24,369	26,958
Current lease liabilities	11,322	12,563
Non-current loans and borrowings	1,845,088	1,345,790
Current loans and borrowings	154,248	291,312
Minus: Cash and cash equivalents	-122,879	-196,055
Net lending	**1,912,148**	**1,480,568**
Total equity	1,678,717	1,291,480
Total capital employed	**3,590,865**	**2,772,048**
Leverage Index	53.25%	53.41%

38.3 Determination of fair values

The Company uses the following hierarchy for the recognition and disclosure of financial instruments fair value per valuation technique:

Level 1: negotiable (unadjusted) prices in active markets for similar assets or liabilities.

Level 2: other techniques for which all inputs having a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques that use inputs that have a significant effect on the recorded fair value and are not based on observable market data.

During the year there were no transfers between Levels 1 and 2, nor transfers in and out of Level 3 for fair value measurement.

Below is a comparison, by category, of the carrying and fair values of the Company's assets and liabilities reflected in the statement of financial position as at 31/12/2024.

	31/12/2024	
	Accounting Value	Fair Value
Property, plant and equipment & intangible fixed assets	6,059,613	6,059,613
Derivative financial instruments	-459	-459
Total	**6,059,154**	**6,059,154**

	31/12/2023	
	Accounting Value	Fair Value
Property, plant and equipment & intangible fixed assets	5,078,116	5,078,116
Derivative financial instruments	6,813	6,813
Total	**5,084,929**	**5,084,929**

Management has estimated that cash, short-term deposits, accounts receivable and other receivables, inventories, accounts payable and other current liabilities approximate their carrying amounts, primarily due to their short-term maturities.

The fair value of Level 3 property, plant and equipment and intangible assets is measured at the Company by independent valuers every 3-5 years to ensure that the fair value does not differ significantly from the net book value.

The valuation of property, plant and equipment that was carried out on the basis of data as at 31/12/2024 and as a result of the comparison of the values resulting from the work of the independent appraisers with the net book value of the fixed assets resulted in a net surplus of approximately € 528.4 million, as well as a loss of € 15.3 million (Note 17) which was recorded as a credit in Equity and in the Income Statement respectively, net of deferred tax.

The fair value of other financial assets and financial liabilities is determined by discounting future cash flows using either directly or indirectly observable inputs and is included in Level 2 of the fair value hierarchy.

During the fiscal year ended 31/12/2024 there were no transfers of financial assets between hierarchy levels.

39. SUBSEQUENT EVENTS

Loans with the European Investment Bank (EIB)

The Company, within the framework of the loan agreement it has concluded with the EIB for the financing of the "HEDNO DISTRIBUTION I" project exclusively with RRF resources amounting to € 296.15 million, proceeded to a disbursement of € 150 million on February 20, 2025.

Voluntary retirement program

According to the Board of Directors' resolution No 1/14.01.2025, the Company approved the granting of a voluntary departure incentive, as a voluntary benefit, for employees who resign due to the completion of retirement requirements and age limit.

ANNEX - ACCOUNTING DISAGGREGATED FINANCIAL STATEMENTS

In accordance with the provisions of Law 4001/2011
and approved by the Waste, Energy and Water Regulatory Authority
approved methodology of Accounting Disaggregation.

(Amounts in EUR thousand)

TABLE A HELLENIC ELECTRICITY DISTRIBUTION NETWORK OPERATOR SA
ACCOUNTING DISAGGREGATED INCOME STATEMENT PER ACTIVITY

	01/01/2024 – 31/12/2024				01/01/2023 – 31/12/2023			
	TOTAL NETWORK	TOTAL NIIs	TOTAL OTHER	TOTAL HEDNO	TOTAL NETWORK	TOTAL NIIs	TOTAL OTHER	TOTAL HEDNO
INCOME:								
Revenue from contracts with customers	1,173,735	3,808	56	1,177,599	1,070,940	4,100	5	1,075,046
Other income	22,391	158	3,193	25,742	15,943	208	2,603	18,755
TOTAL INCOME	1,196,126	3,966	3,249	1,203,341	1,086,883	4,308	2,608	1,093,801
EXPENSES:								
Personnel cost	-254,629	-1,622	-24	-256,275	266,187	2,564	43	268,794
Provision for retirement benefits	3,179	17	1	3,197	-7,287	-31	-1	-7,319
Maintenance and third-party services	-128,732	-113	-995	-129,840	95,666	135	253	96,054
Consumption of Materials	-40,521	89	36	-40,396	33,320	-134	31	33,217
Third party fees	-154,916	-1,354	-2,533	-158,803	87,494	801	2,100	90,395
Provisions for doubtful debts	0	0	0	0	-91	-0	-0	-91
Predictions for risks	18,768	21	23	18,812	-5,746	-27	-17	-5,790
Miscellaneous expenses	-59,490	-137	-10	-59,637	51,290	243	4	51,552
Depreciation	-345,759	-105	-68	-345,932	323,580	104	5	323,689
Taxes – fees	-5,197	-22	0	-5,219	5,109	30	1	5,139
OPERATING RESULT	228,829	740	-321	229,248	237,362	622	177	238,161
Loss from revaluation of fixed assets	-15,289	-2	0	-15,291	0	0	0	0
Finance income	12,373	38	42	12,453	8,498	35	23	8,556
Finance expense	-82,656	-260	-274	-83,190	-62,632	-256	-166	-63,055
PROFIT FOR THE PERIOD BEFORE TAX	143,257	516	-553	143,220	183,228	401	33	183,662

(Amounts in EUR thousand)

TABLE B
HELLENIC ELECTRICITY DISTRIBUTION NETWORK OPERATOR SA
ACCOUNTING DISAGGREGATED STATEMENT OF FINANCIAL POSITION PER ACTIVITY

	31.12.2024				31.12.2023			
	TOTAL NETWORK	TOTAL NIIs	TOTAL OTHER	TOTAL HEDNO	TOTAL NETWORK	TOTAL NIIs	TOTAL OTHER	TOTAL HEDNO
ASSETS								
Non-current assets								
Property, plant and equipment	6,011,513	6,258	16,290	**6,034,061**	5,047,389	5,620	12,079	**5,065,089**
Intangible assets	25,450	33	69	**25,552**	12,974	22	31	**13,027**
Right-of-use assets	34,952	0	95	**35,047**	39,874	0	95	**39,969**
Other non-current receivables	257	0	1	**258**	156	0	0	**157**
Derivative financial instruments	0	0	0	**0**	7,007	8	17	**7,031**
Total non-current assets	**6,072,172**	**6,291**	**16,455**	**6,094,918**	**5,107,400**	**5,650**	**12,223**	**5,125,273**
Current assets								
Inventory	391,569	0	1,060	**392,629**	334,939	0	801	**335,740**
Trade and other receivables	152,066	131,874	768	**284,708**	143,611	124,010	640	**268,260**
Accrued trade and other receivables	133,069	116,404	677	**250,150**	212,292	126,493	810	**339,595**
Cash and cash equivalents	88,844	33,703	332	**122,879**	142,375	53,212	468	**196,055**
Total current assets	**765,548**	**281,981**	**2,837**	**1,050,366**	**833,217**	**303,715**	**2,718**	**1,139,650**
Total Assets	**6,837,720**	**288,272**	**19,292**	**7,145,284**	**5,940,617**	**309,365**	**14,940**	**6,264,922**
LIABILITIES AND EQUITY								
Equity								
Share capital	987,523	1,016	2,676	**991,215**	987,764	1,087	2,364	**991,215**
Legal reserve	14,373	52	38	**14,463**	7,401	16	18	**7,435**
Special Reserves	546,975	1	1,480	**548,456**	137,643	49	329	**138,021**
Retained earnings	263,872	-139,626	337	**124,583**	209,310	-54,870	369	**154,809**
Total equity	**1,812,743**	**-138,557**	**4,531**	**1,678,717**	**1,342,118**	**-53,717**	**3,080**	**1,291,480**
Non-current liabilities:								
Deferred tax liability	381,434	443	1,034	**382,911**	290,104	286	694	**291,084**
Employee benefits	50,321	397	137	**50,855**	57,410	518	138	**58,067**
Liabilities from derivative financial instruments	457	0	2	**459**	217	0	1	**218**
Non cur. Lease liabilities	24,295	8	66	**24,369**	26,884	11	64	**26,958**

(Amounts in EUR thousand)

Non-current loans and borrowings	1,838,216	1,891	4,981	**1,845,088**	1,341,104	1,476	3,209	**1,345,790**
Consumer contributions and subsidies	2,025,810	78	5,484	**2,031,372**	2,024,462	72	4,840	**2,029,373**
Other non-current liabilities	30,025	1,131	84	**31,240**	23,580	1,458	60	**25,098**
Provisions	26,870	202	74	**27,146**	33,514	336	81	**33,930**
Total non-current liabilities	**4,377,428**	**4,150**	**11,862**	**4,393,440**	**3,797,275**	**4,157**	**9,087**	**3,810,518**
Current liabilities:								
Trade and other payables	344,954	129,018	1,284	**475,256**	298,845	76,366	897	**376,108**
Various creditors	101,546	59,365	436	**161,347**	174,048	19,529	463	**194,039**
Short Term Lease liability	11,286	5	31	**11,322**	12,528	5	30	**12,563**
Current portion of non-current borrowings	88,086	65,745	417	**154,248**	200,596	90,021	695	**291,312**
Income tax payable	32,860	118	89	**33,067**	41,762	94	100	**41,956**
Other taxes and insurance liabilities	23,161	14,492	102	**37,755**	21,042	19,093	96	**40,230**
Accrued & Other liabilities	45,658	153,934	540	**200,132**	52,404	153,819	493	**206,717**
Total current liabilities	**647,551**	**422,677**	**2,899**	**1,073,127**	**5,731,308**	**364,236**	**14,571**	**1,162,925**
Total Liabilities and Equity	**6,837,722**	**288,270**	**19,292**	**7,145,284**	**10,870,700**	**314,675**	**26,738**	**6,264,923**

NOTES TO THE ACCOUNTING DISAGGREGATED FINANCIAL STATEMENTS

(A) GENERAL INFORMATION

As it follows from the provisions of the European Directive 2009/72 EC, as well as the provisions of Law 4001/2011 which transposed the relevant European Directive into national law, accounting separation is the splitting of the single financial statements (Statement of Financial Position & Statement of Comprehensive Income) of an integrated electric company into individual financial statements for each of its activities.

According to paragraph 4 of article 130 of Law 4001/2011, "....HEDNO SA shall keep separate accounts for the distribution network management activity, for the Isolated Microgrids and the Non Interconnected Islands".

Paragraph 2 of Article 141 of the same law provides that 'the Integrated Undertakings shall keep separate accounts for each of the activities of production, transmission, distribution, supply to eligible customers and supply to non-eligible customers, as well as for the provision of public utility services, just as they would be required to do if these activities were carried out by different undertakings, in order to avoid discrimination, cross-subsidisation and distortion of competition. These accounts shall clarify the revenues derived from the ownership of the Transmission System and Distribution Network. These undertakings keep consolidated accounts for other activities, which do not fall within the electricity sector. The accounts shall comprise a statement of financial position and a statement of comprehensive income and a profit and loss account for each separate activity."

Also, in the letter of the Energy Regulatory Authority (RAEWW) 0-61945/31.07.2015 it is clarified that "According to the provisions of Law 4001/2011 and in particular article 130, par. 4 and article 141, paragraph 2 on the keeping of separate accounts, HEDNO SA, as the Operator of Distribution Network and the Electricity Systems of the Non-Interconnected Islands, should keep accounts of the Statement of Financial Position and Statement of Comprehensive Income, in principle separately for each of these two activities, as well as separately for its regulated and non-regulated activities as Distribution Network Operator".

The accounting principles followed in the preparation of the separate financial statements are those presented in the company financial statements. The methodology applied by the Company in the preparation of the accounting segregated financial statements has been approved by the 121/2017 decision of the Energy Regulatory Authority.

(B) ACCOUNTING SEGREGATION METHODOLOGY

The methodology followed for the preparation of the Accounting Segregated Financial Statements is divided into the following distinct phases.

- Determination of activities for which separate financial statements are drawn up
- Processing of financial system (ERP) data for activity-based reporting
- Quantification of income - expenses to be transferred between activities
- Preparation of a segregated Income Statement
- Preparation of a segregated Statement of Financial Position of activities.

2.1 Determination of activities for which separate financial statements are drawn up

The activities for which the accounting segregation is made are as follows.

- Network Operator

It concerns the operation, maintenance and development of HEDN.

- Operator of Electrical Systems (HS) of Non-Interconnected Islands (NIIs)

It concerns the activities of Production Management and Market Operation of NIIs.

- Other activities

They relate to the construction and sale of projects outside the PPC, the works and expenses carried out for the fibre optic network owned by the PPC and other services to third parties.

2.2 Processing of financial system (ERP) data for activity-based reporting

In the Company's accounting system, cost centres and profit centres are the operating entities in which the items in the Statement of Financial Position and Statement of Comprehensive Income are recorded. In order to prepare separate financial statements, the following steps are performed.

- An investigation and grouping of cost and profit centres shall be carried out in order to identify the limits and relationships between activities and to relate cost and profit centres to activities.
- The aggregates of the accounts per profit centre are reconciled with the Company's aggregate balance.
- The following is the grouping of the balance sheet accounts into sections of the Statement of Financial Position and Statement of Comprehensive Income, in accordance with the Company's financial statements.

2.3 Quantification of income - expenses to be transferred between activities

The operating expenses of the NII electrical systems Operator and the return on its asset base are recovered by transferring revenue from NUT revenue, which is initially credited to the accounts of the profit centre of the Network Operator. This income transfer constitutes an internal pricing of the NIIs Operator to the Network Operator.

2.4 Preparation of a segregated Income Statement

At the end of each fiscal year, a separate Income statement is prepared for each of the three activities - the Network Operator, the Operator of NIIs ES and the Other Activities.

The income statement items are divided into:

- Direct income and expenses, comprising the direct debits and credits to the income statement of the relevant cost centres of the corresponding activity
- Indirect income and expenses, comprising debits and credits to the accounts of the cost-benefit centres of the Administration (Central Departments)

Of the Central Directorates, those that deal only with the activity of the Network Operator (Materials, procurement & transportation departments, Network Departments, Network Users Departments, Network Major Installations Departments (NMIDs), Grid Operations Departments (GODs) and the activity of the Network Operator of the Islands Management Department) are charged only to the Islands Management Department.

The balances of the profit and loss accounts, which have been retained in the remaining shared Central Departments, are then allocated to the activities, with the organic costs of each activity - which consists of the groups of accounts for staff remuneration, consumption of materials, third party fees, third party benefits and maintenance, taxes, provisions, depreciation and miscellaneous organic costs). Directorates related to human resources management and training, which are allocated on the basis of payroll costs, are excluded.

2.5 Preparation of a segregated Statement of Financial Position of activities

At the end of each financial year, a Statement of Financial Position is prepared for each of the three activities - the Network Operator, the NIIs HR Operator and the Other Activities.

The Statement of Financial Position of each activity is prepared on the basis of the distinct cost centres and the grouping of accounts mentioned above. The use of the SAP/ERP business and accounting system ensures the integrity and consistency of the desired segregation of duties.

The items of the Statement of Financial Position of each activity are divided into:

(Amounts in EUR thousand)

- Direct, which include direct debits - credits to the accounts of the relevant profit centres of the corresponding activity (Network Operator & Operator of Electrical Systems (ES) of Non-Interconnected Islands (NIIs))
- Indirect, which include debits and credits to and from the accounts of the other profit centres relating to the other headings , which do not fall under the direct category. Note that for balance sheet purposes only, the profit centre relating to the "Other" activity is included in the allocated other headings.

The balances of the other accounts of the Statement of Financial Position of the other listed Central Departments are shared in the two activities of the Network Operator and the NIIs ES Operator, with a key that matches the nature of the account being shared. The keys used are property, plant and equipment and intangible assets, short-term assets, inventories, provisions, payroll and current liabilities.
The Status of Financial Position of other activities is derived as a percentage from the Statements of Financial Position of the two main activities - Network Operation and NIIs ES Operation - based on the annual turnover of the activities.

Fiber Optics

During the fiscal year 2022 and onwards the "Other" activity includes the cost center of Fiber Optics network. Within 2024 the Company incurred operating expenses of €3.0 million and capitalized expenses of €0.87million relating mainly to alterations of the existing Network Grid for the installation of fiber optics.

Under "Other Income" line an amount of €3.3 million relates to the revenue recognized by the Company as a compensation of its operating expenses for the year and an amount of €0,3 million relates to the mark-up applied on the operating and capitalized expenses.

Further, an amount of €0.87 million has been recognized as a contribution of the parent company PPC SA for the installation costs.

Fiber Optics	**31/12/2024**
Cost of Equipment - Fiber Optics	870
Contributions recognized - Fiber Optics	870

Fiber Optics	**01/01 -31/12/24**
Operating Expenses - Fiber Optics	2.996
Operating Income - Fiber Optics	2.996
Mark-up on Operating Expenses - Fiber Optics	230
Mark-up on Capitalised Expenses - Fiber Optics	67

2.6 Accounting Segregation Basis

Note that the accounting segregated financial statements are derived from the Company's accounting circuit and in accordance with its books and financial statements, together with the relevant allocation sheets to the individual activities and the necessary adjustments. In addition, it is clarified that:

- Negative retained earnings in the NIIs activity result from the existing difference between the open receivables and payables balances.