



HELLENIC ELECTRICITY DISTRIBUTION
NETWORK OPERATOR S.A.

Financial Statements
01/01/2025 – 31/12/2025
based on International Financial Reporting Standards,
as adopted by the European Union

ANNUAL FINANCIAL REPORT



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**ANNUAL REPORT OF THE BOARD OF DIRECTORS
OF HELLENIC ELECTRICITY DISTRIBUTION NETWORK OPERATOR S.A.
FOR THE FINANCIAL YEAR 01/01/2025 - 31/12/2025**

Dear Shareholders,

Following the end of the fourteenth financial year (01/01/2025 - 31/12/2025) 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 31/12/2025 in accordance with International Financial Reporting Standards (IFRS), as endorsed 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).

According to the decisions of the Board of Directors of PPC SA and the Board of Directors of HEDNO SA on 15/06/2021 and 18/06/2021, respectively, the Boards of Directors of PPC SA and HEDNO SA agreed and approved the spin-off by absorption of the Electricity Distribution Network Branch and its contribution by PPC SA to HEDNO SA in accordance with the provisions of Articles 4 and 54-73 of Law 4601/2019, with the application of the Decree 1297/1972. Upon completion of the above mentioned absorption procedure of the Distribution Network Division by HEDNO SA (i.e. on 30/11/2021, when the required publications in the GCR were posted - date of entry in the General Commercial Registry (GCR)), 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 - 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 purchase consideration 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.



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.



HELLENIC ELECTRICITY DISTRIBUTION NETWORK OPERATOR SA
OF THE FINANCIAL YEAR ENDED ON 31/12/2025
(Amounts in EUR thousand)

PSO ACCOUNT BALANCE 31/12/2025 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
ADDITIONAL PAYMENT - CALCULATION OF PSO COST (GOVERNMENT GAZETTE B 579/13.02.2025)	400,000,000
TOTAL INFLOWS	1,275,254,756
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
ACCOUNT DEFICIT 31.12.2025	267,208,765
TOTAL OUTFLOWS	1,740,207,671
ACCOUNT BALANCE (SURPLUS/(DEFICIT))	-464,952,915
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
MINUS FINAL SETTLEMENT SRT CONSIDERATION 2018-2021 (RAEWW E-275/2024)	15,439,795
PLUS FINAL SETTLEMENT EAP CONSIDERATION 2018 (RAEWW E-275/2024)	444,563
MINUS REDIRECTION FROM ELYKO TO THE NUT ACCOUNT HELD BY HEDNO (RAEWW DECISION E-275/2024)	13,434,263
MINUS REDIRECTION FROM ELYKO TO THE NUT ACCOUNT HELD BY IPTO (RAEWW DECISION E-275/2024)	3,323,987
CURRENT PSO ACCOUNT BALANCE (SURPLUS/(DEFICIT)) 31/12/2025	-498,873,033
PSO WITH PAYMENT SUSPENDED	54,960,173



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 Law 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.



2 Usage Performance Analysis

2.1 Financial Overview of the year 2025

The most important financial data of HEDNO SA for the financial year 01/01/2025 - 31/12/2025 are as follows:

	<u>31/12/2025</u>	<u>31/12/2024</u>
Total Revenue	1,280,794	1,203,341
Loan Capital	2,716,984	2,035,027
Net Lending	2,555,094	1,912,148
Total Assets	7,818,257	7,145,284
Operating profit	206,747	229,248
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	581,097	575,180
Profit before tax	120,224	143,220
Net Profit	89,221	108,326
Operating Cash Flow	317,671	573,056
Total personnel cost	343,466	331,227

The table below shows the main indicators:

	<u>31/12/2025</u>	<u>31/12/2024</u>
EBITDA margin	45%	48%
Profit margin	7%	9%
Current Ratio	1.16	0.98
Quick Ratio	0.78	0.65
Cash Flow Ratio	0.17	0.13
Loan Capital / Total Assets	35%	28%
Interest Coverage Ratio	8.53	10.41

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 statutory 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. 28 dated 31/10/2025, decided to distribute an interim dividend for the financial year 2025, 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 January 2026.

For the fiscal year 1/1/2025 - 31/12/2025, the distribution of € 85 million dividend of will be proposed to the General Meeting of shareholders which is scheduled on 10th June 2026.

2.3 Approved RAEWW 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 financial year ended 31/12/2025 the Company has recovered an amount of €28 million.

2.4 Capital expenditure

The Company's total investments for the financial year 2025 amounted to €782.51 million (2024: €812.3 million). An amount of €627.94 million (2024: €685.5) relates to Repetitive Projects (RPs), an amount of €154.41 million (2024: €126.7 million) relates to Named Network Projects and capital equipment purchases, and €0.156 million (2024: €0.134) 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. Named 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 €0.60 million (2024: €0.87 million).

In 2025, distribution facilities were increased by 1,550 km in Medium Voltage (MV) networks and by 800 km in Low Voltage (LV) networks while 2,678 variations were made. Thus, the MV network extends to 120,964 km and the LV network to 132,128 km, while the installed transformers in the network amounted to 169,471 in the first half of 2025. Active customers of distribution networks amounted to 7,674,114, of which 19,098 using MV.

2.5 Main elements of implementation of strategic & named projects for 2025

Establishment of the Network Control Centre for Islands

This project has completed its actions:

- Receipt of SCADA / DMS has been completed by 09/2020 (Central Maintenance Contract for the respective systems of HEDNO SA).
- The installation of RTUs in HV/MV substations and in APPs/LPPs has been completed. Specifically, 32 HV/MV substations have been included in the CCS.
- 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
 - ✓ Staffing of the NCC of the DPN was completed and 24-hour operation was made possible. Furthermore, in 2024, the design of the operational restructuring of the Company's NCCs was completed, and the NCC of DPN was integrated into the southern network NCC with its transition to full operating activities in the new structure.

Modernisation of Network Control in the rest of the country

The project is now considered complete. The following actions were carried out:

- 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, 62 (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.
- With the completion of the above, the project is now considered complete and is no longer monitored as active, while the next phase concerns the organisational transformation of regional control centres, with a transition from five to two NCCs (North and South).

Upgrading of peripheral remote control equipment in networks

The project is in progress, 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, followed by the receipt of the 1st and 2nd option materials.
 - ✓ By the end of 2025, approximately 1907 Remote Controlled Load Switches have been installed, under the main contract, of which 95% 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.

- ✓ Furthermore, 590 switches have been installed out of the planned 1,000 switches, of which 59% are interconnected to the SCADA system. In addition, 1500 switches have been received from another related supply contract, of which 132 have been installed and 33% of them are already interconnected to the SCADA system.
- 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 2025, personnel training has been completed and about 480 R/C ARS have been installed, while 100% of the R/C ARS have been interconnected and are monitored.
 - ✓ 215 ARS, out of a total of 415 relating to the option, have been received and 12 of these have been installed. The remaining deliveries are expected to be completed in 2026.
- Installation of indoor MV/LV 750 pcs of RTUs (remote control ML/LV substations)
 - ✓ The project has been extended with the corresponding activation of the equipment option.
 - ✓ As of the 10th of 2024, the provision of telecommunications equipment by providers has been normalised.
 - ✓ The delivery of all 750 RTUs specified in the initial scope of the project has been completed, while additional equipment has been received following the activation of the option, bringing the total number of RTUs received to 1,156 units.
 - ✓ By the end of 2025, 552 RTUs have been installed and the process is advancing smoothly.
 - ✓ 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 2025, 250 FPI and 426 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 2025, 176 pieces of legacy hardware have been installed and the utilisation of existing legacy hardware continues until the stock is exhausted.

Installation of Geographic Information System

The project is in progress, 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.
 - ✓ Development of digital tools for recording new studies in GIS in the field. Development of a mobile GIS application and creation of a new workflow for conducting field studies using the new Overview application, mobile GIS, and "Field Actions", using tablets in the field.
- Supply and installation of 60 GNSS
 - ✓ Installation of GNSS equipment in the Regions - distribution of 60 GNSS systems to District employees (60/60 have already been delivered to the units).
 - ✓ Supply and installation of an additional 65 GNSS devices and their distribution to Area employees for conducting studies.

- ✓ To accelerate digitisation, seven LIDAR (mobile mapper) systems were procured, and the procurement of three additional mobile mappers (10 in total), a drone equipped with LiDAR, and a thermal camera has been completed.
- 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: Athens, Lamia, Volos, Larissa, Trikala, Karditsa, Corfu, Arta, Kefalonia, Patras, Nafplion, Zakynthos, Syros, Kos and the entire Optical Fibre Network.
 - ✓ The digitization of the areas of Piraeus, Kallithea, Philothei-Kifisia, Peristeri, Elefsina, Livadia, Chalkida, Thebes, Eastern Thessaloniki, Western & Central Thessaloniki, Kilkis, Polygyros, Serres, Drama, Kavala, Komotini, Alexandroupolis, Edessa, Katerini, Veroia, Kozani, Florina, Xanthi, Kastoria, Aegio, Corinth and the islands of Astypalaia and Santorini has been completed.
 - ✓ Total digitisation rate of the HEDN network in GIS: **61.6%**. Details

- DPASE (Directorate of the Region of Attica and Central Greece)	94.2%
- DPBE (Directorate of the Region of Northern Greece)	82%
- DPP-H (Directorate of the Peloponnese-Epirus Region)	32.8%
- DPN	9.1%
 - ✓ Matching of approximately 1,800,000 supply numbers to energy consumer locations within the GIS in DPASE, Astypalaia, and Santorini
- GIS user training
 - ✓ Ongoing training is provided on the use of GIS, GNSS receivers, and mobile GIS (tablets) to employees in the Regions that are implementing GIS, as well as to external partners (study and construction contractors), in order to meet their needs. Since the beginning, 710 people have been trained, and 187 were trained in 2025.

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) :

2024

- ✓ The project was completely redesigned in 2024 and renamed "ILIOS". The project was divided into 3 main Stages:

- i. Stage 1: Upgrade SAP/ERP to SAP S4/HANA and migrate it to the cloud (RISE).
 - ii. Stage 2: Analysis, implementation, and productive operation of processes related to customer service (consumers, suppliers, producers), metering, billing, and settlement.
 - iii. Stage 3: Analysis, implementation and productive operation of the processes related to network asset management and electricity theft.
- ✓ On 03/10/2024 the official restart of the now redesigned project took place (Stages 1 & 2)
 - ✓ At the end of the year, two deliverables for Stage 2 were received.

2025

- ✓ At the beginning of the year, the upgraded SAP S4/HANA (Go Live) system of Stage 1 went live and the production support phase began
- ✓ Throughout the year, Stage 2 was in full swing with analysis, process capture (Blueprints) and SAP/ISU system configuration meetings
- ✓ On 7/10/2025, Stage 3 of the project was officially launched
- ✓ At the end of the year, the contractor delivered two more deliverables for Stage 2, the first of which was received during the 1st year and the second at the beginning of the following year. The phase of supporting the productive operation of Stage 1 has also been completed.

Installation of Customer Tele-Service Systems

The project was redesigned (budget and scope) to meet the needs of the 2026-2030 Network Development Plan and submitted to the RAEWW for approval.

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

The project is currently in progress, carrying out the following actions.

- **Metering infrastructure for NIIs Production Stations**
 - ✓ 448 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.
 - ✓ The sub-project has been completed.
- **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 project "Implementation of a Central Energy Control Center (ECC) in Athens and a Local ECC in the Power System (PS) of Rhodes" was redesigned. The redesign was carried out taking into account rapid technological developments, the imminent interconnection of Rhodes with the mainland system in 2028 (IPTO Ten-Year Development Plan) and the imminent integration of Hybrid Stations into the Rhodes Power System.
 - ✓ The sub-project is in full swing.
- **Development of SCADA infrastructure in 27 electrical systems of NIIs**
 - ✓ Installation and commissioning have been completed in all PSs and the CCS.
 - ✓ The final acceptance of the Project has been completed
 - ✓ Three-year maintenance and technical support is currently underway.

- **Development of methodological infrastructure for NIIs**
 - ✓ The necessary Methodological Infrastructure has been developed, which includes algorithms, methodologies, and the necessary tools for complying with the provisions of the Operation Code for NIIs and the current institutional framework, to the extent feasible and operationally appropriate, based on the specific characteristics of the NIIs Systems.
- **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.
 - ✓ The sub-project is in full swing

Telemetry of LV customers

- On 28.05.2025, the Framework Agreement Contracts were signed between HEDNO and the associations of companies "Iskraemeco d.d. - Oracle France SAS" "Itron Spain SLU - ZIV Aplicaciones y Tecnologia S.L." and "Protasis SA - Sagemcom Energy & Telecom SAS".
- ✓ The subject matter of the Contracts is the supply of 2.76 million latest-generation smart meters and Head End systems for remote meter reading and management of metering devices in the field by the three (3) contractors, as well as a central Metering Data Management System (MDM System) from the company "Itron Spain SLU - ZIV Aplicaciones y Tecnologia S.L."
- In 2025, a Framework Agreement was also signed with NOVA TELECOMMUNICATIONS & MEDIA for the supply of 1.6 million (scalable to 3 million) eSIM cards and connectivity services using NB-IoT/CATM1 technology.
- By the end of 2025, the following targets had been achieved:
 - ✓ detailed design of the new generation meters in terms of HW & FW was completed, prototype testing was successfully completed, and the first 100,000 new generation meters were manufactured and received by ISKRAEMECO
 - ✓ at the same time, the detailed design, installation, and configuration of the HEAD END system by ISKRAEMECO was completed.
 - ✓ The detailed design, installation, and configuration of the MDM system (interim version "GO-EARLY-MDM") has been completed, as has its integration with HEDNO's back-office operational systems and with ISKRAEMECO's HES system. This new infrastructure has been put into operation and the new meters will be integrated into HEDNO's new smart metering infrastructure by the end of 2025, which means collecting 15' measurements and daily certification of the measurement data from the new meters.
 - ✓ At the same time, with the supply of 600K meters through the interim tender for the supply of metering equipment, the installation of 500K of these was completed in 2025.
- It is also worth noting that by 2025, monthly certification of 15' measurements of the 225K meters of the larger MV, No. 3, No. 4, and No. 5-6-7 categories, representing 45.6% of the energy

in the distribution network, will be provided (through the existing "Legacy" telemetry systems of HEDNO).

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 - completed
- Action 4 - Development of tools
 - ✓ Procurement manuals have been completed and standard documents are being implemented
- Action 5 - Monitoring and recording systems to improve material handling
- Action 6 - Sourcing Strategy for two categories of Materials
 - ✓ The action has been completed for one category of materials and is ongoing for the remaining categories.
- Action 7 - Supply Chain Monitoring and Control System (Control Tower)
- Phase 1 is currently underway, which concerns:
 - the development of tools and a cock-pit monitoring platform for the study and analysis of reserves,
 - the creation of a procurement plan,
 - the development of optimal stockpiling scenarios,
 - the development of demand correction algorithms and the analysis of contracting data (calculation of delays and delay registers), the calculation of material inputs and outputs,
 - as well as the mapping of intra-company movements and the distribution of materials in warehouses.
- Action 8 - Categorisation of Markets and AI
- Action 9 - Telematics
- Action 10 - Logistics Execution
- Action 11 - Legal compliance of warehouses
- Action 12 - Flow "Planning - Application - Tender - Contract"
- Action 13 - Supplier Pre-Assessment Platform
- Action 14 - "Systemic Flow of Planning, Purchasing, Procurement and Distribution - Start with End"

Integrated Data Platform for Analytical/Big Data Applications of HEDNO (Cosmos)

- The Implementation Study has been completed and approved, and the steps for upgrading the infrastructure from its current operational status to its final status have been determined.

(Infrastructure Implementation: In progress)

- At the same time, technical and operational data cataloguing was completed for 30% of the Source Systems.

(Integration of source systems: In progress)

- In addition, pilot applications of Artificial Intelligence were implemented in the Contractor's infrastructure and their integration into the HEDNO ecosystem is planned.

(Implementation of 5 vertical applications of Machine Learning / Artificial Intelligence: In progress)

- Digital Assistant for renewable energy issues,
- Digital Assistant for the Measuring Device Control Laboratory,
- Digital Health & Safety Assistant
- MVP Predictive Maintenance of Assets is in progress on over 150 assets.
- The fifth application has not been launched

Underwater interconnection projects MT

- Rhodes - Chalki: In the year 2025 a market research was conducted in cooperation with PwC. The deliverables include analysis and technical solutions for interconnecting old and new technology cables.
- Plaka - Spinalonga: The project is nearing completion. In 2025, an effort was made to resolve the delays in connecting to the land network caused by the Municipality of Agios Nikolaos. Completion of the project is expected in Q1/2026.
- Underwater MV interconnection of Kalymnos - Leros: In Q4/2025 the tender was announced. The contractor is expected to be announced in Q3/2026.
- Scorpios - Lefkada: In the year 2025 the technical documents and the licensing of the project were completed. The tender procedure is expected to be carried out in Q4/2025.
- Serifos - Sifnos and Serifos - Kythnos: In 2025, for the Serifos-Sifnos project, the deliverables were evaluated and a supplementary study was prepared for a third cable. The licensing dossier for the Serifos-Kythnos project has begun to be drafted.
- Ikaria - Samos : In 2025, offers were submitted. The signing of the contract and the awarding of the marine survey are scheduled for Q4/2025.
- Relocation – Renovation of Skopelos MV underwater cable: Preliminary studies were carried out in 2025.
- Underwater MV interconnection of Kalloni gulf: The project was completed In 2025.
- Leros - Lipsi: In 2025, the interconnection was redesigned and it was decided to replace the existing cables with new ones. At the same time, the tender process was prepared, with a planned announcement within Q4/2025

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. Within 2025, the preliminary study was completed and the electromechanical study began. The project is expected to be completed on 02/2026.
- Acceptance tests have been completed for the Upgrade project of the Trikala High Voltage Centre. The IPTO department responsible for completing the project is expected to do so.
- For the projects: Work on the new Milos substation, the new Folegandros substation, and the new Serifos substation began in 2024 and will continue into 2025. The projects are co-financed with IPTO acting as the operator.
- 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 project was completed on 02/2025.

- Substation Distribution Centre of Ilion: 4 offers were received (12/04/2022). In the phase of evaluation of the financial offers (03/2023). During 2025, a building permit was issued by the contractor. An extension (new contract with the same contractor) with a third transformer station was planned, the demolition of existing buildings was completed, and the bid for the third transformer station was submitted.
- 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. A new tender has been scheduled for Q1/2026.
- 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 last quarter of 2025, provided that the increased budget is accepted. Finally, letters were sent to RAEWW to document the contractor's exceeding of the budget.
- 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. In 2025, phase A and deliveries were completed. IPTO is expected to complete work on the start of phase B (complete reconstruction of LV infrastructure, protection and control of existing transformers)
- Upgrading of the Skydra substation : On 05/2024 fieldwork commenced. The work is expected to be completed in Q1/2026.
- Substation within Meliti High Voltage Centre: In 2024 fieldwork was underway. The project was completed on 09/2025.
- 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. In 2025, the project continued and is expected to be completed in Q3/2026.
- 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. In 2025, work continued and the project is nearing completion (two transformers have been electrified and the third is pending delivery).
- Upgrading of the Aliveri Thermal Power Plant substation: In 2025, a preliminary study was conducted for the reconstruction of the protection and control system.
- 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. In 2025, field work continued and the two new transformers were electrified. Work is expected to be completed in Q1/2026
- 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. In 2025, during geotechnical investigations, a potentially active seismic fault was found beneath the site of the new building. The issue is being investigated, but it is likely that there will be significant delays to the project and possibly a modification of the entire project design.
- 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. In 2025, the process of finding a temporary contractor for preliminary study projects was completed and the contract was signed. Works are expected to begin in Q1/2026.

- Upgrading of the Spherchiada substation: Fieldwork started in 2024 and continued in 2025. The HEDNO section is expected to be completed in Q1/2026.
- Upgrading of the Magiko substation: In 2024, fieldwork started in the order of execution and continued in 2025. The HEDNO section is expected to be completed in Q1/2026.
- Replacement of MV panels at the Sitia substation and voltage change to 20 kV: Preliminary studies were carried out in 2025.
- Replacement of MV panels in the substation Heraklion II of Crete: Preliminary studies were carried out in 2025.
- Upgrade of the Heraklion I substation: In 2025, the necessary steps were taken in view of the announcement of the project tender.
- Distribution Centre of Glyfada: Definition of the key parameters of the project in cooperation with IPTO. The preliminary study began in 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. The contract was signed in 2025, and following delays on the part of the contractor, delivery of the MT panels is expected to be completed in December 2025.
- 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. In 2025, preparations were completed for the tender process for the preliminary and electromechanical studies, which is scheduled for Q1/2026.
- 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 phase of the call for applications for a provisional contractor. The contract was signed in 2025, and following delays on the part of the contractor, delivery of the MT panels is expected to be completed in December 2025.
- Replacement of transformer panels in the Distribution Centre of Pagkrati: In 2024, there was no particular progress. A new contract notice will be issued, possibly together with other projects (Nea Elvetia and Thessaloniki VIII Distribution Centres). In 2025, the procurement of MT panels was announced, bids were submitted, and the provisional contractor is expected to be announced in Q1/2026.
- Upgrading of the Lamia substation: Preparation of the contract notice dossier. Towards a tender process for preliminary and electromechanical studies projects in early 2026.
- Upgrading of the Agia substation: Preparation of the contract notice dossier. Towards a tender process for preliminary and electromechanical studies projects in early 2026.
- Reconstruction of the Igoumenitsa substation: Within 2024 the preliminary study was completed by IPTO-HEDNO. In the year 2025 the contract with IPTO was signed. The supply of materials is expected in January 2026.
- 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. In 2025, the power supply plan for connecting the Glyfada distribution centre with Nea Smyrni was finalised, and the study is 70% completed. The study for connecting the Glyfada distribution centre with Elliniko is 90% completed, and certain modifications are required from Lamda Development in order to finalise it.
- Upgrade of the Nea Smyrni distribution centre and conversion into a closed one: There are cadastral issues relating to this specific project. In 2025, the necessary steps were taken to complete complex urban planning approvals. The land concession has been completed.
- Replacement of HV switches: For this particular project, implementation is carried out according to requirements. In 2025, approximately €150,000 was spent.

- Upgrade of the Olympic Village substation: In 2025, the contract for the transformers was signed, while the preliminary design is scheduled to start in Q1/2026.
- Mastichari substation: The project will be implemented by IPTO. In 2025, the tender announced by IPTO proved unsuccessful. A new tender is expected to be announced by HEDNO in the near future
- 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 19/11/2024. The contractor is expected to be announced in the last quarter of 2025, provided that the increased budget is accepted. Finally, letters were sent to RAEWW to document the contractor's exceeding of the budget.
- 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. Work was completed in 2025 and testing will begin shortly.
- Distribution Centre of Aristeidou -Ant. Transformer panels: This was a new project which started in 2024 with the preliminary design underway. In 2025, bids were submitted. This will be followed by their evaluation and the selection of a provisional contractor in Q1/2026.
- 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. In 2025, the project was electrified and completed.
- 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. Work began on the Vrilissia distribution centre in 2025 and is expected to be completed in 02/2026. Work will then start on the Korydallos distribution centre according to the order of execution.
- 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. For this specific project, the work will be carried out in stages according to a schedule, starting in 2025 from the Olympic Village substation and the Eordaia substation
- At the same time, in 2025, a number of smaller projects were carried out at various substations and transmission High Voltage Centres throughout the country, with an investment value of around €6 million.

3 Risk Management

3.1 Organisation and risk management

HEDNO S.A. has developed a Corporate Risk Management Framework (CRMF) that complies with international standards (ISO 31000:2018 and 31010:2019) and supports the integration of risk management into all of the Company's activities and operations. The CRMF is linked to the overall strategies and operational policies of the organisation, seeking coordination with the corresponding Corporate Risk Management Framework of the parent company, PPC S.A.

Risk management, i.e. managing the impact of uncertainty of events occurring and their consequences, involves coordinated activities to identify, assess, evaluating, mitigating/addressing, monitoring, and reviewing risk.

The corporate risk management process is the responsibility of the Corporate Risk Management Unit and has the following characteristics:

- It is decided by the Management and concerns the entire Company.
- It applies to all business operations and is implemented by employees at every level of the Company.
- It is a defined and continuous process.

- It is aligned with the Company's strategic planning.
- It is designed in such a way as to contribute to the identification of potential opportunities or threats affecting the Company's progress.
- Provides independent assurance to members of management to improve decision-making processes.
- It is focused on achieving the Company's objectives and ensuring its business continuity.

In the modern business era, handling the interdependencies between corporate governance policies, health and safety, regulatory compliance requirements, the rapid development of digital technology and the corresponding business risk management programs requires good coordination of processes, technologies and people, and for this reason the monitoring of risk through the GRC (Governance, Risk, Compliance) model has been chosen. An additional effort lies in highlighting potential opportunities, as management relates to both the positive and negative aspects of risk, turning certain challenges into advantages.

3.2 Significant Risks

The Company's activities are affected by various types of risks, which could potentially have an adverse effect on the Company's operations and/or the financial position of HEDNO S.A. (financial results, cash flows, etc.). The main risks/uncertainties the Company faces are analysed below.

Risks from the external environment

Macroeconomic conditions

The increasing inflationary pressures observed in relation to the country's overall economic situation may have a negative impact on the Company's operating costs, with increases in the prices of materials, equipment, etc., leading to an inability to meet the contractual obligations of HEDNO S.A. etc.

The inability to address these effects in a timely and effective manner may adversely affect the financial position of HEDNO S.A.

Geopolitical developments

Geopolitical tensions, armed conflicts, or potential political instability may adversely affect the Company's business operations, with a serious impact on the operating results and overall financial position of HEDNO S.A.

Supply chain risk

The Company faces risks of disruption to the supply chain related, among other things, to the inability to procure raw materials or supplies, the availability of equipment and key components from international and domestic suppliers, the availability of key and specialised technical personnel, and the adequacy of products or inventories of critical materials.

Furthermore, adverse macroeconomic developments leading to financial or operational problems for key suppliers and contractors may have a negative impact on the Company's supply of liquid fuels, materials, and spare parts, resulting in increased operating costs and the overall financial situation of HEDNO S.A.

Regulatory and legislative developments and tax risk

Taking into account the competences in particular and the general framework of operation of HEDNO SA., the change in its shareholder composition with the entry of a 49% minority shareholder, the incorporation of the status as HEDN owner in the Company's profile 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 production and network management issues (e.g. ancillary services, resilience 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.

Financial Risks

The Company assesses and takes measures to address the financial risks to which it is exposed in order to limit the impact on its business and financial position, operating results, and prospects. The main financial risks are analysed below:

1) Risk of cost absorption - Implementation of the investment plan

RAEWW, as the competent authority, approves the investment plan of HEDNO S.A. and its amount. A significant increase in costs or loss of financing and consequent delays or postponements in the implementation of investments may have a material adverse effect on the achievement of development objectives and, consequently, on the Company's financial position and results.

2) 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.

During 2024 and 2025, the gradual easing of inflation in the euro area led the ECB into a period of monetary easing, gradually lowering key interest rates from mid-2024 onwards. With inflation stabilising around 2% in late 2025 and early 2026, financial markets estimate that the ECB is now close to the end of its cycle of rate cuts, with interest rates remaining stable and only a small chance of a further cut or even a mild increase until the end of 2026, depending on inflation developments and geopolitical risks. However, interest rates remain sensitive to unpredictable developments, such as new geopolitical tensions or renewed inflationary pressures due to changes in energy or 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 floating rate loan agreements, the Company has entered into over-the-counter derivative contracts (Interest Rate Cap) for part of its floating rate borrowing, which enable the Company to hedge against a positive 6-month Euribor rate by paying a premium.

3) 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.

The following additional coverage was added to the credit insurance policy dated October 1, 2024:

- Maximum compensation amount 50 times the net premium (€18 million).
- 35% of 60% of net premiums versus 30% of 60% of net premiums
- Approved full coverage of late payments for specific debtors.

On October 1, 2025, the Company renewed the relevant insurance coverage for one (1) additional year by signing a new credit insurance contract with the insurance company Atradius Credito y Caucion S A, with the following improvements:

- Acceptance of the credit limits proposed by the Company for most Suppliers.
- All Suppliers are covered for insolvency and late payment, with the exception of two (2) Suppliers who are covered for insolvency only in the event of cessation of business (bankruptcy).

4) 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 affect 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 non-statute-barred financial years from 2020 to 2025. For the financial years 2020 to 2024, tax certificates have been issued by the respective audit firm with unmodified opinion. The issuance of the tax certificate for the financial year 2025 has been assigned to the Company's certified auditors, Ernst & Young (Hellas) Certified Auditors - Accountants S.A., and the project is currently in progress.

Taking into account the results of the above audits, the Company's Management does not expect any significant additional tax liabilities to arise beyond those already recorded and reflected in the financial statements.

Cybersecurity and information systems risk

Taking into account the new cybersecurity regulatory framework and HEDNO S.A.'s role as critical infrastructure, the increasing frequency and complexity of risks associated with cybersecurity and information systems makes their management critical for the Company. The Company, understanding the importance of cybersecurity, focuses on protecting its information systems from risks such as system unavailability, malicious attacks, unauthorized access 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 signed 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 the above, the Company has developed a program for the implementation of technological solutions to enhance security functions and procedures, 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 installation of EDR, the separation of IT and OT domains, and the installation of SD-WAN in all offices and substations.

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 continuously changing cyber threats.

In a bidding held in 2024, the Company was asked to cover (with an annual liability limit) the risk of Ransomware Event Endorsement, since research shows that the financial damage from cyber risk can reach up to €20 million for utilities companies, even small ones (with a turnover of up to €100 million).

To cover the risk (with an annual sub-limit of €5 million) for Ransomware Event Endorsement, Agreement KEDK-940401/2025 was signed.

Finally, in order to continue the insurance coverage, a new bidding was initiated on 18/12/2025, which includes the addition of new coverage and improvement of existing coverage. In addition, the annual liability limit has been increased from €10 million to €20 million.

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

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.

In this context, in 2025, the environmental licensing of six (6) HEDNO central warehouses was completed and the licensing process for two (2) additional warehouses has been initiated.

In line with its current Environmental Policy and continuous improvement of its performance, HEDNO conducts environmental assessments at its warehouses with the aim of recording and evaluating the current situation in all their operations (loading and unloading of materials and waste, procedures, organisation and storage of materials and waste, hazardous and non-hazardous), and to check environmental compliance in accordance with current legislation and the terms of the environmental permits for the warehouses.

These actions enable any discrepancies or shortcomings to be identified in a timely manner, while HEDNO proceeds with upgrading its facilities and procedures, with the aim of ensuring environmentally sound management of materials and the gradual development of an integrated Environmental Management System, with the aim of obtaining ISO 14001 certification.

Risk of insurance liabilities

HEDNO S.A. carefully examines mitigation actions and takes measures to mitigate the effects by transferring risks to third parties through insurance. Hazardous incidents can cause significant financial losses.

Insurance can reduce uncertainty, provide compensation for expected losses, and restore the insured (i.e., the Company) to its previous state prior to the damage suffered. In contrast, HEDNO S.A. may encounter delays in settling claims with insurance companies and face disputes regarding the extent of coverage or the compensation limit.

The Company does not insure materials and spare parts it maintains as inventory. Taking into account the dispersion of warehouses within Greece - the total number of warehouses is 205, of which only 38 have a stock value of more than €1.5 million, while the maximum value in one warehouse is €80.9 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 an established 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

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.

General Data Protection Regulation

The General Data Protection Regulation (GDPR) sets strict operational requirements for data controllers and processors 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 recorded 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 amount for the first half of 2025, of €1.70 million, was sent for payment to consumers in October of the same year. The amount of compensation for the second half of 2025 amounted to €2.25 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.

Risk of business interruption

Electricity distribution infrastructure is prone to failures, unplanned outages, performance limitations, or even total system collapse (network and supporting information systems). In addition, there is a visible risk of security breaches, sabotage, acts of terrorism, strikes, catastrophic accidents, criminal acts, wars, and other catastrophic events, or material damage due to natural disasters (such as extreme weather events, fires, explosions, landslides, or earthquakes).

The occurrence of any of the above is likely to affect the operation of the distribution infrastructure in the Interconnected System or the Non-Interconnected Islands inoperable, a situation that may have an immediate and negative impact on the Company's activities (obligation to undertake new reinforcement investment projects, loss of revenue, high restoration costs, obligation to compensate third parties).

Counterparty risk

HEDNO S.A. is exposed to the risk of non-fulfilment or default on obligations by counterparties, including contractors, subcontractors, and suppliers.

Actions or omissions during the drafting of contracts have adverse effects on business activity, the quality of services provided, and the overall financial situation of the Company, while at the same time HEDNO is exposed to risks of losing its reputation and continued operation.

Asset protection risk

HEDNO S.A. is not covered by an insurance policy for the protection of its assets. The Company has an extensive network of facilities (power distribution infrastructure, administrative buildings, warehouses, etc.) covering a significant area and geographical spread.

The Company's physical assets are vulnerable to a range of threats, such as uncontrolled and unauthorised access, theft, vandalism, security breaches, sabotage, and terrorism, which could result in significant financial losses. Policies and procedures, monitoring systems, and security personnel are employed to mitigate such risks.

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 2025

By 31/12/2025, the following 258 recruitments had been made, broken down as follows:

Category	HEDNO notice 01/2021 & 02/2021	HEDNO notice 1_2022	HEDNO notice 1_2023	HEDNO notice 01/2024 & 02/2024& 03/2024	HEDNO notice 01_2025	Transfer from PPC	Directors Executives	Withdrawal/ contract termination
UE (University Education)	6	4	1	3	25	6	16	0
TE (Technological Education)	6	1	8	15	2	4	0	1
SE (Secondary Education)	4	3	9	126	0	17	0	1
Total	16	8	18	144	27	27	16	2

4.2 Termination of service 2025

In 2025, 589 employees left the Company.

Law 4533/2018 (Government Gazette A 75/27-04-2018) annulled, 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 to upon 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

In order to reduce the CO₂ emissions resulting from its activities, HEDNO systematically monitors its annual environmental performance by calculating its Carbon Footprint. In this context, the direct (Scope 1) and indirect (Scope 2 and 3) greenhouse gas (GHG) emissions were calculated in 2025, which result, indicatively, from combustion in stationary and mobile equipment, electricity usage, electricity losses in the grid, supply of goods and services, as well as waste management, and concern the reporting period from 01/01/2024 to 31/12/2024. The methodology for calculating the Carbon Footprint, as well as the GHG Emissions Report during the reporting period, were verified by an independent certification body in accordance with ISO 14064-1:2018.



The Greenhouse Gas (GHG) emissions data related to the activities of HEDNO formed, alongside other data, the basis for the calculation of the environmental indicators in PPC Group's 1st consolidated Financial Statements Report under the CSRD Directive, in PPC Group's 5th Sustainable Development Report published in 2025, and in the 3rd annual assessment by the Global Real Estate Sustainability Benchmark (GRESB) through the submission of the Infrastructure Asset Assessment in 2025. In terms of our annual GRESB performance, there was an 11.5% improvement compared to the year 2024, with a final score of 97%.

Furthermore, in the context of the PPC Group's commitment to achieving 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), HEDNO participated in the development of the target and the preparation of the relevant action plan for the achievement of this goal (Net Zero Plan).

In 2025, HEDNO continued to implement targeted actions in the Distribution Network in order to mitigate the impacts of its operation on biodiversity and in particular on protected species, taking into account that a significant part of its infrastructure passes through areas of high ecological value. The interventions included, among other things, the undergrounding of parts of the overhead network in areas of increased risk for birdlife, the installation of insulating covers on network equipment and lines to reduce the risk of electric shock, the replacement of bare conductors with twisted pair cables or covered conductors, and actions to mitigate the effects of forest fires by improving the resilience of the network, such as tree pruning and clearing of undergrowth. In addition, actions are being implemented to support birdlife, such as the placement and maintenance of artificial nests and the ringing of stork chicks, in cooperation with the competent Protected Areas Management Units (PAMUs) of the Natural Environment and Climate Change Agency (N.E.C.C.A.) and other collaborating bodies.

In addition, HEDNO actively participated in national and European co-funded projects, such as the LIFE programmes, aimed at protecting biodiversity and endangered bird species, including Bonelli's eagle and the Dalmatian pelican. In the framework of these programmes, HEDNO participated either as a partner (e.g. in a LIFE programme with the Hellenic Ornithological Society and IPTO) or in a supporting role (e.g. through cooperation with N.E.C.C.A.) in the implementation of actions that will contribute to the planning and identification of critical points of intervention in the network, with the aim of reducing the risks of collision and electrocution and preventing the loss of biodiversity. The evaluation and finalisation of the funding of the relevant proposals is expected in 2026.

HEDNO considers the creation of a sustainable and resilient Distribution Network in the face of Climate Change to be a key priority, taking adaptation measures to address extreme weather events and their long-term effects. In this context, it completed an assessment and calculation of the climate vulnerability and risk of its infrastructure throughout the country, for current and future climate conditions (climate scenarios RCP 4.5 & RCP 8.5). Based on the results, targeted action plans are being developed and adaptation measures are being prioritised by administrative region, to be implemented by 2030, aiming to ensure the Network's uninterrupted and reliable operation.

This approach is based on a comprehensive and science-based climate risk impact analysis framework, which considers seven key threats (fires, floods, extreme winds, heat waves, frost, snowfall and lightning) in eighteen critical categories of HEDNO's infrastructure. The methodological framework for calculations follows European Guidelines and uses high quality climate and geospatial data for both current climate assessments and future climate scenario projections.

As part of the assessment and calculation of climate vulnerability and infrastructure risk, an innovative interactive application called 'METEOGRID' has been developed, which allows spatial analysis with 5 x 5 km accuracy for the calculation of climate risks, sensitivity, exposure, vulnerability and risk of HEDNO's infrastructure. This application and the use of climate risk data can be a tool for prioritising Network interventions and resilience measures and making informed investment decisions for each infrastructure per climate risk.

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 2025 the development, ongoing 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 telemetering 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. A detailed reference is made to the development of strategic projects in a separate section above.

7 Non-Financial data

7.1 Non-financial condition 2025

Total employees of HEDNO SA on 31/12/2025	5,921
Number of female employees	1,505
Women employees (%)	25.42%
Number of employees with a Collective Agreement	5,844
Employees with a Collective Agreement (%)	98.70%
Total number of employee accidents (number of employees)*	70
Accidents that led to absence from work for ≥1 day	52 accidents
ESAW accidents (excluding accidents due to illness, accidents from/to work and accidents that led to absence from work for ≤3 days)	34 accidents
Total number of fatal employee accidents (number of employees)	0 fatal accidents
Irrevocable court decisions concerning cases of human rights violations in the workplace (number of cases)	0 incidents
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 irrevocable convictions
Donations and sponsorships (amount in €)	647,219
Power/supply interruption frequency (SAIFI) (average annual number of interruptions per customer)	1.64 breaks /customer
Power/Supply average interruption duration (SAIDI) (average annual interruption time in minutes per customer)	110.18 minutes /customer

* 39 pathological episodes that occurred during working hours are not included. Until 2024, pathological incidents were included in the total number of employee accidents.

7.2 Service times for new connections

The average service time (design-build) for simple new user connections was 36.09 working days, 73.53 working days for connections requiring network work and 76.02 working days for network variation requests.

8 Significant Transactions with Associated Parties

Trade and other receivables and liabilities with related parties as at 31/12/2025 and 31/12/2024 are as follows:



HELLENIC ELECTRICITY DISTRIBUTION NETWORK OPERATOR SA
OF THE FINANCIAL YEAR ENDED ON 31/12/2025
(Amounts in EUR thousand)

	31/12/2025	
	Trade and other receivables	Liabilities
PPC SA	49,002	0
PPC Renewables SA	0	-1,161
NEXT GEN RETAIL SERVICES	0	-9
KASTRI EVIAS	0	-50
PPC INSPECTRA	0	-264
HELLENIC POST OFFICE (ELTA)	0	-189
ETVA	0	-1
AIA	33	0
GAI AOSE	9	0
NATIONAL BANK	15	0
Total	49,059	-1,674

	31/12/2024	
	Trade and other receivables	Liabilities
PPC SA	82,985	0
PPC Renewables SA	0	-1,114
NEXT GEN RETAIL SERVICES	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
GAI AOSE	9	0
Total	87,389	-1,214

The accrued trade and other receivables and liabilities with related parties for the fiscal year ended on 31/12/2025 and on 31/12/2024 are as follows:

	31/12/2025	
	Accrued trade and other receivables	Accrued Liabilities
PPC SA	172,012	-181,779
PPC Renewables SA	51	-576
AIA	26	0
Total	172,089	-182,355



HELLENIC ELECTRICITY DISTRIBUTION NETWORK OPERATOR SA
OF THE FINANCIAL YEAR ENDED ON 31/12/2025
(Amounts in EUR thousand)

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

The transactions with related parties for the fiscal year ended on 31/12/2025 and on 31/12/2024 are as follows.

	<u>01/01/2025-31/12/2025</u>	
	<u>Invoices to</u>	<u>Invoices from</u>
PPC SA	1,816,509	-1,830,497
PPC Renewables SA	56	-7,447
KPM ENERGY	1	0
ALTERNATIVE POWER & ENERGY ALPENER	50	0
ILEKTROPARAGOGI ALEKSANDROUPOLIS S.A.	151	0
NEXT GEN RETAIL SERVICES	0	-27
FIBERGRID	7	0
KASTRI EVIAS	1	0
PPC INSPECTRA	4	-950
HELLENIC POST OFFICE (ELTA)	490	-726
ETVA	18	-107
STASY	58	-1
OSY	2,769	-3
AIA	312	0
DETH [Intern. Exposition of Thessaloniki] - HELEXPO	0	-1
HELLENIC PUBLIC PROPERTIES CO. (HPPC)	0	-1
LAMBDA FLISVOS MARINA	1	0
ATTICA BANK	108	-2
NATIONAL BANK	548	-45
KATH	1	0
Corinth Canal S.A.	1	0
Total	<u>1,821,085</u>	<u>-1,839,807</u>

	<u>01/01/2024-31/12/2024</u>	
	<u>Invoices to</u>	<u>Invoices from</u>
PPC SA	1,792,803	-1,554,287
PPC Renewables SA	235	-8,268
SOLARLAB	2	0
ILEKTROPARAGOGI ALEKSANDROUPOLIS S.A.	104	0
NEXT GEN RETAIL SERVICES	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	<u>1,795,522</u>	<u>-1,563,386</u>



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 revenue of €3.12 million for the recovery of fibre optic network study costs, as well as €1.58 million for PPC SA's participation in the construction costs of the fibre optic network, which will be recognised in revenue 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.

9 Company Management

9.1 Members of the Board of Directors

MEMBERS OF THE BOARD OF DIRECTORS OF HEDNO SA as at 31/12/2025				
NAME	POSITION	PROFESSION	COMMENCEMENT OF TERM OF OFFICE	END OF TERM OF OFFICE
Alexandridis Konstantinos	Chairman of the BoD Non-Executive Member	Economist	27/2/2025	26/2/2028
Manos Anastasios	Managing Director, Executive Member	Naval Engineer	20/5/2025	20/5/2028
Presveia Efstathia	Non-Executive Member	Information Technology	27/2/2025	26/2/2028
Aggeletopoulos Evaggelos	Independent Non Executive Member	Business Consultant	27/2/2025	26/2/2028
Hatzimichail Sotirios	Non-Executive Member	Electrical Engineer	27/2/2025	26/2/2028
Papageorgiou Alexandra	Non-Executive Member	Business Administration	27/2/2025	26/2/2028
Brimont Stephane	Independent Non Executive Member	Engineer	27/2/2025	26/2/2028
Plecas Ana	Non-Executive Member	Internationalist	27/2/2025	2/6/2025*
Varvarigou Theodora	Non-Executive Member	Information Technology	2/6/2025	26/2/2028
Antoñanzas Alvear Miguel	Non-Executive Member	Civil Engineer	27/2/2025	26/2/2028
Aikaterinari Ourania	Non-Executive Member	Electrical Computer Engineer	27/2/2025	26/2/2028

**On 2/6/2025 Ms Pleca Ana resigned from the position of non-executive member and was replaced by Ms. Theodora Varvarigou.



9.2 Management remuneration

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

	<u>01/01/2025- 31/12/2025</u>	<u>01/01/2024- 31/12/2024</u>
Remuneration of Board Members		
Executive Director's fees	397	598
Non-Executive Directors' fees	301	287
Compensation / extraordinary remuneration	342	522
Employer contributions	78	78
Total	<u>1,118</u>	<u>1,485</u>
	<u>01/01/2025- 31/12/2025</u>	<u>01/01/2024- 31/12/2024</u>
Remuneration of General Managers		
Payroll	1,548	1,464
Compensation / exceptional remuneration	1,323	1,634
Employer contributions	223	198
Other Benefits	2	2
Total	<u>3,096</u>	<u>3,298</u>

10 Branches/Offices/Warehouses

The Company maintains a total of seven (7) branches, thirty-four (34) offices and two hundred and five (205) warehouses in various areas of the Greek territory.

11 Equity

No equity was acquired during fiscal year 2025.

12 Financial Instruments

The Company's total borrowings as of 31/12/2025 amounted to €2,579.5 million compared to €1,999.3 million on 31/12/2024, 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 3.25% as at 31/12/2025 compared to 3.93% as at 31/12/2024. During 2025, the Company repaid €155.34 million in debt repayments for long-term borrowings and €440 million in short-term borrowings from overdraft accounts received during 2025. On 31/12/2025 the Company had no current liabilities from mutual accounts.

The loans and borrowings of HEDNO SA consist mainly of fixed-rate loans from the EIB, received by PPC SA with the split of the Distribution Branch 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. The total capital drawn under this loan agreement amounts to €650 million as of 31/12/2025.

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 signed with EIB for €90.75 million, with the possibility of increasing the amount of the loan up to €150 million and on 21/12/2023 a second contract of €151.25 million was signed with EIB for financing the project with RRF funds. On 15/7/2025, the Company raised a total of €83 million



from the aforementioned contracts (€31.1 million from the first contract and €51.9 million from the second). Also, as part of the same "Smart Meters" project, on 21/12/2023, the Company signed a contract with Piraeus Bank for the issuance of a bond loan with two series of bonds (one series with RRF resources and one series financed by Greek banks) with a total capital of up to €195.14 million. Piraeus Bank and Eurobank participate in the coverage of this loan with a ratio of 60% - 40%. On 13/08/2025, the Company disbursed a total amount of €67 million from this contract.

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 EIB for €150 million and on 06/12/2024 a second contract was signed with EIB for financing the project exclusively with RRF resources for €296.15 million. On 24/10/2024, the Company disbursed the total amount of the first loan agreement, while from the second agreement, the Company initially drew down the amount of €150 million on 20/2/2025 and the remaining amount of €146.15 million on 18/12/2025.

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.

On 18/12/2025, the Company signed a new syndicated bond loan with Eurobank and NBG with participation rates of 56.098% and 43.902% respectively, for a total amount of up to €2.05 billion, with a variable interest rate and without collateral. On 23/12/2025, the Company disbursed €372 million, of which €360 million was allocated to the repayment of all existing mutual account credits.

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	Piraeus Bank	Alpha Bank	Attica bank	Cooperative Bank of Epirus
Amount of funding approved	€60 million.	€80 million	€40 million	€7 million.	€1 million.

To hedge the interest rate risk arising from the two floating rate loan agreements with Eurobank and NBG signed on 19/7/2022, the Company entered into over-the-counter 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 first Interest Rate Cap contract with Eurobank expired on 31/12/2024. 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.

On 31/12/2025, gains from the valuation of the NBG derivative amounting to €0.4 million were recognised in the Company's finance income. The value of the NBG derivative, as at 31/12/2025, is estimated at €0.06 million and is recognised as a financial liability (2024: €0.5 million financial liability).

To hedge the interest rate risk associated with the new syndicated bond loan, totalling up to €2.05 billion, which was signed on 18/12/2025, the Company will follow a hedging policy in accordance with the terms of the loan agreement.



13 Subsequent Events

Eurobank Loan Refinancing

On 30 January 2026, the refinancing of the CBL (Common Bond Loan) concluded with Eurobank on 19 July 2022, for a balance of €650 million and maturing on 31 December 2033, was completed through a parallel disbursement of the entire Series A (€650 million) of the CBL concluded with Eurobank and NBG banks on 18 December 2025, maturing on 31 December 2040.

Under the new CBL with Eurobank and NBG, the subsidiary HEDNO made a second disbursement from Series B on 18 February 2026, in the amount of €120 million.

Athens, 17 March 2026
For the Board of Directors
The Managing Director
Manos Anastasios



EY

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INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT'S REPORT

To the Shareholders of the Hellenic Electricity Distribution Network Operator 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, 2025, 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, 2025 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"), 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, 2025.
- 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, 2026

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
01/01/2025 – 31/12/2025
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 17/03/2026 and will be published on the internet - www.HEDNO.gr.

CHAIRMAN
OF THE BOARD OF
DIRECTORS

MANAGING
DIRECTOR

GENERAL
DIRECTOR
FOR FINANCIAL
SERVICES

DIRECTOR
OF ACCOUNTING
OPERATIONS

KONSTANTINOS
ALEXANDRIDIS

ANASTASIOS
MANOS

MICHAIL
PAPADOPOULOS

GEORGIOS
KASSIS

STATEMENT OF COMPREHENSIVE INCOME

	Notes	01/01/2025- 31/12/2025	01/01/2024- 31/12/2024
Revenue from contracts with customers	4	1,238,460	1,177,599
Other income	5	42,334	25,742
Total operating income		1,280,794	1,203,341
Personnel cost	6	278,526	256,275
Maintenance and third-party services	7	139,319	129,840
Consumption of materials	8	45,817	40,396
Third party fees	9	181,404	158,803
Miscellaneous expenses	11	55,573	59,637
Depreciation	12	374,350	345,932
Taxes - duties	13	5,031	5,219
Total operating expenses		1,080,020	996,102
Release of provision for retirement benefits	26	-6,754	-3,197
Provision for doubtful debts	21	261	0
Provision for other risks	10	520	-18,812
Total other income		-5,973	-22,009
Operating profit		206,747	229,248
Loss from revaluation of property plant & equipment	17	0	-15,291
Finance income	14	2,804	12,453
Finance expense	15	-89,327	-83,190
Profit before tax		120,224	143,220
Income tax	16	-31,003	-34,894
Profit after tax		89,221	108,326
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Actuarial gain / (losses)	26	-427	353
Deferred tax on actuarial gain / (losses)	16	94	-78
Reserve from revaluation of property plant & equipment	17	0	528,424
Deferred tax attributable on Revaluation Reserve	17	0	-116,253
Other comprehensive income after tax		-333	412,446
Total comprehensive income		88,888	520,772

The notes on pages 41 - 116 are an integral part of the financial statements.



STATEMENT OF FINANCIAL POSITION

	Notes	31/12/2025	31/12/2024
ASSETS			
Non-current assets			
Property, plant and equipment	17	6,345,480	5,996,160
Intangible assets	17	135,506	63,453
Right-of-use assets	18	135,419	35,047
Other non-current receivables		402	258
Total non-current assets		6,616,807	6,094,918
Current assets			
Inventory	20	446,584	392,629
Income tax receivable	16	8,769	0
Trade and other receivables	21	246,279	284,708
Accrued trade and other receivables	22	337,928	250,150
Cash and cash equivalents	23	161,890	122,879
Total current assets		1,201,450	1,050,366
Total Assets		7,818,257	7,145,284
LIABILITIES AND EQUITY			
Equity			
Share capital	24	991,215	991,215
Statutory reserve	25	19,879	14,463
Special reserves	25	505,079	548,456
Retained earnings		106,023	124,583
Total equity		1,622,196	1,678,717
Non-current liabilities			
Deferred tax liability	16	377,003	382,911
Employee benefits	26	46,992	50,855
Lease liabilities	18	113,337	24,369
Non-current loans and borrowings	27	2,419,276	1,845,088
Liabilities from derivative financial instruments	19	64	459
Consumer contributions and subsidies	28	2,131,830	2,031,372
Other non-current liabilities	29	51,430	31,240
Provisions	30	23,367	27,146
Total non-current liabilities		5,163,299	4,393,440
Current liabilities			
Trade and other payables	31	341,755	475,256
Various creditors	32	171,444	161,347
Lease liabilities	18	24,132	11,322
Current portion of non-current borrowings	27	160,239	154,248
Dividends payable	35	42,500	0
Income tax payable	16	0	33,067
Other taxes and insurance liabilities	33	31,279	37,755
Accrued and other liabilities	34	261,413	200,132
Total current liabilities		1,032,762	1,073,127
Total Liabilities and Equity		7,818,257	7,145,284

The notes on pages 41 - 116 are an integral part of the financial statements.



HELLENIC ELECTRICITY DISTRIBUTION NETWORK OPERATOR SA
OF THE FINANCIAL YEAR ENDED ON 31/12/2025
(Amounts in EUR thousand)

STATEMENT OF CHANGES IN EQUITY

	Notes	Share Capital	Regular Reserve	Special Reserves	Retained earnings	Total Equity
Balance as at 31/12/2023		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		0	0	-1,735	1,735	0
Other transactions		0	0	0	0	0
Transfer to legal reserve		0	7,028	0	-7,028	0
Distribution of dividends for fiscal year 2023		0	0	0	-133,534	-133,534
Balance as at 31/12/2024		991,215	14,463	548,456	124,583	1,678,717
Profit after tax		0	0	0	89,221	89,221
Other comprehensive income after tax		0	0	0	-333	-333
Total comprehensive income as at 31/12/2025		0	0	0	88,888	88,888
Disposal of property plant & equipment	17	0	0	-1,317	1,317	0
Other transactions		0	0	-42,060	42,060	0
Transfer to legal reserve	25	0	5,416	0	-5,416	0
Distribution of dividend for financial year 2024 and interim dividend for financial year 2025	35	0	0	0	-145,409	-145,409
Balance as at 31/12/2025		991,215	19,879	505,079	106,023	1,622,196

The notes on pages 41 - 116 are an integral part of the financial statements.



CASH FLOW STATEMENT

	Notes	01/01/2025- 31/12/2025	01/01/2024- 31/12/2024
Cash flows from operating activities			
Profit before tax		120,224	143,220
Adjustments for:			
Consumer contributions attributable to the period	4.28	-106,581	-100,671
Depreciation of Property, plant and equipment, rights of use and grants	12	374,350	345,932
Provisions		781	-18,812
Provision for employee benefits		-6,015	-8,684
Loss on disposal of property plant & equipment and right of use assets		8,000	9,981
Loss from revaluation of property plant & equipment		0	15,291
Loss from valuation of derivatives that are measured at fair value through profit and loss		-395	7,272
Interest income	14	-2,409	-12,453
Interest expenses and other related expenses	15	89,327	75,918
Increase in trade and other non-current receivables	21	-36,147	-28,782
Increase in inventory	20	-58,254	-44,862
Decrease / (increase) in accrued trade and other receivables	22	-77,392	82,627
Increase in other non-current liabilities	29	20,190	6,142
Increase/(decrease) in trade and other payables	31	-153,270	63,970
Increase in PSO provision		23,389	0
(Decrease) / Increase in accrued liabilities	34	59,633	-7,479
Consumer contributions received	28	109,075	100,389
Income tax payments	16	-46,835	-55,943
Net cash inflows from operating activities		317,671	573,056
Cash flows from investing activities			
Interest received	14	2,409	12,521
Increase in other non-current receivables		-144	-101
Purchase of property, plant & equipment and intangible assets	17	-786,953	-812,166
Grants received	28	20,405	8,413
Net cash outflow from investing activities		-764,283	-791,333
Cash flow from financing activities			
Loan agreement costs		-12,982	-2,887
Interest paid on loans and borrowings	15	-77,092	-70,821
Increase in loans and borrowings		662,809	368,326
Principal paid on lease liabilities (Capital and Interest)	18	-26,703	-15,983
Dividends paid	35	-60,409	-133,534
Net cash inflows from financing activities		485,623	145,101
Net increase/(decrease) in cash		39,011	-73,176
Cash and cash equivalents at the beginning of the year		122,879	196,055
Cash and cash equivalents at year end		161,890	122,879

The notes on pages 41 - 116 are an integral part of the financial statements.



NOTES TO THE FINANCIAL 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, it should be noted that in the absence of approval/granting of a license by RAEWW, the management of the NIIs is governed at the regulatory level, in particular, by the provisions of the Operation Code for NII (Government Gazette B 304/014, as applicable), which was issued pursuant to Article 130 of Law 4001/2011, as well as 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 GEMI), 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^A 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, which also concern HEDNO SA, are included in 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 Allowed 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 Allowed 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 (NII 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 Energy 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 Energy 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 Energy 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 Energy 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.



HELLENIC ELECTRICITY DISTRIBUTION NETWORK OPERATOR SA
OF THE FINANCIAL YEAR ENDED ON 31/12/2025
(Amounts in EUR thousand)

PSO ACCOUNT BALANCE 31/12/2025 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
ADDITIONAL PAYMENT - CALCULATION OF PSO COST (GOVERNMENT GAZETTE B 579/13.02.2025)	400,000,000
TOTAL INFLOWS	1,275,254,756
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
ACCOUNT DEFICIT 31.12.2025	267,208,765
TOTAL OUTFLOWS	1,740,207,671
ACCOUNT BALANCE (SURPLUS/(DEFICIT))	-464,952,915
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
MINUS FINAL SETTLEMENT SRT CONSIDERATION 2018-2021 (RAEWW E-275/2024)	15,439,795
PLUS FINAL SETTLEMENT EAP CONSIDERATION 2018 (RAEWW E-275/2024)	444,563
MINUS REDIRECTION FROM ELYKO TO THE NUT ACCOUNT HELD BY HEDNO (RAEWW DECISION E-275/2024)	13,434,263
MINUS REDIRECTION FROM ELYKO TO THE NUT ACCOUNT HELD BY IPTO (RAEWW DECISION E-275/2024)	3,323,987
CURRENT PSO ACCOUNT BALANCE (SURPLUS/(DEFICIT)) 31/12/2025	-498,873,033
PSO WITH PAYMENT SUSPENDED	54,960,173

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 responsible for the management of HEDNO S.A. shall not participate in the organisational structures of PPC S.A. 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 of the other management bodies of HEDNO S.A., including remuneration and benefits of all kinds, shall not depend on the activities or results of PPC S.A. or any part thereof, other than the activities or results of HEDNO S.A.
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), significant changes are expected in the context of the two (2) above-mentioned Licenses (Exclusive Ownership License of the Electricity Distribution Network (Ownership License), granted under Article 122 of Law 4001/2011, and HEDN Management License) given that, as mentioned above, HEDNO SA, from 30/11/2021 onwards, will hold both the title of HEDN Owner and 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 Champakis 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 31/01/2025, the Compliance Officer of HEDNO SA submitted to RAEWW, by order of Law 4001/2011, article 124, §10, the Annual Report for 2024, which includes the fourth quarter of 2024. The quarterly report for the period of the first quarter 2025, was submitted to RAEWW on 30/04/2025, for the period of the second quarter 2025 on 11/07/2025 and for the period of the third quarter 2025 on 31/10/2025. The Annual Compliance Report of HEDNO SA for the year 2025, including the fourth quarter 2025, was submitted to RAEWW on 30/01/2026.

Guaranteed Services Program

HEDNO SA, based on RAEWW Directive No. 1151A/2019, 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). In 11 of the 17 cases of Guaranteed Services, it is scaled according to the service time exceeded. 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

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 12/31/2025, management assessed long-term information about its trade and other 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 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.

The latest revaluation of property, plant and equipment was carried out by an independent valuer on 31 December 2024.

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 to lease liabilities is 4.45% (note that in FY 2024 the incremental borrowing rate was estimated at 4.10 for contracts < 8 years and 3.49% for contracts > 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 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.

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 31/12/2025. 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.

During the year ended on 31/12/2024, the Company revised the methodology for estimating the impairment provision for materials X and C, taking into account new data that affected the initial assumptions on which the estimate was based. The Company now applies a multi-criteria model for calculating the valuation of materials, which links the prices of Materials X to those of Materials C, as well as to the prices of the metals contained in the mixture. 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's management believes that applying this approach provides a more reasonable representation of the value of its inventories.

3.2 MATERIAL 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".

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 to 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.

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-ML 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. An impairment provision is recognised considering the recoverable amount based on the value in used, as well as on accounting estimates as mentioned in Note 3.1.12.

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 a contingent 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)

According to IFRS 15 "Revenue from Contracts with Customers", the recognition and measurement of revenue from contracts with customers is based on the following model, which 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 RAEEW and the use of its network (metering-quantity in MWH) by the Company's customers.

Until 30/06/2025, the Network Unit Usage Tariffs in force were determined by RAEWW Directive E-15/2024 (Government Gazette 738/B/31.01.2024) and had been calculated on the basis of HEDNO's forecasts and estimates for the number, the agreed capacity and the final consumption of HEDN customers for 2024, as well as HEDNO's Required Revenue for 2024 (RAEWW Directive E-10/2024). As of 01/07/2025, the new Network Unit Usage Tariffs are applicable according to RAEWW Directive E-99/2025 (Government Gazette 2697/B/30.05.2025), which were calculated on the basis of the forecasts and estimates made by HEDNO for the number, agreed capacity and final usage of HEDN customers for 2025 as well as the Required Revenue of HEDNO for 2025, as determined on the basis of the RAEWW Directive E-50B/2025.

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 charged 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 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.

Furthermore, during the 2025 financial year, the Company received loans from the Recovery and Resilience Fund (RRF) at below-market rates. The relevant benefit arising from the difference between the funds received and the fair value of the loan based on the market interest rate is recognized, in accordance with applicable standards, as a government grant and allocated to the income statement on a systematic basis to match the related expenses (depreciation of property, plant and equipment) that the grant is intended to offset.

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 01/01/2025.

- ✓ IFRS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (Amendments)

The new IFRSs and the amendments to IFRSs adopted did not have an 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 01/01/2025.

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

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

In May 2024, the IASB issued amendments to the Classification and Measurement of Financial Instruments which amended IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures and they become effective for annual reporting periods beginning on or after January 1, 2026, with earlier application permitted. The Company's management estimates that the application of the Standard is not expected to have a material effect on its financial statements.

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

In December 2024, the IASB issued targeted amendments for a better reflection of Contracts Referencing Nature-dependent Electricity, which amended IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures and they become effective for annual reporting periods beginning on or after January 1, 2026, with earlier application permitted. The Company's management estimates that the application of the Standard is not expected to have a material effect on its financial statements.

- ✓ **Annual Improvements to IFRS Accounting Standards - Volume 11.**

In July 2024, the IASB issued Annual Improvements to IFRS Accounting Standards – Volume 11. An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2026.

Earlier application is permitted. The Company's management estimates that the application of the Standard is not expected to have a material effect on its financial statements.

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

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

In April 2024, the IASB issued the IFRS 18 - Presentation and Disclosure in Financial Statements which replaces IAS 1 - Presentation of Financial Statements and it becomes effective for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted. In subsequent reporting periods, management will analyse the requirements of this new standard and assess its impact.

✓ **IFRS 19 Subsidiaries without Public Accountability: Disclosures, (including amendments).**

In May 2024, the IASB issued the IFRS 19 - Subsidiaries without Public Accountability: Disclosures, and in August 2025 the IASB issued amendments to IFRS 19. IFRS 19 (including the amendments) becomes effective for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted. The Company's management estimates that the application of the Standard is not expected to have an impact on its financial statements.

✓ **IAS 21 The effects of changes in foreign exchange rates: Translation to a Hyperinflationary Presentation Currency (Amendments).**

In November 2025, the IASB issued amendments to Translation to a Hyperinflationary Presentation Currency which amend IAS 21 The Effects of Changes in Foreign Exchange Rates, and they become effective for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted. The Company's management believes that the adoption of the standard is not expected to have an impact on its financial statements.

✓ **Amendment in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.**

In December 2015, the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. 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 income from contracts with customers is as follows.

	<u>2025</u>	<u>2024</u>
Network Usage Fees – PPC SA	674,529	647,248
Network Usage Fees - Other providers	415,597	391,496
Network Usage Fees - electricity theft	3,422	1,751
	<u>1,093,548</u>	<u>1,040,495</u>
Operator's settlement charges	2,321,792	1,891,165
Operator's settlement returns	<u>-2,321,792</u>	<u>-1,891,165</u>
Total Network Usage Fees	<u>1,093,548</u>	<u>1,040,495</u>



HELLENIC ELECTRICITY DISTRIBUTION NETWORK OPERATOR SA
OF THE FINANCIAL YEAR ENDED ON 31/12/2025
(Amounts in EUR thousand)

	<u>2025</u>	<u>2024</u>
Contributions attributable to the fiscal year	106,581	100,671
Disposal of materials	24,198	21,376
Revenue from reconnection charges	3,566	3,546
Other consumer income	3,058	3,437
Revenue from operational costs of electricity theft	6,189	3,548
Revenue from operating RES fee under Article 5 par.5 of Law 4951/22	213	43
Revenue from connection fee of own-producers' PV systems MoEE/DAPEEK/18393/686	1,107	4,483
Other income from customers with contracts	<u>144,912</u>	<u>137,104</u>
Revenue from contracts with customers	<u>1,238,460</u>	<u>1,177,599</u>

The analysis of Network Usage Fees is as follows.

	<u>2025</u>	<u>2024</u>
NUT- IS Invoices - PPC SA	638,687	633,354
NUT- IS Provision - PPC SA	-4,719	-26,170
NUT- NII Invoices - PPC SA	40,560	40,065
NUT- IS Invoices - Other providers	399,487	388,171
NUT- IS Provision - Other providers	-2,555	-14,382
NUT- NII Invoices - Other providers	18,343	17,399
Network Usage Fees - Hybrid Power Plant	11	10
Network Usage Fees - electricity theft	3,422	1,751
Network Usage Fees - AIA	312	297
Total	<u>1,093,548</u>	<u>1,040,495</u>

Operator's Settlement Charges

	<u>2025</u>	<u>2024</u>
Revenue from Special Duty of Greenhouse Gas Emissions Reduction - PV Energy market settlement	39,812	40,411
Revenue from the PSO services	1,057,997	643,544
Revenue from System Usage Tariffs (SUT)- Electricity Theft	865	442
Non-categorised revenue attributed to primary supplier - electricity theft	247	457
RES energy sales	68,215	76,461
Thermal Power Plants' energy sales	1,154,656	1,129,850
Total	<u>2,321,792</u>	<u>1,891,165</u>

Operator's Settlement returns

	<u>2025</u>	<u>2024</u>
Special Duty of Greenhouse Gas Emissions Reduction charges-PV energy market settlement	-54,128	-58,845
PSO service charges	-1,057,997	-643,544
System Usage Tariffs (SUT)- Electricity Theft	-865	-442
Non-categorised charges attributed to primary supplier - electricity thefts	-247	-457
RES energy cost	-53,899	-58,027
Thermal Power Plants' energy purchases	-1,154,656	-1,129,850
Total	<u>-2,321,792</u>	<u>-1,891,165</u>



Operator's settlement returns/charges

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 charged 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 electricity 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 Energy Representatives, based on the consumption of their customers in the NIIs and credits equally the Special Account held by DAPEEP.

Public Services Obligations (PSO)

The special PSO management account ("ELYKO") is credited with revenues from the relevant charges imposed on electricity consumers, which are collected and paid by electricity suppliers to HEDNO SA, and the consideration provided to Suppliers is debited as outflows in order to a) provide electricity to residents of NIIs at the same prices as those of IS, covering the excess cost, and b) provide 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 month and at the end of each year (RAEWW Directive 750/2021).

As of 04/2023, in the context of each Monthly settlement during which ELYKO becomes deficient because monthly inflows are less than the outflows 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/SRT/TYA was reduced in financial year 2025 amounts to €291.5 million (2024: €319 million) and relates to discounted invoices for Mar-Dec 2025.

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).

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 from 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:

	<u>2025</u>	<u>2024</u>
Corresponding consumers contributions	106,505	100,616
Contributions corresponding to the installation of optical fibres PPC	<u>76</u>	<u>55</u>
	<u>106,581</u>	<u>100,671</u>

5. OTHER INCOME

Other income is analysed as follows:

	<u>2025</u>	<u>2024</u>
Sales of network projects	156	185
Revenue from electricity theft reserve	10,173	8,787
Other revenue	32,005	16,770
Total	<u>42,334</u>	<u>25,742</u>

The line "Network Projects Sales" includes an amount of €0.16 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 €10.17 million, concerns the coverage of part of the Company's allowed 2025 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 the Directive.

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

	<u>2025</u>	<u>2024</u>
Penalties on suppliers/contractors	1,481	2,276
Other income	21,451	6,369
Grants-subsidies	3,451	3,111
Revenue from the provision of services to related parties	4,409	3,698
Revenue from buildings leasing	586	651
Revenue from canteens	601	602
Revenue from other services	26	63
Total	<u>32,005</u>	<u>16,770</u>

Revenue from services provided to related parties includes €3.34 million relating to revenue from PPC SA for the recovery of feasibility studies costs for the installation of the Fibre Optic Network (2024: €3.23 million). Under "Other Income" line an amount of € 13.4 million that relates to public service consideration of prior years, according to RAEWW directive E-275/2024 (published date 03/06/2025).



6. PERSONNEL COST

Personnel cost is analysed as follows:

	<u>2025</u>	<u>2024</u>
Payroll	343,466	331,277
Operating activities' payroll	272,717	254,561
Payroll of HEDNO projects	70,749	76,716
Overtime / Days off	-714	1,465
Personnel ancillary employee benefits	7,880	6,163
Ancillary employee benefits to HEDNO projects	-16	-14
Provision for unpaid leave	-708	-5,033
Revenue from personnel seconded to IKA	-645	-867
Total	<u>278,526</u>	<u>256,275</u>

The remuneration of the regular personnel amounted to €310.8 million (2024: €318.22 million) and of the temporary personnel to €10.08 million (2024: €9.65 million). In addition, payroll includes personnel compensation of €20.30 million (2024: €3.8 million) relating to employees who had left by 31/12/2025.

It is noted that the average number of regular personnel during the fiscal year 2025 amounted to 5,497 people (2024: 5,791) and the average number of temporary personnel to 136.

The Overtime/Time Off item includes a reduction in the provision for overtime in December paid in January 2026 amounting to €836.56 thousand (2024: increase in provision of €802 thousand) and increase in provision for unpaid leave of €122.54 thousand (2024: increase in provision of €663 thousand)

The Personnel Ancillary employee benefits are broken down as follows.

	<u>2025</u>	<u>2024</u>
Reduced electricity tariff - current fiscal year	2,843	2,847
Reduced electricity tariff - Reversal of provision	-1,396	-1,493
Children's camps	270	209
Personnel insurance premiums	4,613	3,343
Nursery schools	634	563
Other ancillary employee benefits	916	694
Total	<u>7,880</u>	<u>6,163</u>

7. MAINTENANCE AND THIRD PARTY SERVICES

The maintenance and third party services are analysed as follows:

	<u>2025</u>	<u>2024</u>
Third-party services	30,676	25,153
Repairs - Maintenance	108,643	104,687
Total	<u>139,319</u>	<u>129,840</u>

Third party services are broken down as follows:



	<u>2025</u>	<u>2024</u>
Maintenance - High Voltage (IPTO)	485	0
Operating leases	8,866	8,805
Telecommunication services costs	10,879	7,739
Electricity	3,418	3,566
Other third-party services	7,028	5,043
Total	<u>30,676</u>	<u>25,153</u>

The increase of €3.96 million (4%) in repairs and maintenance is mainly due to an increase in network repair work due to faults and network maintenance support.

Regarding "Third party services", the increase of €5.52 million (22%) is mainly due to the increase in telecommunication expenses by €3.1 million (41%), as well as the increase in other third party benefits by €1.99 million (39%) mainly due to the €1.7 million in expenditure on allocated space.

8. MATERIAL CONSUMPTION

Material consumption is broken down as follows:

	<u>2025</u>	<u>2024</u>
Material conversion cost	9,383	11,691
Consumption - network projects	56	42
Consumption - operating activities	36,378	28,663
Total	<u>45,817</u>	<u>40,396</u>

There was an increase in material provisions of €5.4 million (13%) mainly due to the increase in operating activities of €7.7 million (27%) due to increased Network repairs, replacement of digital meters in cases of detected power theft and human resources support costs (materials/consumables for regions).

9. THIRD PARTY FEES

Third party fees are analysed as follows:

	<u>2025</u>	<u>2024</u>
Cleaning - guarding of buildings	6,721	5,824
Metering Fees	47,459	35,769
Disconnection and reconnection fees	7,060	8,686
Support Expenses - PPC SA	4,881	7,850
Studies by third parties	26,641	25,745
Other third party fees	88,642	74,929
Total	<u>181,404</u>	<u>158,803</u>

Third-party fees recorded an increase compared to the previous year mainly due to expenses made for dealing with power theft cases (lawyers' fees, etc.) amounted to € 8.5 million and fees for call centre services of € 3 million.

10. PROVISION FOR OTHER RISKS

	<u>2025</u>	<u>2024</u>
Provision for slow-moving inventory	142	387
(Provision release) / provision – Materials X/C	0	-4,241
Reversal of provision for pending litigation	-3,779	-6,785
Appreciation of X/C materials	4,157	-8,173
Total	<u>520</u>	<u>-18,812</u>

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 analysed as follows:

	<u>2025</u>	<u>2024</u>
Transportation costs	9,148	8,761
Travel expenses	9,186	9,123
Materials of immediate consumption	5,772	6,971
Research costs	2,600	2,067
Other operating costs	5,644	5,605
Personnel subsistence allowance	8,612	7,630
Other expenses	14,611	19,480
Total	<u>55,573</u>	<u>59,637</u>

The €4 million decrease in various expenses is mainly due to the reduction in extraordinary expenses such as compensation to third parties and losses on the disposal of fixed assets.

12. DEPRECIATION

Depreciation is broken down as follows:

	<u>2025</u>	<u>2024</u>
Depreciation - property, plant and equipment	350,199	328,981
Amortisation - Software	7,033	4,806
Depreciation - Right-of-use assets	24,083	15,470
Amortisation of grants	-6,965	-3,325
Total	<u>374,350</u>	<u>345,932</u>

The increase in depreciation of tangible assets and amortisation of software by €21.22 million and €2.23 million, respectively, is mainly due to the revaluation of assets that took place on 31/12/2024. The increase in depreciation of the right of use by €8.61 million is mainly due to the fact that the Company entered into new leases for vehicles (machinery) during the 2025 financial year (see Note 18). Finally, the increase in grant amortization by €3.64 million is due to the amortisation of low-interest loan grants (RRF), (see note 3.2.21)

13. TAXES - DUTIES

Taxes are broken down as follows:

	<u>2025</u>	<u>2024</u>
Taxes - duties for motor vehicles	314	352
Duties for cleaning - lighting	2,387	2,466
Stamp duty on leases	194	199
Other taxes - duties	203	341
Property taxes	1,933	1,861
Total	<u>5,031</u>	<u>5,219</u>

14. FINANCE INCOME

Finance income is analysed as follows:

	<u>2025</u>	<u>2024</u>
Credit interest on deposits	2,206	3,119
Interest income from unwinding of discount	33	28
Interest on SWAP contracts	0	8,959
Gains on valuation of financial derivatives	395	0
Other finance income	170	347
Total	<u>2,804</u>	<u>12,453</u>

With regard to interest (income) from SWAP contracts, their zero configuration in 2025 is linked to the expiry of the SWAP contract with Eurobank on 31/12/2024, which presented a favourable cost difference compared to Euribor, unlike the SWAP contract with the NBG, whose cost is slightly higher than Euribor.

With regard to the fair value measurement of financial derivatives (interest rate swaps) and the related gain or loss recognised, it should be noted that this is mainly due to changes in interest rate curves in the financial markets from financial year to financial year and over time until the maturity of the relevant contracts. More specifically, the recognition of gains in 2025 compared to zero in 2024 is due to the favourable change in the fair value of the contract with the NBG in favour of the Company. In 2024 the valuation of the derivative was positive in favour of the bank and against the Company, while in 2025 the value of the derivative decreased, reducing the adverse effect on the Company and leading to the recognition of gains.

15. FINANCE EXPENSE

Finance expense is broken down as follows:

	<u>2025</u>	<u>2024</u>
Bank expenses	64	97
Interest on bank loans	68,026	55,235
Interest on non-current liabilities	6,100	3,462
Loss on fair value measurement of financial assets	0	7,272
Interest on SWAP contracts & amortisation of expenses	1,189	740
Guarantee commissions	13,948	16,384
Total	<u>89,327</u>	<u>83,190</u>

The increase in interest on bank loans in 2025 is due to the increase in the Company's long-term borrowing by €580.2 million.

With regard to SWAP derivatives, their fair value measurement and the related gain or loss recognised are mainly due to changes in interest rate curves in the financial markets from financial year to financial year and over time until the maturity of the relevant contracts. The zero loss from the valuation of the NBG derivative in 2025 is due to the fact that during the fiscal year there were no negative changes in its valuation, as was the case in 2024.

The increase in interest on SWAP contracts and amortisation of expenses is due, on the one hand, to the interest arising from the SWAP contract with the NBG, the cost of which shows a positive deviation from Euribor, and, on the other hand, to the increase in the amortisation of capitalised expenses related to bond loan disbursements in the financial years 2024 and 2025.

The decrease in guarantee commissions in 2025 is due to a reduction in commissions for the provision of guarantees by the Greek State to the European Investment Bank for the granting of loans, as loans carrying the relevant guarantee amounting to €140.5 million were repaid during the 2025 financial year.

16. INCOME TAX - CURRENT AND DEFERRED

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

	<u>2025</u>	<u>2024</u>
Current income tax	35,720	58,988
previous years' tax	1,097	410
Deferred income tax	-5,814	-24,504
Total	<u>31,003</u>	<u>34,894</u>

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.

	<u>2025</u>	<u>2024</u>
Profit before tax	120,224	143,218
Nominal tax rate	22%	22%
Tax calculated on the basis of the established tax rate	26,450	31,508
Income tax of previous fiscal years	1,097	410
Tax effect of expenses not deductible for tax purposes	3,102	2,830
Other items for which no deferred tax is recognised	354	146
Income tax	<u>31,003</u>	<u>34,894</u>
	<u>25.79%</u>	<u>24.36%</u>

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

	<u>31/12/2025</u>	<u>31/12/2024</u>
Current income tax	8,769	-33,067
Total	<u>8,769</u>	<u>-33,067</u>

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.



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	<u>31/12/2025</u>	<u>31/12/2024</u>
Opening balance	-382,911	-291,084
Credit / (charge) directly to equity	94	-116,331
Credit to income statement	5,814	24,504
Year-end balance	-377,003	-382,911

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

	<u>31/12/2025</u>	<u>31/12/2024</u>
Deferred tax assets		
Materials and spare parts	763	-183
Trade receivables	23,112	23,055
Reversal of provision for risks and expenses	19,928	22,265
Consumers contributions and subsidies	318,819	322,454
Total	362,622	367,591

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

	<u>31/12/2025</u>	<u>31/12/2024</u>
Deferred tax liabilities		
Depreciation & revaluation of property plant & equipment	-725,235	-734,598
Valuation of derivatives of financial instruments	14	101
Provision for revenue from network usage fees	-14,404	-16,004
Total	-739,625	-750,501

Net deferred tax liabilities	-377,003	-382,910
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	<u>31/12/2025</u>	<u>31/12/2024</u>
Deferred tax expense/(income)		
Materials and spare parts	-946	2,646
Trade receivables	-57	0
Provisions for risks and costs	2,430	3,048
Consumers contributions and subsidies	3,635	3,265
Depreciation & revaluation of property plant & equipment	-9,363	-22,942
Valuation of derivatives of financial instruments	87	-1,600
Provision for network usage income	-1,600	-8,921
Income of Deferred Tax	-5,814	-24,504

The Company has not been audited by the tax authorities for the years 2020 - 2025. The tax certificates for the fiscal years 2020 - 2024 prepared by the Certified Auditors of the Company were issued with unqualified opinion.

The project for the issuance of the tax certificate for the fiscal year 2025 has been assigned to the Company's auditors, Ernst & Young (Hellas) Certified Auditors SA, and is already in progress. Upon completion of such project, 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 31/12/2025, the corresponding accounting differences have been calculated and the Company estimates that no provision is required for this financial year.



17. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

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

	Land	Buildings & Technical Facilities	Machinery & Other Mechanical Equipment	Motor vehicles	Furniture & Utensils	Property, plant and equipment in progress	Total property, plant and equipment	Software	Intangible assets in progress	Total intangible assets
Cost 01/01/2025	248,804	160,397	5,394,298	15,388	33,296	143,978	5,996,160	41,875	37,901	79,776
Additions	0	2,272	620,790	147	21,449	58,474	703,134	4,431	75,875	80,306
Disposals/Write-offs	0	0	-8,479	-321	-116	0	-8,917	-7	0	-7
Transfers/Reclassifications	0	2,535	14,786	0	1,364	-17,465	1,120	872	-2,092	-1,220
	248,804	165,204	6,021,395	15,213	55,992	184,988	6,691,597	47,171	111,684	158,855
Advances for the Acquisition of Property	0	0	0	0	0	3,513	3,513	0	0	0
Cost 31/12/2025	248,804	165,204	6,021,395	15,213	55,992	188,500	6,695,110	47,171	111,684	158,855
Accumulated Depreciation 01/01/2025	0	0	0	0	0	0	0	-16,323	0	-16,323
Accumulated depreciation - disposals/Write-offs	0	0	387	167	14	0	569	7	0	7
Depreciation charge	0	-17,786	-317,092	-8,166	-7,154	0	-350,199	-7,033	0	-7,033
Transfers/Reclassifications	0	0	0	0	0	0	0	0	0	0
	0	-17,786	-316,705	-7,998	-7,140	0	-349,630	-7,026	0	-7,026
Accumulated Depreciation 31/12/2025	0	-17,787	-316,705	-7,998	-7,140	0	-349,630	-23,349	0	-23,349
Net Book Value 31/12/2025	248,804	147,417	5,704,690	7,215	48,852	188,500	6,345,480	23,822	111,684	135,506



HELLENIC ELECTRICITY DISTRIBUTION NETWORK OPERATOR SA
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	Land	Buildings & Technical Facilities	Machinery & Other Mechanical Equipment	Motor vehicles	Furniture & Utensils	Property, plant and equipment in progress	Total Property, Plant and Equipment	Software	Intangible assets in progress	Total Intangible assets
Cost 01/01/2024	197,633	142,931	5,414,886	18,484	36,236	105,650	5,915,820	24,628	5,735	30,363
Additions	0	1,247	684,255	454	18,749	68,728	773,433	17,019	21,715	38,734
Disposals/Write-offs	0	0	-13,934	-355	-1,107	0	-15,396	-22	-604	-626
Reclassifications	24	1,876	16,307	0	888	-30,400	-11,305	250	11,055	11,305
Offsetting accumulated depreciation against acquisition value due to revaluation of property plant & equipment	0	-57,451	-1,086,998	-12,522	-22,552	0	-1,179,523	0	0	0
Revaluation of cost	51,147	71,794	379,782	9,327	1,082	0	513,132	0	0	0
	248,804	160,397	5,394,298	15,388	33,296	143,978	5,996,160	41,875	37,901	79,776
Advances for the Acquisition of Property	0	0	0	0	0	0	0	0	0	0
Cost 31/12/2024	248,804	160,397	5,394,298	15,388	33,296	143,978	5,996,160	41,875	37,901	67,847
Accumulated Depreciation 01/01/2024	0	-42,086	-783,863	-11,022	-19,493	0	-856,464	-11,601	0	-11,601
Accumulated depreciation - disposals/Write-offs	0	0	4,585	324	1,076	0	5,985	22	0	22
Depreciation charge	0	-15,365	-307,720	-1,824	-4,072	0	-328,981	-4,806	0	-4,806
Reclassifications	0	0	0	0	-63	0	-63	63	0	63
Reversal of accumulated depreciation due to revaluation of property plant & equipment	0	57,451	1,086,998	12,522	22,552	0	1,179,523	0	0	0
	0	42,086	783,863	11,022	19,493	0	856,464	-4,722	0	-4,722
Accumulated Depreciation 31/12/2024	0	0	0	0	0	0	0	-16,323	0	-16,323
Net Book Value 31/12/2024	248,804	160,397	5,394,298	15,388	33,296	143,978	5,996,160	25,552	37,901	63,453

Revaluation of Tangible Fixed Assets

The latest revaluation of tangible fixed assets in operation took place on 31 December 2024, and was carried out in accordance with IAS 16 by an independent appraisal firm ("Appraiser"). This revaluation did not include Construction in Progress and Software Programs.

The results of the revaluation were a profit of €528.4 million, which was recorded in the Company's books on 31 December 2024, credited to equity, net of deferred tax, as well as a loss of €15.3 million, which was recorded in the results for the year ended on 31 December 2024.

An amount of € 37.9 million in comparative data, was reclassified from line "Tangible Assets" to line "Intangible Assets" of the Statement of Financial Position, without changing the total of Non-Current Assets (Note 39).

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 31/12/2025 and 31/12/2024.

	Property	Other Equipment	Motor vehicles	Software	Machinery	Total
RIGHT OF USE						
As at 1/1/2025	18,078	4	14,335	2,630	0	35,047
Additions	26,973	1	34,492	0	64,608	126,074
Decreases	-1,382	0	-237	0	0	-1,619
Depreciation	-8.711	-3	-9.608	-1.700	-4.061	-24,083
As at 31/12/2025	34,958	2	38,982	930	60,547	135,419
LIABILITIES						
As at 1/1/2025	19,288	4	14,750	1,649	0	35,691
Additions	26,879	1	34,335	0	64,355	125,570
Decreases	-1.380	0	-83	0	0	-1,463
Finance expenses	1,365	0	1,235	41	1,733	4,374
Leases Payments	-9.359	-3	-10.758	-1.219	-5,364	-26,703
As at 31/12/2025	36,793	2	39,479	471	60,724	137,469
LIABILITIES						
	Property	Other Equipment	Motor vehicles	Software	Machinery	Total
Non-current	6,568	3	11,929	471	5,161	24,132
Current	30,224	0	27,549	0	55,564	113,337

The following is a breakdown of the contractual expirations of the Company's lease obligations as of 31/12/2025:



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	Property	Other Equipment	Motor vehicles	Software	Machinery	Total
LIABILITIES						
Up to 12 months	8,057	3	13,519	475	8,004	30,058
From 1 to 5 years	19,317	0	30,187	0	32,033	81,537
Over 5 years	19,433	0	773	0	34,420	54,626

	Property	Other Equipment	Motor vehicles	Software	Total
RIGHT TO USE					
As at 01/01/2024	21,769	0	13,507	4,693	39,969
Additions	4,616	7	7,054	17	11,693
Decreases	-1,145	0	-0	0	-1,145
Depreciation	-7,162	-3	-6,226	-2,080	-15,470
As at 31/12/2024	18,078	4	14,335	2,630	35,047

	Property	Other Equipment	Motor vehicles	Software	Total
LIABILITIES					
As at 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
Leases Payments	-7,986	-3	-6,839	-1,155	-15,983
As at 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 31/12/2024:

	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



19. DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments are broken down as follows:

	<u>31/12/2025</u>	<u>31/12/2024</u>
Interest rate swaps (asset)	0	0
Interest rate swaps (liability)	-64	-459
Total	<u>-64</u>	<u>-459</u>

To hedge the interest rate risk arising from the floating rate loan agreement with the NBG as above, the Company continues to maintain the over-the-counter Interest Rate Cap derivative agreement entered into in 2022. During the 2025 financial year, the valuation of this contract improved significantly, with the related liability being reduced compared to 2024. The Company does not apply hedge accounting, as described in Note 3.2.9.

20. INVENTORY

Inventory is broken down as follows:

	<u>31/12/2025</u>	<u>31/12/2024</u>
Materials and spare parts in contractors' warehouses	84,708	76,062
Materials, spare parts and consumables in HEDNO SA warehouses	364,258	314,141
Inventory write - down	-7,483	-7,342
Valuation of X/C materials	4,016	8,173
Materials-in-transit	557	1,223
Total materials and spare parts	<u>446,056</u>	<u>392,257</u>
Projects in progress	528	372
Total inventory	<u>446,584</u>	<u>392,629</u>

The increase in lines "Materials & spare parts in contractors' warehouses" and "Materials, spare parts and consumables in HEDNO SA warehouses" compared to previous year concerns mainly materials for Repetitive Projects (RPPs), Named Projects and network maintenance as within the framework of the Company's investment plan on the network the need for inventories was increased in 2025 and similar trend will be expected for next fiscal year.

The movement of the provision is as follows:

	<u>31/12/2025</u>	<u>31/12/2024</u>
Opening balance	7,342	11,197
Provision - slow moving materials	141	386
(Release of provision) / provision - Materials X	0	-4,241
Year-end balance	<u>7,483</u>	<u>7,342</u>



21. RECEIVABLES

The receivables are analysed as follows:

	<u>31/12/2025</u>	<u>31/12/2024</u>
Receivables from PPC	70,677	61,310
Receivables from other providers	235,128	242,507
Receivables from FIBERGRID SA	0	4,234
Receivables from IPTO	0	151
Provisions for doubtful debts	-123,068	-122,808
VAT	15,804	17,670
Other receivables	47,738	39,144
Interim dividend to PPC	0	21,675
Interim dividend to MSCIF DYNAMI BIDCO SINGLE-MEMBER SA	0	20,825
Total	<u>246,279</u>	<u>284,708</u>

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).

The "Other Receivables" includes an amount of €13.27 million (2024: €19.9 million), which relates to goods-in-transit for which the vendor bears the transfer risk at reporting date.

"Other Receivables" include purchases in transit (for which the seller bears the transfer risk at reporting date), other advance payments as well as receivables from staff – the increase in 2025 compared to previous fiscal year concerns mainly the retrospective settlement of Social Residential Tarriff (SRT) for the period 2018-2021 (based on RAEWW directive E-275/2024) of € 13.4 million.

Provisions for doubtful debts

In the balance of the provision of doubtful debts €123.07 million (2024: €122.8 million) includes an amount of €119.16 million which is broken down as follows: a) an amount of €117.41 million 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 €1.75 million refers to the customer ELLINIKA LIPASMATA SA for PSO transactions. The Company has taken legal action against them. In addition, the amount of €3.38 million (2024: €3.1 million) relates to provision for various debtors and customers.

The movement of the provision is as follows.

	<u>31/12/2025</u>	<u>31/12/2024</u>
Opening balance	122,808	122,808
Reversal of provision	261	0
Year-end balance	<u>123,068</u>	<u>122,808</u>



22. ACCRUED RECEIVABLES

Accrued trade and other receivables are broken down as follows:

	<u>31/12/2025</u>	<u>31/12/2024</u>
Accrued trade and other receivables - thermal power plants	113,323	66,511
Accrued trade and other receivables - RES	4,408	4,536
Accrued trade and other receivables - Network Usage Fees	81,021	47,507
Accrued trade and other receivables - SPGGER	2,056	2,491
Accrued trade and other receivables - PSO	46,070	44,960
Accrued trade and other receivables for the connection of photovoltaic power plants	0	292
Deferred Expenses	3,750	2,328
Deferred Expenses on loans	10,424	588
Deferred Commission on Greek Government guarantees	1,045	1,045
Provision for NUT revenue - IS	65,472	72,746
Income from grants	1,294	646
Other Revenue Accrual	9,066	6,500
Total accrued trade and other receivables	<u>337,928</u>	<u>250,150</u>

Accrued trade and other receivables relate to invoices issued in 2026 - the part of accrued and other receivables relating to related parties is shown below. Other Revenue Accrual includes an amount of € 3.3 million that relates to income from the recovery of study costs for the fibre optic network and also an amount of €1.7 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 transferred to the profit/loss account.

	<u>31/12/2025</u>	<u>31/12/2024</u>
Accrued trade and other receivables - thermal power plants	46,134	44,014
Accrued trade and other receivables - RES	3,061	3,110
Accrued trade and other receivables - Network Usage Fees	49,606	18,786
Accrued trade and other receivables - SPGGER	1,490	1,618
Accrued trade and other receivables - PSO	25,362	25,500
Provision for NUT revenue - Interconnected System	40,704	45,423
Accrued trade and other receivables from fibre optic	5,042	4,163
Accrued trade and other receivables from building rental	45	34
Other Revenue Accrual	645	838
Total	<u>172,089</u>	<u>143,486</u>

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.

	<u>31/12/2025</u>	<u>31/12/2024</u>
PPC SA	172,012	143,375
PPC Renewables SA	51	37
HELLENIC POST OFFICE (ELTA)	0	49
AIA	26	25
Total	<u>172,089</u>	<u>143,486</u>



23. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are broken down as follows:

	<u>31/12/2025</u>	<u>31/12/2024</u>
Petty cash	13	11
Demand deposits	52,177	76,168
Short-term time deposits	109,700	46,700
Total	<u>161,890</u>	<u>122,879</u>

The Company's cash and cash equivalents on 31/12/2025 amount to € 161.89 million (31/12/2024: €122.88 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 in case of a surplus. The PSO account on 31/12/2025 shows a deficit of €498.87 million (against a deficit of €599.9 million on 31/12/2024).

From April 2023, based on Decision RAEWW 750/2021, due to a deficit in ELYKO, invoices from suppliers for PSO/SRT exchanges will be reduced. In February 2025, ELYKO was financed from the state budget with €400 million, which was paid to suppliers. The amount by which the due consideration for the PSO/SRT/TYA was reduced in financial year 2025 amounts to €306.49 million

Interest income from time and demand deposits for 2025 amounts to €2.27 million (2024: €3.11 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 company PPC S.A. 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.

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 2025.

25. RESERVES

Statutory reserve

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

The amount of the legal reserve of € 5.42 million formed in this fiscal year is derived from the profits of financial year 2024. For 2025, the Legal Reserve corresponding to 5% of net profits amounts to €4.46 million.

Special reserves

During the fiscal year 2025, €42.06 million was reclassified from the special reserve under Law 1297/1972 to retained earnings, following a relevant tax assessment. The reclassification concerns accounting adjustments for the previous period and had no effect on the Company's profit/loss account or tax charge.

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 31/12/2025 are as follows.

Change in the liability in the Statement of Financial Position

Liability from reduced tariff	31/12/2025	31/12/2024
Net liability at the beginning of the fiscal year	19,410	21,465
Benefits paid by the company	-1,620	-1,718
Total charge to the income statement	865	911
Total amount to be recognised in other comprehensive income	456	-1,248
Net liability at the end of the fiscal year	19,111	19,410

Components of the Statement of Comprehensive Income

Components of the Income Statement	31/12/2025	31/12/2024
Benefits paid by the employer	-1,620	-1,718
Cost to be recorded in the income statement	865	911
Total	-755	-807

Components of Comprehensive Income	31/12/2025	31/12/2024
Other Comprehensive Income	456	-1,248
Total	456	-1,248

Sensitivity Analysis for Financial and Demographic Scenarios

	31/12/2025	31/12/2024
Discount rate plus 0.5% - % Difference in the PV of liabilities	-4.60%	-5.20%
Discount rate minus 0.5% - % Difference in the PV of liabilities	5.10%	5.80%



Components of Income Statement	31/12/2025	31/12/2024
Current service cost	596	547
Benefits paid by the employer	-7,500	-6,159
	-6,904	-5,612
Amount transferred to personnel cost	150	2,415
Subtotal	-6,754	-3,197
Interest expense	1,085	1,140
Total	-5,669	-2,057

Actuarial Study Assumptions values

Date	Increase	Duration of	Profit
Valuation	Discount rate	Invoice	Liabilities
			Margin of PPC Group
31/12/2025	4.10%	0.00%	11.08
31/12/2024	3.40%	0.00%	11.46
			2025: 9.0%
			2026: 11.0%
			2027+: 10.0%

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 31/12/2025 are as follows:

Valuation date	Number of Persons	Average Pensionable Salary	Average Years of Previous Service	Actuarial Obligation
31/12/2025	5,291	2,733	19	30,056

Change in the liability in the Statement of Financial Position

	31/12/2025	31/12/2024
Net liability at the beginning of the fiscal year	35,904	39,481
Current service cost	596	547
Interest expense	1,085	1,140
Benefits paid by the employer	-7,500	-6,159
Actuarial loss / (profit) - Financial assumptions	-1,059	1
Actuarial Profit - period experience	1,030	894
Net Liability at the end of the fiscal year	30,056	35,904



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Current part of liability	2,175	4,459
Non-current part of liability	27,881	31,445

Components of Other Comprehensive Income	31/12/2025	31/12/2024
Actuarial loss - Financial assumptions	-1,059	1
Actuarial Profit - Experience period	1,030	894
Total	-29	895

Note that, in 2025, an amount of €0.315 million (2024: €0.46 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 31/12/2025 and will be compensated within 2026.

In addition, it is clarified that an amount of € 2.2 million, which is presented under current liabilities, relates to the actuary's estimate of the cost of compensation for employees who meet the conditions for retirement and may leave within the fiscal year 2026.

Sensitivity Analysis for Financial and Demographic Scenarios	31/12/2025	31/12/2024
Discount rate plus 0.5% - % Difference in the PV of liabilities	-3.5%	-3.5%
Discount rate minus 0.5% - % Difference in the PV of liabilities	3.7%	3.7%
Salary Increase assumption plus 0.5% -% Difference in the PV Obligations	0.50%	0.60%
Salary Increase assumption minus 0.5% -% Difference in the PV Obligations	-0.60%	-0.70%

Actuarial Study Assumptions values	31/12/2025	31/12/2024
Discount rate	3.72%	3.20%
Inflation	2.00%	2.00%
Increase in Salaries	2.00%	2.00%
Future Pension Increases	0.00%	0.00%
Duration of obligations	0.00	7.44

27. LOANS

Loans are analysed as follows:

Non-current Loans	31/12/2025	31/12/2024
Bank loans	1,344,919	1,179,576
Bond loans	1,234,596	819,760
Total borrowing	2,579,515	1,999,336
Minus - Current part		
Bank loans	133,381	140,508
Bond loans	26,858	13,740
Total current part	160,239	154,248
Total non-current part	2,419,276	1,845,088

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 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.

With regard to the loan agreements signed by the Company with the NBG, which are no longer guaranteed by the Greek State, the following applies:

✓ 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 15 July 2025, the Company raised an amount of € 31.1 million.

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. On 15 July 2025, the Company disbursed an amount of €51.9 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. On 20 February 2025 the Company disbursed the amount of €150 million and on 18 December 2025 the Company drew the remaining amount of €146.15 million.

The total amount of EIB loans stood at €1,418.22 million on 31/12/2025 (of which €348.05 million relates to RRF resources) compared to €1,179.58 million on 31/12/2024. Within 2025, the Company repaid debts amounting to € 140,51 million.

Bond Loans with Eurobank

➤ A CBL of up to € 660 million.

On July 19, 2022, the Company signed a contract with Eurobank for the issuance of an unsecured common 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.

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 December 2025.

➤ CBL of up to €2.05 billion

On 18 December 2025, the Company signed a new syndicated bond loan with Eurobank and NBG, with participation rates of 56.098% and 43.902% respectively, for a total amount of up to €2.05 billion, unsecured. The new CBL comprises three series of bonds:



- Series A (up to €650 million and a maturity of 15 years): to refinance Eurobank's existing CBL, with a balance of €650 million,
- Series B (up to €1,150 million and a maturity of 15 years): for CAPEX financing and repayment of existing ORA credits,
- Series C (RCF-Revolving Credit Facility) (up to €250 million): to cover working capital needs and other corporate purposes. It is a revolving line of financing available for 5 years (until 30.12.2030) with the possibility of extension for 1+1 years.

On 23 December 2025, HEDNO disbursed €372 million from Series B, of which €360 million was allocated to repay all existing ORA credits (€150 million to NBG, €130 million to Eurobank, and €80 million to Piraeus).

Bond Loans with the National Bank of Greece (NBG)

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 14 May 2024, the Company disbursed this amount and on 15 May 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.

On 13 August 2025, the Company disbursed a total amount of €67 million, which is broken down as follows:

- An amount of €41.875 million with RRF resources, and
- An amount of €25.125 million with bank financing.

In summary, the Company's total borrowings as at 31/12/2025 amounted to €2,579.5 million compared to €1,999.3 million as at 31/12/2024. During 2025, the Company made debt repayments totalling €155.34 million on long-term debt.

The annual repayment schedule for long-term borrowings after 31/12/2025 is as follows:

	<u>31/12/2025</u>	<u>31/12/2024</u>
Within one year	152,507	154,248
Between two and five years	466,090	622,466
After five years	1,960,918	1,222,622
Total	<u>2,579,515</u>	<u>1,999,336</u>

FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT POLICIES

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

	<u>Immediate expiry</u>	<u>3 months</u>	<u>3 to 12 months</u>	<u>1 to 5 years</u>	<u>> 5 years</u>	<u>Total</u>
Current Loans	0	67,946	84,561	-	-	152,507
Non-current Loans	0	0	0	466,090	1,960,918	2,427,008
Interest	0	4,565	68,275	253,884	261,022	587,746
	<u>0</u>	<u>72,511</u>	<u>152,836</u>	<u>719,974</u>	<u>2,221,940</u>	<u>3,167,261</u>

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 12/31/2025:

	<u>31/12/2025</u>	<u>31/12/2024</u>
Loans movement		
Opening balance	1,999,336	1,637,102
New loans	1,258,150	760,000
Repayment	(595,341)	(391,674)
IFRS 9 adjustment to low-interest RRF loan	(80,436)	0
Additions to borrowing costs	(3,300)	(6,832)
Amortisation of borrowing costs	1,106	740
End of period balance	<u>2,579,515</u>	<u>1,999,336</u>

Deferred borrowing costs

Bond loans include unamortised deferred borrowing costs of €11.95 million, 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 2025 is shown in the following table:

	<u>31/12/2025</u>	<u>31/12/2024</u>
Opening balance	9,760	3,668
Additions	3,300	6,832
Amortisation of borrowing costs	(1,106)	(740)
Year-end balance	<u>11,954</u>	<u>9,760</u>
	<u>31/12/2025</u>	<u>31/12/2024</u>
Current part	1,315	1,093
Non-current part	10,639	8,666
Total	<u>11,954</u>	<u>9,760</u>

On 31/12/2025 the Company had no current liabilities from mutual accounts.



28. CONSUMER CONTRIBUTIONS AND GRANTS

As mentioned in Note 3, based on the provisions of IFRS 15, the Company classifies consumers contributions in non-current liabilities.

In 2025, this financial statement line also includes €80 million. This amount resulted from financing received from the Recovery and Resilience Facility (RRF) at a below-market rate, and the related benefit was recognised as a grant (see Note 3.2.21).

This line includes the following elements:

	<u>31/12/2025</u>	<u>31/12/2024</u>
Distribution network grants	117,250	100,052
IFRS 9 adjustment to low-interest RRF loan	80,060	0
Consumers Contributions	1,930,192	1,928,120
PPC contributions for the installation of optical fibres	4,328	3,200
Total	<u>2,131,830</u>	<u>2,031,372</u>

	<u>Distribution network grants</u>
Total 31/12/2023	94,965
Receipts from distribution network grants	8,413
Grants' amortisation	-3,326
Total 31/12/2024	<u>100,052</u>
Receipts from distribution network grants	20,405
Grants' amortisation	-3,207
Total 31/12/2025	<u>117,250</u>

	<u>Consumers Contributions</u>	<u>PPC contributions for the installation of optical fibres</u>
Total 31/12/2023	1,929,674	4,735
Receipts from participations	99,060	1,329
Transfer to revenue from contracts with customers	-100,614	-55
Change in provision	0	-2,809
Total 31/12/2024	<u>1,928,120</u>	<u>3,200</u>
Receipts from participations	108,577	498
Transfer to revenue from contracts with customers	-106,505	-76
Change in provision	0	706
Total 31/12/2025	<u>1,930,192</u>	<u>4,328</u>

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:

	<u>31/12/2025</u>	<u>31/12/2024</u>
Guarantees	694	1,273



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Grants	6,084	4,995
Electricity theft reserve	44,281	24,607
Penalty reserve/L-LW-NII	371	365
Total	51,430	31,240

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 €3.92 thousand received from the European Union for the grant of assets and to an amount of €2.165 million (2024: €1.076 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.

Based on the above provisions, the Company transferred in fiscal year 2025 to Other Income an amount of €10.173 million (2024: €8,78 million) (see Note 5).

30. PROVISIONS

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

	31/12/2025	31/12/2024
Opening balance	27,146	33,930
Reversal of provision	-6,427	-7,010
Additional provision	2,648	226
Year-end balance	23,367	27,146

31. TRADE AND OTHER PAYABLES

Trade and other payables are broken down as follows:

	31/12/2025	31/12/2024
PPC Renewables SA	1,161	1,114
IPTO	39	0
PPC INSPECTRA SINGLE MEMBER SA	264	0
NEXT GEN RETAIL SERVICES	10	5
Suppliers - Contractors	321,861	451,793
DAPEEP SA	16,666	21,691
Other liabilities	1,754	653
Total	341,755	475,256

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:

	<u>31/12/2025</u>	<u>31/12/2024</u>
Various creditors	2,995	2,914
In-transit credit accounts - PSO	23,389	0
In-transit credit accounts - vulnerable consumers	10,075	10,095
In-transit credit accounts - roof PVs	28,328	52,997
Customer advances	104,381	93,755
Debtor advances	892	644
Bank credits	687	287
Temporary staff wages payable	697	655
Total	<u>171,444</u>	<u>161,347</u>

"Customer advances" concern mainly advance payments for roof PVs projects. The increase compared to the prior year is mainly attributed to timing differences in invoicing.

33. OTHER TAXES AND INSURANCE OBLIGATIONS

Other taxes and insurance contributions are broken down as follows:

	<u>31/12/2025</u>	<u>31/12/2024</u>
Payroll tax and other withholding taxes	11,330	11,338
Insurance contributions	14,695	17,044
Withholding of RES / ESIDIS (National Electronic Public Procurement System) taxes	1,427	2,287
Other taxes - duties	3,827	7,086
Total	<u>31,279</u>	<u>37,755</u>

34. ACCRUED AND OTHER LIABILITIES

Accrued liabilities are broken down as follows:

	<u>31/12/2025</u>	<u>31/12/2024</u>
Accrued personnel costs	20,887	24,595
Non-invoiced liabilities - RES energy / settlement	123,114	70,430
Non-invoiced liabilities - PSO	81,593	78,063
Accrued interest and loans' commissions	8,075	6,427
Accrued expenses	27,744	20,617
Total	<u>261,413</u>	<u>200,132</u>

Accrued liabilities relate mainly to invoices issued in 2026. Line "Accrued personnel costs" include the provision of unpaid leave, rest, overtime and compensation.

Non-invoiced liabilities - RES energy/settlement include € 45.2 million for equipment related to the Small Connected System (SCS) of Crete (PPC).

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



	<u>31/12/2025</u>	<u>31/12/2024</u>
Non-invoiced liabilities - RES energy / settlement	113,830	67,153
Non-invoiced liabilities - PSO	60,824	58,782
Costs of use accrued	7,702	9,237
Total	<u>182,355</u>	<u>135,173</u>

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

	<u>31/12/2025</u>	<u>31/12/2024</u>
PPC SA	181,779	134,484
PPC Renewables SA	576	689
Total	<u>182,355</u>	<u>135,173</u>

35. DIVIDEND

The General Shareholders Meeting of the Company, with Minutes No. 78/13.06.2025 approved unanimously the dividend distribution of an amount of €102.9 million for the year ended 31/12/2024, which was paid to the shareholders on 25/6/2025 by a disbursement of €60.4 million, given that an amount of €42.5 million had been paid as an interim dividend on 24/10/2024 based on the Board of Directors' Resolution No. 8/30.07.2024.

For the fiscal year 1/1/2025 - 31/12/2025, the distribution of € 85 million dividend is proposed to the General Meeting of shareholders which is scheduled on 10th June 2026.

It is pointed out that by means of Decision No. 28, dated 31/10/2025, of the Board of Directors Meeting, it was decided to distribute an interim dividend of €42.5 million, which was paid to the shareholders in January 2026.

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 that no additional provisions are needed, other than those recognised in the 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 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 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. The irrevocable decision of the Supreme Court (Decision No. 945/2022 issued by the G Section), which ruled that the debtor companies did not commit embezzlement to the detriment of LAGIE and IPTO. 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 and **b)** against the company "ELFE SA", for an amount of €771.187, 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 according to the decision 2583/2025 of the Court the appeal was rejected. **b)** an appeal (file No. 886/659/2023) against the Multi-member Athens Court of First Instance (PPA) decision No. 219/2021 against "ELFE SA", which was heard before the Athens Three-Member Court of Appeal (14th Division) on 09/01/2025 and on which the Athens Three-Member Court of Appeal issued decision No. 2343/2025, which upheld the Appeal and the Action brought by HEDNO against the above-mentioned opposing company. An appeal has been lodged against the above decision (under GAK 6931/2025 and EAK 779/2025 at the Athens Court of Appeal) by the opposing company "ELFE SA", the hearing of **which is pending**.

B. "IPTO S.A.", as the manager of the PSOs, for the years 2009-2014, filed the following lawsuits before the Athens Multi-Member Court of First Instance regarding PSO debts: **a)** one lawsuit against MOTOR OIL for an amount of €3,755,046.69; and **b)** two lawsuits against ELFE SA for an amount of €2,648,415.45. MOTOR OIL filed seven (7) declaratory actions for the same reason against IPTO, and "ELFE SA" filed one action against IPTO S.A.

- Regarding the above lawsuits filed by IPTO and MOTOR OIL, which were heard jointly, the Athens Multi-Member Court of First Instance issued decision No. 3972/2017, rejecting them on the grounds of lack of jurisdiction of the civil courts. Following the subrogation of rights and obligations by IPTO to HEDNO, arising from the Special PSO Account, pursuant to Article 57 of Law 4508/2017, EDNO filed Appeal No. 71052/141/2021 with the Supreme Court against the above decision, which was heard before the First Section of the Supreme Court on 4.3.2024, and a decision on the matter is pending.

- Regarding the above lawsuits filed by IPTO and "ELFE SA", which were heard jointly, the Athens Multi-Member Court of First Instance issued decision No. 2034/2014, by which IPTO's lawsuits were admitted and ELFE SA's lawsuit was rejected, declaring the amount of €500,000 provisionally enforceable. "ELFE SA" filed appeal No. 5496/ 4486/2017 and, following the subrogation of rights and obligations by IPTO to HEDNO, arising from the Special PSO Account, pursuant to Article 57 of Law 4508/2017, additional grounds for appeal under file No. 8266/617/2018. In this regard, the Athens Three-Member Court of Appeal issued Decision No. 5548/2020, rejecting the appeal filed by "ELFE SA". ELFE SA filed an appeal against the above decision with the Supreme Court, under No. 748/2024, which was heard before the A2 Civil Section on 13.10.2025 and the decision is expected to be issued.

C. "IPTO S.A.", as the manager of the PSOs, for the years 2015-2016, filed the following lawsuits before the Athens Multi-Member Court of First Instance regarding PSO debts: **a)** one lawsuit against MOTOR OIL for an amount of €1,418,240.46; and **b)** two lawsuits against ELFE SA for an amount of €838,295.07.

- Regarding the lawsuit against MOTOR OIL and following the subrogation of rights and obligations by IPTO to HEDNO, arising from the Special PSO Account, pursuant to Article 57 of Law 4508/2017, the Single-Member Court of First Instance of Athens issued a non-final decision No. 3314/2019, suspending the final judgment of the Court until the opposing MOTOR OIL lawsuits are finalised. Following further discussion, the Single-Member Court of First Instance of Athens issued non-final decision No. 1680/2021, suspending the issuance of a final decision until the final ruling on appeal No. PR1282/2019 filed by MOTOR OIL is issued.

- Regarding the lawsuit against ELFE SA, the Piraeus Multi-Member Court of First Instance issued Decision No. 5109/2018, which upheld the lawsuit and declared the amount of €400,000 provisionally enforceable. An appeal was lodged against such decision by ELFE SA, under file No. 345/173/2021, on which the Piraeus Three-member Court of Appeal issued Decision No. 258/2023, dismissing such appeal. ELFE SA filed an appeal against the above decision with the Supreme Court, under No. 852/2024, which was heard before the A1 Civil Section on 6.10.2025 and the decision is expected to be issued.

D. "IPTO S.A.", as the manager of the PSOs, for the years 2009-2014, a lawsuit before the Athens Multi-Member Court of First Instance regarding PSO debts against ELPE (Hellenic Petroleum S.A.) for an amount of €601,319.97. Regarding the above lawsuit, the Athens Multi-Member Court of First Instance issued decision No. 4036/2017, ruling that IPTO's request for payment of PSO charges was lawful and awarding the amount of €420,176.04 for the period 2009 - 2013. Following the subrogation of rights and obligations by IPTO to HEDNO, arising from the Special PSO Account, pursuant to Article 57 of Law 4508/2017, an appeal was lodged against the above decision, under file number 7699/6272/2019, regarding the charges for the provision of PSO for the year 2014 before the Athens Three-Member Court of Appeal. An appeal was also lodged by ELPE, under number 8257/6723/2019. The Athens Three-Member Court of Appeal issued decision No. 292/2022, rejecting the appeal filed by ELPE and accepting the appeal filed by HEDNO. An appeal against the above decision was lodged by ELPE with the Supreme Court, under number 10848/1058/2024, which has not yet been brought before the court for discussion.

E. "IPTO S.A.", as the manager of the PSOs, for the years 2015-2016, a lawsuit before the Athens Multi-Member Court of First Instance regarding PSO debts against ELPE (Hellenic Petroleum S.A.) for an amount of €147,498.40. Following the subrogation of rights and obligations by IPTO to HEDNO, arising from the Special PSO Account, the Athens Court of First Instance issued Decision No. 8867/2019, which upheld the lawsuit. ELPE filed an appeal against the above Decision, under number 10678/8645/2019, on which the Athens Single-Member Court of Appeal issued Decision No. 1534/2021, rejecting the appeal. Against the above Decision, ELPE lodged appeal No. 1383/2023, on which the Supreme Court (A3 Civil Section) issued Decision No. 1584/2024, rejecting the appeal.

F. "IPTO S.A.", as the manager of the PSOs, for the years 2009-2014, a lawsuit before the Athens Multi-Member Court of First Instance regarding PSO debts against Hellenic Sugar Industry SA (EBZ) for an amount of €279,916.01. Regarding the above lawsuit, the Thessaloniki Multi-Member Court of First Instance issued decision No. 15157/2017, ruling that IPTO's request for payment of PSO charges was lawful and awarded the requested amount, of which €150,000.00 was declared provisionally enforceable. EVZ filed a petition for the ratification of a consolidation agreement (and therefore, pursuant to Article 106 of the Bankruptcy Code, a suspension of enforcement measures against it applies automatically), which was discussed, after being cancelled, on 22.7.2019, and the Thessaloniki Multi-Member Court of First Instance issued Decision No. 2200/2020 on this matter.

G. At the same time, the above companies have filed declaratory actions in relation to the above MOTOR OIL and ELFE SA debt cases. Specifically, the Athens Multi-Member Court of First Instance issued Decision No. 414/2019, rejecting as legally unfounded two (2) lawsuits filed by ELFE SA relating to PSO charges for the period 2016 (regarding the recognition of the invalidity of an information note and invoice), forcing ELFE to pay the amounts due. 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 was brought by "ELFE SA" before the Supreme Court, which, after adjournment, will be heard before the A3 Civil Section on 28.09.2026, adjourned from 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 Tribunal, relating to PSO charges for the periods 2016 and 2015, respectively (regarding the recognition of the invalidity of an information note and invoice). Finally, "ELFE SA" has filed a lawsuit with the Athens Multi-Member Court of First Instance, under number 58123/1329/2023, (regarding the recognition of the non-existence of a debt for the provision of PSOs), on which the Athens Multi-Member Court of First Instance issued decision No. 2494/2024, dismissing the lawsuit as unfounded. ELFE SA filed an appeal against such Decision, which

will be heard on 20 January 2026, before the First Section of the Athens Three-Member Court of Appeal and the decision of this appeal will be expected to be issued.

H. 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, was 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, was 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, under file number AG 5700/2022. The case was heard on 13/03/2024 and a decision is pending. The case was heard on 13.3.2024, and the Athens Three-Member Administrative Court of First Instance issued Decision No. A1543/2026, dismissing the lawsuit as inadmissible.

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, 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), which was initially heard before the Athens Three-Member Court of Appeal (Law of obligations Section 15) on 23/01/2025, which was rejected. With GAK 4740/2025 and EAK 3434/2025, the opposing company was summoned, and the hearing of the above Appeal was rescheduled for 05.03.2026 before the Three-Member Court of Appeal of Athens ^(Law of obligations Section 15).

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, 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 and **b)** the decision in two (2) of the above actions, for a total amount of €997,217, has been postponed.

4. Action brought by LAGIE - PPC recourse

In the present action, LAGIE claims the total amount of €143,928,898, 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 €107,304,987 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 €48,855,212, 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). Against the above decision, the filing of an appeal with Athens Court of Appeal No. 4527/512/2025 before the Supreme Court by the opposing company DAPEEP, the discussion of which is expected to be set.

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 opposing parties have already filed an appeal against this first instance decision, which was heard, after postponement, on 06/02/2025 and on which the Athens Three-Member Court of Appeal issued decision No. 4174/2025 (Law of obligations Section 15) was issued, which upheld the grounds for appeal, ruling on the merits of the case and ultimately rejecting the appeal of the opposing parties against "HEDNO SA". To date, no appeal has been lodged against that decision.

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, 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. Action brought by the company AEOLIKOS STAMMOS AMANIS against HEDNO SA

The company AEOLIKOS STATHMOS AMANIS has filed the action, dated 24.03.2020, against us, with GAK 24797/2020 and EAK 805/2020, filed on 26.03.2020 before the Athens Multi-Member Court of First Instance,

concerning the recognition of the validity of a contract of sale concluded under an earlier licensing regime and a claim for compensation. The valuation claim of the action amounts to € 496,075. Motion/legalisation, as well as addendum/rebuttal have been filed and the file has been closed. The action was discussed on 02.06.2022 and decision No. 1383/2023 was issued by the Athens Multi-Member Court of First Instance, rejecting the above action due to lack of jurisdiction of the civil courts. The company AIALIKOS STATHAMOS AMANIS has lodged an appeal against the aforementioned decision No. 1383/2023 of the Athens Multi-Member Court of First Instance, the hearing of which was set for 03.02.2026. The case was discussed and the relevant decision of the Athens Court of Appeals is expected to be issued.

8. 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. 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 - stressing, however, that the constitutionality of the above legislative provision of Law 4093/2012 has already been ruled on, in particular by No. 2408/2014 Decision of the Plenary Session of the Council of State, issued in the context of Pilot Procedure.

At the level of adjudication of the category of cases under consideration under Law 4254/2024 before the Civil Courts, two (2) appeals have been filed to date by the opposing parties of HEDNO against two (2) decisions of the Athens Court of Appeal that were favourable to HEDNO, specifically: a) Appeal filed by the company "ANTONOPOULOS & CO. LP" headed "for the appeal of Decision No. 5353/2022 of the Athens Single-Member Court of Appeal and against HEDNO", with the initial hearing set for 09.03.2026; b) Appeal filed by the company "FEGGI RENEWABLE ENERGY SOURCES S.A." for the annulment of Decision No. 4836/2022 of the Athens Court of Appeal and against HEDNO, with the initial hearing scheduled for 27.04.2026.

9. 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.

To date, HEDNO has filed a total of four appeals before the Supreme Court for this category of cases, (4) appeals against second instance decisions of civil courts recognising the obligation of HEDNO SA to pay default interest to RES producers in the NIIs for the above-mentioned reason. All of the appeals in question are pending (to be precise, the date of their hearing before the Supreme Court is also pending).

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 cost 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 € 11.330.000 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.
b) 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 €11,330,000 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). Against the above decision, RAEWW has filed an appeal (under number 548/2024) before the Council of State (Section D), for which, following repeated postponements, the date of discussion has been set for 09.06.2026.

- 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 €10,424,000 thousand for the year 2014 and €8,500,000 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 €17,100,000 for 2015 and 2016, plus the corresponding amount of

€8,386,000 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 Required revenue for the year 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 Required Revenue 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 10.03.2026.

3. Fines of RAEWW on "HEDNO SA"

a) 1.800.000 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 Council of State, which, after repeated postponements, have been set to be heard before the Fourth Section of the Council of State on 19.05. 2026

b) Imposition of a fine to HEDNO SA in the amount of €1,000,000. 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. Upon the tacit rejection of the latter, "HEDNO SA" proceeded to file an appeal, under number PR267/2024, before the Administrative Court of Appeal of Athens, which was initially scheduled to be heard before the 14th Section of the Athens Three-Member Administrative Court of Appeal, at a hearing scheduled for 12.11.2025 (Summons

KL2853/6.6.2025) and, following an adjournment, a new hearing date for the Appeal in question before the Athens Administrative Court of Appeal has been set for 18.03.2026.

(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 "QUANT 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 and €645,861, 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 "QUANT 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.

(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. 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.

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 €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, 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.

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, of which the amount of €100,000 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.



4. 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, 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".

5. 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.

"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 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 LYKLOUDIS": "PPC SA" filed a lawsuit against the Greek State, claiming the amount of €139,139, 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 LYKLOUDIS". 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 in legal interest. On 06/07/2021 the total amount of €211,654 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, 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 Pissaios, 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, on which have been issued, respectively a) the decision number 69/2024 which partially accepted the claim for the amount of €75,445, 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 C. of I. of Gythio on the claim for the amount of €1,400,539, 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, 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, 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 and €303,800, 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, 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, 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 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 pending, **d)** for two of them, amounting to €40,000 and €300,853, 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, 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 and €631,965, 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 and €40,000, 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 and €2,000, 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, €702,863 and €656,973, 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, €167,323 and €10,000, 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, 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, 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 and €215,233, 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. C. of I. Piraeus (as the Court of Appeal), which allowed the appeals and dismissed the claims, amounting to €134,057 and €290,810, 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 definitive 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, 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 (with interest for part of it €5,024). 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. 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, 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 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 otherwise (using another method of calculation) €15,362,757, 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 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, 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 and €302,964 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 and €179,718, 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, as compensation, due to a fire caused by the Network, on 25/07/2016. In particular, the first claim, amounting to €3,832,260, 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, 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 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, 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, 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. 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. 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, 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, 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 Xeromeros, **c)** one (1) lawsuit, for a total amount of €29,750, 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, 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, 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 €15,350,240, 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. E-EFKA has appealed against the above decision and we are awaiting the scheduling and hearing date for the appeal.

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. On these actions:

a) on one of them, with a claim amount of €528,000, 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, with statutory default interest. An appeal was lodged by "HEDNO SA", on which

Decision No. 926/2021 was issued, dismissing such appeal of HEDNO SA. An appeal was lodged against the above decision by "HEDNO SA", on which the Supreme Court issued Decision No. 720/2024, rejecting the above lawsuit; **b)** Eighteen (18) of the above lawsuits have been dismissed by the Athens Court of First Instance. The plaintiffs have appealed against these first instance decisions, which have been heard and we are awaiting the decisions of the Athens Court of Appeal; and **c)** decisions are pending on four (4) of the above lawsuits.

(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 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 instead of the amount of €109,822 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 requests for determining the final price of expropriation compensation of HEDNO and the Greek State were discussed on 13.1.2026 and a decision is expected.

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 million. The relevant expert report was submitted, which determines the value of the disputed assets at a total amount of € 10,87 million, and further discussion of the case is expected in June 2026.

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.

(G) 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, Appeal No. E2861/2020 for MF of €419,275 for the fiscal year 2019, Appeal No. E319/2020 for MF of a total amount of €401,723, year 2007, Appeal No. E2819/2019 for MF of a total amount of €423,178 for the fiscal year 2018 and Appeal No. 2588/2022 for MF of a total amount of €419,825 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.

37. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Trade and other receivables and liabilities with related parties as at 31/12/2025 and 31/12/2024 are as follows:

	31/12/2025	
	Trade and other receivables	Liabilities
PPC SA	49,002	0
PPC Renewables SA	0	-1,161
NEXT GEN RETAIL SERVICES	0	-9
KASTRI EVIAS	0	-50
PPC INSPECTRA	0	-264
HELLENIC POST OFFICE (ELTA)	0	-189
ETVA	0	-1
AIA	33	0
GAIASE	9	0
NATIONAL BANK	15	0
Total	49,059	-1,674



HELLENIC ELECTRICITY DISTRIBUTION NETWORK OPERATOR SA
OF THE FINANCIAL YEAR ENDED ON 31/12/2025
(Amounts in EUR thousand)

	<u>31/12/2024</u>	
	<u>Trade and other receivables</u>	<u>Liabilities</u>
PPC SA	82,985	0
PPC Renewables SA	0	-1,114
NEXT GEN RETAIL SERVICES	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

The accrued trade and other receivables and liabilities with related parties for the fiscal year ended on 31/12/2025 and on 31/12/2024 are as follows:

	<u>31/12/2025</u>	
	<u>Accrued trade and other receivables</u>	<u>Accrued Liabilities</u>
PPC SA	172,012	-181,779
PPC Renewables SA	51	-576
AIA	26	0
Total	172,089	-182,355

	<u>31/12/2024</u>	
	<u>Accrued trade and other receivables</u>	<u>Accrued Liabilities</u>
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

The transactions with related parties for the fiscal year ended on 31/12/2025 and on 31/12/2024 are as follows:



HELLENIC ELECTRICITY DISTRIBUTION NETWORK OPERATOR SA
OF THE FINANCIAL YEAR ENDED ON 31/12/2025
(Amounts in EUR thousand)

	01/01/2025-31/12/2025	
	Invoices to	Invoices from
PPC SA	1,816,509	-1,830,497
PPC Renewables SA	56	-7,447
KPM ENERGY	1	0
ALTERNATIVE POWER & ENERGY ALPENER	50	0
ILEKTROPARAGOGI ALEKSANDROUPOLIS S.A.	151	0
NEXT GEN RETAIL SERVICES	0	-27
FIBERGRID	7	0
KASTRI EVIAS	1	0
PPC INSPECTRA	4	-950
HELLENIC POST OFFICE (ELTA)	490	-726
ETVA	18	-107
STASY	58	-1
OSY	2,769	-3
AIA	312	0
DETH [Intern. Exposition of Thessaloniki] - HELEXPO	0	-1
HELLENIC PUBLIC PROPERTIES CO. (HPPC)	0	-1
LAMBDA FLISVOS MARINA	1	0
ATTICA BANK	108	-2
NATIONAL BANK	548	-45
KATH	1	0
Corinth Canal S.A.	1	0
Total	1,821,085	-1,839,807

	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
NEXT GEN RETAIL SERVICES	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

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 revenue of €3.12 million for the recovery of fibre optic network study costs as well as €1.58 million for PPC SA's participation in the construction costs of the fibre optic network, which will be recognised in revenue in instalments 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.

Management remuneration

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

	<u>01/01/2025- 31/12/2025</u>	<u>01/01/2024- 31/12/2024</u>
Remuneration of Board Members		
Executive Directors' fees	397	598
Non-executive Directors' fees	301	287
Compensation / extraordinary remuneration	342	522
Employer contributions	78	78
Total	1,118	1,485
	<u>01/01/2025- 31/12/2025</u>	<u>01/01/2024- 31/12/2024</u>
Remuneration of General Managers		
Payroll	1,548	1,464
Compensation / exceptional remuneration	1,323	1,634
Employer contributions	223	198
Other Benefits	2	2
Total	3,096	3,298

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.

During 2024 and 2025, the gradual easing of inflation in the euro area led the ECB into a period of monetary easing, gradually lowering key interest rates from mid-2024 onwards. With inflation stabilising around 2% in late 2025 and early 2026, financial markets are pricing in that the ECB is now close to the end of its cycle of rate cuts, with interest rates remaining stable and only a small chance of a further cut or even a mild increase until the end of 2026, depending on inflation developments and geopolitical risks. However, interest rates remain sensitive to unpredictable developments, such as new geopolitical tensions or renewed inflationary pressures due to changes in energy or 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 floating rate loan agreements, the Company has entered into over-the-counter derivative contracts (Interest Rate Cap) for part of its floating rate borrowing, which enable the Company to hedge against a positive 6-month Euribor rate by 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.

The following additional coverage was added to the credit insurance policy dated October 1, 2024:

- Maximum compensation amount 50 times the net premium (€18 million).
- 35% of 60% of net premiums versus 30% of 60% of net premiums
- Approved full coverage of late payments for specific debtors.

On October 1, 2025, the Company renewed the relevant insurance coverage for one (1) additional year by signing a new credit insurance contract with the insurance company Atradius Credito y Caucion S A, with the following improvements:

- Acceptance of the credit limits proposed by the Company for most Suppliers.
- All Suppliers are covered for insolvency and late payment, with the exception of two (2) Suppliers who are covered for insolvency only in the event of cessation of business (bankruptcy).

(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 31/12/2025 and 31/12/2024, 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.

	31/12/2025			
	MATURITY OF FINANCIAL LIABILITIES			
	Up to 1 year	Between 1 and 5 years	Over 5 years	Total
Trade Payables	341,755	0	0	341,755
Other current liabilities	67,063	0	0	67,063
Lease liabilities	30,058	81,537	54,626	166,221
Loans and Borrowings	225,347	719,974	2,221,940	3,167,261
	664,223	801,511	2,276,566	3,742,300

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

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 presented in the statement of financial position, plus net debt.

	31/12/2025	31/12/2024
Non-current lease liabilities	113,337	24,369
Current lease liabilities	24,132	11,322
Non-current loans and borrowings	2,419,276	1,845,088
Current loans and borrowings	160,238	154,248
Minus: Cash and cash equivalents	-161,890	-122,879
Net lending	2,555,093	1,912,148
Total equity	1,622,196	1,678,717
Total capital employed	4,177,289	3,590,865
Leverage Index	61.17%	53.25%

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 31/12/2025.



	31/12/2025	
	Accounting Value	Fair Value
Property, plant and equipment & intangible fixed assets	6,480,986	6,480,986
Derivative financial instruments	-64	-64
Total	6,480,922	6,480,922

	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

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 fixed assets carried out on the basis of the data as at 31/12/2024 and the comparison of the values resulting from the work of the independent valuers with the net book value of the assets, resulted in net surplus, which amounted to approximately €528,4 million, and a corresponding undervalue of €15,3 million (see Note 17), and were recorded as a credit to Equity and 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 31/12/2025 there were no transfers of financial assets between hierarchy levels.

39. RECLASSIFICATIONS

In the comparative information, an amount of €37.9 million was reclassified from line "Property, plant and equipment" to line "Intangible assets" in the Statement of Financial Position, with no effect in the Total Non-Current Assets. This reclassification, which relates to intangible assets in progress, was intended to provide a more accurate representation of the individual lines in the Statement of Financial Position.

40. SUBSEQUENT EVENTS

Eurobank Loan Refinancing

On 30 January 2026, the refinancing of the CBL (Common Bond Loan) concluded with Eurobank on 19 July 2022, for a balance of €650 million and maturing on 31 December 2033, was completed through a parallel disbursement of the entire Series A (€650 million) of the CBL concluded with Eurobank and NBG banks on 18 December 2025, maturing on 31 December 2040.

Under the new CBL with Eurobank and NBG, the subsidiary HEDNO made a second disbursement from Series B on 18 February 2026, in the amount of €120 million.



Middle East Crisis

The impact of geopolitical developments on global level is well established and the potential consequences of future or ongoing conflicts continue to be a significant source of uncertainty, due to the complexity and interconnection of global political dynamics. Although, often viewed as a single risk factor, geopolitical risk encompasses multiple, interrelated effects that change over time and may manifest themselves in different ways. The war that commenced in the Middle East on February 28, 2026 and remains ongoing, has not affected the Company, however, management is closely monitoring the relevant developments.



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.



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

	01/01/2025 - 31/12/2025				01/01/2024 - 31/12/2024			
	TOTAL NETWORK	TOTAL NIIs	TOTAL OTHER	TOTAL HEDNO	TOTAL NETWORK	TOTAL NIIs	TOTAL OTHER	TOTAL HEDNO
INCOME:								
Income from Contracts with Customers	1,234,971	3,413	76	1,238,460	1,173,735	3,808	56	1,177,599
Other income	38,073	193	4,068	42,334	22,391	158	3,193	25,742
TOTAL INCOME	1,273,044	3,606	4,144	1,280,794	1,196,126	3,966	3,249	1,203,341
EXPENSES:								
Personnel cost	-276,719	-1,696	-111	-278,526	-254,629	-1,622	-24	-256,275
Provision for retirement benefits	6,713	39	2	6,754	3,179	17	1	3,197
Maintenance and third-party services	-138,140	-93	-1,086	-139,319	-128,732	-113	-995	-129,840
Material Consumption	-45,926	109	0	-45,817	-40,521	89	36	-40,396
Third party fees	-178,118	-1,053	-2,233	-181,404	-154,916	-1,354	-2,533	-158,803
Provisions for doubtful debts	-259	-1	-1	-261	0	0	0	0
Provisions for risks	-543	10	13	-520	18,768	21	23	18,812
Miscellaneous expenses	-55,348	-196	-29	-55,573	-59,490	-137	-10	-59,637
Depreciation	-374,118	-128	-104	-374,350	-345,759	-105	-68	-345,932
Taxes - duties	-5,014	-16	-1	-5,031	-5,197	-22	0	-5,219
OPERATING RESULT	205,572	581	594	206,747	228,829	740	-321	229,248
Loss from revaluation of property plant & equipment	0	0	0	0	-15,289	-2	0	-15,291
Finance income	2,788	7	9	2,804	12,373	38	42	12,453
Finance expense	-88,832	-225	-270	-89,327	-82,656	-260	-274	-83,190
PROFIT FOR THE PERIOD BEFORE TAX	119,528	363	333	120,224	143,257	516	-553	143,220



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

	31.12.2025				31.12.2024			
	TOTAL NETWORK	TOTAL NIIs	TOTAL OTHER	TOTAL HEDNO	TOTAL NETWORK	TOTAL NIIs	TOTAL OTHER	TOTAL HEDNO
ASSETS								
Non-current assets								
Property, plant and equipment	6,316,916	8,034	20,530	6,345,480	6,011,513	6,258	16,290	6,034,061
Intangible assets	135,031	37	438	135,506	25,450	33	69	25,552
Right-of-use assets	134,973	8	438	135,419	34,952	0	95	35,047
Other non-current receivables	401	0	1	402	257	0	1	258
Total non-current assets	6,587,321	8,079	21,407	6,616,807	6,072,172	6,291	16,455	6,094,918
Current assets								
Inventory	445,139	0	1,445	446,584	391,569	0	1,060	392,629
Income tax receivable	8,707	34	28	8,769				
Trade and other receivables	138,867	106,615	797	246,279	152,066	131,874	768	284,708
Accrued and Other trade and other receivables	170,521	166,314	1,093	337,928	133,069	116,404	677	250,150
Cash and cash equivalents	117,571	43,795	524	161,890	88,844	33,703	332	122,879
Total current assets	880,805	316,758	3,887	1,201,450	765,548	281,981	2,837	1,050,366
Total Assets	7,468,126	324,837	25,294	7,818,257	6,837,720	288,272	19,292	7,145,284
LIABILITIES AND EQUITY								
Equity:								
Share capital	986,810	1,198	3,207	991,215	987,523	1,016	2,676	991,215
Statutory reserve	19,755	60	64	19,879	14,373	52	38	14,463
Special Reserves	503,579	-134	1,634	505,079	546,975	1	1,480	548,456
Retained earnings	384,947	-279,405	481	106,023	263,872	-139,626	337	124,583
Total equity	1,895,091	-278,281	5,386	1,622,196	1,812,743	-138,557	4,531	1,678,717
Non-current liabilities:								
Deferred tax liability	375,175	608	1,220	377,003	381,434	443	1,034	382,911
Employee benefits	46,459	381	152	46,992	50,321	397	137	50,855



HELLENIC ELECTRICITY DISTRIBUTION NETWORK OPERATOR SA
OF THE FINANCIAL YEAR ENDED ON 31/12/2025
(Amounts in EUR thousand)

Liabilities from derivative financial instruments	64	0	0	64	457	0	2	459
Lease liabilities	112,954	16	367	113,337	24,295	8	66	24,369
Non-current loans and borrowings	2,408,524	2,925	7,827	2,419,276	1,838,216	1,891	4,981	1,845,088
Consumer contributions and grants	2,124,718	215	6,897	2,131,830	2,025,810	78	5,484	2,031,372
Other non-current liabilities	50,874	390	166	51,430	30,025	1,131	84	31,240
Provisions	23,122	169	76	23,367	26,870	202	74	27,146
Total non-current liabilities	5,141,890	4,704	16,705	5,163,299	4,377,428	4,150	11,862	4,393,440
Current liabilities:								
Trade and other payables	216,184	124,465	1,106	341,755	344,954	129,018	1,284	475,256
Various creditors	51,061	119,828	555	171,444	101,546	59,365	436	161,347
Current lease liabilities	24,047	7	78	24,132	11,286	5	31	11,322
Current portion of non-current borrowings	52,695	107,026	518	160,239	88,086	65,745	417	154,248
Income tax payable	0	0	0	0	32,860	118	89	33,067
Dividends payable	42,500	0	0	42,500	0	0	0	0
Other taxes and insurance liabilities	9,611	21,567	101	31,279	23,161	14,492	102	37,755
Accrued & Other liabilities	35,046	225,521	846	261,413	45,658	153,934	540	200,132
Total current liabilities	431,144	598,414	3,204	1,032,762	647,551	422,677	2,899	1,073,127
Total Liabilities and Equity	7,468,125	324,837	25,295	7,818,257	6,837,722	288,270	19,292	7,145,284

NOTES TO THE ACCOUNTING DISAGGREGATED FINANCIAL STATEMENTS

(α) 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' s 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.

(β) 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:

- 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.

Optical Fibres

It is pointed out that from fiscal year 2022 onwards, the "Other" activity includes the profit centre of the Optical Fibres Network. In 2025, operating expenses totalled €3.12 million, while expenses related to improvements to the existing network for the installation of Optical Fibres amounted to €1.58 million. Total other income includes an amount of €3.47 million relating to the recognition of income relating to the coverage of operating expenses for the year of €3.12 million and the total gain recognised on operating and capitalised expenses of €0.34 million.

In addition, a provision has been recognized for the participation of PPC in the construction costs of the Optical Fibres network, amounting to €1.58 million.

Optical fibres	31/12/2025
Cost of property plant & equipment for the Optical Fibres project	1,576
Additions in consumer contributions for the Optical Fibres project	1,576
Optical fibres	01/01 - 31/12/25
Operating Expenses for the Optical Fibres Project	3,122
Revenue from operating expenses for the Optical Fibres project	3,122
Revenue from mark up on operating expenses for optical fibres	217
Revenue from mark up on capital expenditure for optical fibres	126

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.