



FINANCIAL STATEMENTS

for the year ended 31 December 2022

in accordance with

**International Financial Reporting Standards (IFRS) as adopted by the
European Union**

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Company Information

Board of Directors	Andrea Testi (Chairman of the Board) Ioannis Zissimos (Vice Chairman of the Board) Nikolaos Zachariadis (Chief Executive Officer) Marco Adriano Landoni (Member of the Board) Fabio Catalano (Member of the Board) Spiridon Kiartzis (Member of the Board) Vasileios Tsaitas (Member of the Board) Theodora Papadimitriou (Member of the Board)
Registered Office:	6 Fragokklisias Str. GR 15125, Maroussi, Greece
Registration number:	54352/01AT/B/03/416 Ministry of Economy and Development
General Commercial Registry:	009246101000
Auditors:	KPMG CERTIFIED AUDITORS S.A. 3, Stratigou Tombra St. 153 42, Aghia Paraskevi Athens, Greece

Independent Auditor's Report (Translated from the original in Greek)

To the Shareholders of
Elpedison Power Generation Single Member S.A.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of Elpedison Power Generation Single Member S.A. (the "Company") which comprise the Statement of Financial Position as at 31 December 2022, the Statements of Comprehensive Income, Changes in Equity and Cash Flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying Financial Statements present fairly, in all material respects, the financial position of Elpedison Power Generation Single Member S.A. as at 31 December 2022 and its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA) as incorporated in Greek legislation. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants as incorporated in Greek legislation, and 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 the requirements of the applicable legislation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the Board of Directors' Report, which is further referred to in the "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 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 respect.

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of the Financial Statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as the Board of Directors 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, the Board of Directors 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 the Board of Directors 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 which have been incorporated in Greek legislation will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with ISAs, which have been incorporated in Greek legislation, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than 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 the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' 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 the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

1. Board of Directors' Report

The Board of Directors is responsible for the preparation of the Board of Directors' Report. Our opinion on the financial statements does not cover the Board of Directors' Report and we do not express an audit opinion thereon. Our responsibility is to read the Board of Directors' Report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work pursuant to the provisions of paragraph 5 of Article 2 (part B) of Law 4336/2015, we note that:

- In our opinion, the Board of Directors' Report has been prepared in accordance with the applicable legal requirements of Article 150 of L. 4548/2018 and its contents correspond with the accompanying Financial Statements for the year ended 31 December 2022.
- Based on the knowledge acquired during our audit, relating to Elpedison Power Generation Single Member S.A. and its environment, we have not identified any material misstatements in the Board of Directors' Report.

2. Segmented by activity Balance Sheets and segmented by activity Income Statements before tax

We have audited the segmented by activity Balance Sheets of the Company as at 31 December 2022, as well as the segmented by activity Income Statements before tax for the period from 1 January 2022 up to 31 December 2022 presented in Note 26 to the financial statements. The preparation of the aforementioned segmented by activity Balance Sheets and Income Statements before tax (hereinafter the "Separated Financial Information") is the responsibility of the management of Elpedison Power Generation Single Member S.A. and have been prepared in accordance with the provisions of Law 4001/2011 and the No. 124/2017 and the No. 162/2019 decisions of the Regulatory Authority for Energy, regarding the approval of the rules for the allocation of the Assets and Liabilities, Expenses and Income to each segment. The segmentation methodology applied is described in detail in Note 26 to the financial statements.

The audit of the Separated Financial Information primarily focuses on the determination of whether the Company has properly applied the segmentation rules and whether it has complied with its obligation for the avoidance of discriminations and cross-subsidization between the separate activities.

Based on our audit, we have determined that the segmented per activity Balance Sheets as at 31 December 2022 and segmented per activity Income Statements before tax for the period from 1 January 2022 to 31 December 2022 presented in Note 26 to the financial statements of the Company have been prepared in accordance with the provisions of Law 4001/2011 and the No. 124/2017 and the No. 162/2019 decisions of the Regulatory Authority for Energy.

Athens, 27 June 2023

KPMG Certified Auditors S.A.
AM SOEL 114

Dimitrios Tanos, Certified Auditor Accountant
AM SOEL 42241

Statement of Financial Position

	Note	As at	
		31 December 2022	31 December 2021
ASSETS			
Non-current assets			
Property, plant and equipment	5	208.537	204.713
Intangible assets	6	4.813	3.872
Trade and other receivables	9	38.059	13.088
		251.409	221.673
Current assets			
Inventories	8	62.694	18.767
Trade and other receivables	9	298.158	208.991
Contract Costs	9	267.463	200.649
Cash and cash equivalents	10	10.029	10.783
		638.344	439.190
Total assets		889.753	660.863
EQUITY			
Share capital	11	99.634	99.634
Share premium	11	44.996	44.996
Reserves	12	7.384	1.330
Retained Earnings		93.878	(18.282)
Total equity		245.892	127.678
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities	7	15.166	17.265
Other non-current liabilities	13	32.853	17.449
Employee benefit obligations	15	324	224
		48.343	34.938
Current liabilities			
Trade and other payables	13	351.027	285.775
Current portion of long term borrowings	14	244.489	212.472
		595.517	498.247
Total liabilities		643.860	533.186
Total equity and liabilities		889.753	660.863

The notes on pages 13 to 63 are an integral part of these financial statements.

These financial statements of Elpedison S.A. for the year ended 31 December 2022 were approved by the Board of Directors on 09 March 2023.

Chairman of the Board

Chief Executive Officer

The Accountant

Andrea Testi

Zachariadis Nikolaos

Marinos Kistanis
Ernst & Young Business Advisory
Solutions A.E

Statement of Comprehensive Income

		Year ended	
	Note	31 December 2022	31 December 2021
Revenue	16	3.192.742	1.491.104
Cost of sales	18	(2.953.163)	(1.389.615)
Gross profit		239.579	101.488
Distribution costs	18	(15.658)	(10.379)
Administrative expenses	18	(44.161)	(19.823)
Impairment of trade receivables	18	(25.895)	(4.677)
Other income	17	6.822	4.732
Other gains/(losses), net	19	-	27
Operating profit		160.687	71.369
Finance costs	20	(11.003)	(10.110)
Finance income	20	1.236	494
Net Finance cost		(9.767)	(9.616)
Profit before income tax		150.920	61.753
Income tax	21	(30.522)	(9.148)
Profit for the year		120.398	52.605
Other Comprehensive Income			
Items that will not be reclassified subsequently to profit or loss			
Actuarial gains/(losses) on defined benefit pension plans	15	(44)	4
Deferred tax on actuarial gains/ (losses)	7	9	(1)
		(35)	3
Items that may be reclassified subsequently to profit or loss			
Fair value gains/(losses) on cash-flow hedges		(2.149)	-
		(2.149)	-
Other comprehensive income/(loss) for the year, net of tax		(2.184)	3
Total comprehensive Income for the year		118.214	52.608

The notes on pages 13 to 63 are an integral part of these financial statements.

Statement of Changes in Equity

	Share Capital	Share Premium	Reserves	Accumulated (Losses)/Profit	Total Equity
Balance at 1 January 2021	99.634	44.996	1.330	(70.890)	75.070
Comprehensive income					
Net Profit/(Loss) for the year	-	-	-	52.605	52.605
Other comprehensive income	-	-	-	3	3
Total comprehensive income/(loss)	-	-	-	52.608	52.608
Balance at 31 December 2021	99.634	44.996	1.330	(18.282)	127.678
Balance at 1 January 2022	99.634	44.996	1.330	(18.282)	127.678
Comprehensive income					
Profit/(Loss) for the year	-	-	-	120.398	120.398
Other comprehensive income	-	-	-	(2.184)	(2.184)
Total comprehensive income/(loss)	-	-	-	118.214	118.214
Transactions with shareholders	-	-	6.054	(6.054)	-
Balance at 31 December 2022	99.634	44.996	7.384	93.878	245.892

The notes on pages 13 to 63 are an integral part of these financial statements.

Statement of Cash Flows

	Year ended	
	31 December 2022	31 December 2021
Cash flows from operating activities		
Profit for the year	150.920	61.753
Adjustments for:		
Depreciation and amortisation	5,6 23.816	22.315
Provision for impairment of trade receivables	9 25.895	4.677
Amortisation of deferred borrowing cost	14 478	584
Provisions for retirement benefits obligation	15 46	53
Interest income	20 (1.236)	(494)
Interest expense and similar charges	20 10.117	9.453
	210.038	98.341
Change in operating assets and liabilities		
(Increase) / Decrease in other long term assets	9 (24.970)	(6.836)
(Increase) / Decrease in inventories	8 (43.927)	9.940
(Increase) / Decrease in receivables	9 (181.876)	(246.687)
Increase / (Decrease) in payables	13 34.859	152.344
Cash generated from operating activities	(215.912)	(91.239)
Interest paid	20 (10.525)	(7.479)
Net cash inflow generated from operating activities	(16.400)	(377)
Cash flows from investing activities:		
Additions to property, plant & equipment and software	5, 6 (13.967)	(6.858)
Net cash outflow used in investing activities	(13.967)	(6.858)
Cash flows from financing activities:		
Proceeds from borrowings	14 136.000	50.000
Repayment of borrowings	14 (104.293)	(42.000)
Deferred borrowing costs paid	14 (169)	(525)
Repayment of leases	(1.925)	(779)
Net cash used in financing activities	29.613	6.696
Net increase/(decrease) in cash and cash equivalents	(754)	(538)
Cash and cash equivalents at the beginning of the financial year	10 10.783	11.321
Cash and cash equivalents at 31st December	10.029	10.783

The notes on pages 13 to 63 are an integral part of these financial statements.

Notes to the financial statements

1 General information

Elpedison Power Generation Single Member Société Anonyme with distinctive title Elpedison S.A., (the “Company”) was established on 27 May 2003. **Elpedison B.V.** owns 100% of the share capital of the Company. The registered address of the Company is 6 Fragokklisias Str., 15125 Amarousion.

The Company’s activities are the generation, purchase, trading and supply of electricity, purchase, resale and supply of natural gas and sale of energy services and other services connected to the retail sale of electricity and natural gas.

In accordance with the decisions of the Ministry of Development – Department of Energy, the Thessaloniki Plant started its commercial operation in December 2005 and in December 2010 the Thisvi Plant.

As at 31 December 2022 the Company had 252 employees and 4 seconded employees, (FY 2021: 226 employees and 4 seconded employees).

The financial statements of Elpedison S.A. for the year ended 31 December 2022 were approved for issue by the Board of Directors on 09 March 2023.

2 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements of Elpedison S.A. for the year ended 31 December 2022 have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union and present the financial position, results of operations and cash flows of the Company on a going concern basis.

The preparation of the financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company’s accounting policies. The areas involving an extensive judgment or complexity or where assumptions and estimates have a significant impact on financial statements are disclosed in Note 4, “Critical accounting estimates and judgments”.

These estimates are based on management’s best knowledge of current events and actions and actual results ultimately may differ from those estimates. Revisions to estimates are recognised prospectively.

2.1.1 Going Concern

In assessing going concern, management has taken into consideration macro-economic and Company's specific factors and their impact on the Company's operations:

Within 2022, the Company submitted to the Bondholders request for the increase of the financial indebtedness by €160 million due to the significant increase in commodity and energy prices, the uncertainty of natural gas price as a result of the worldwide and mainly European energy crisis and the on-going Ukraine / Russian conflict.

Following to the Company's request and the Bondholder's consent, the permitted indebtedness amounted to €270 million. Short term borrowing agreements have been signed with Alpha Bank for a total amount of € 50 million, EUROBANK S.A for a total amount of €10 million and ALLIANZ TRADE €40mil (exclusively for the issuance of guarantees). There are additional €60 million credit lines that are expected to be contracted within 2023.

The total amount of the Company's Bond Loans is guaranteed by the shareholders.

Management, based on the above considerations and taking into account the following additional factors:

- The increase in revenue, operating profit, and of the profit for the year achieved for the year ended 31 December 2022, in comparison to the prior year,
- The successful implementation of its Business Plan for the next five years,

has concluded that (a) the going concern basis of preparation of the accounts is appropriate, (b) all assets and liabilities of the Company are appropriately presented in accordance with the Company's accounting policies.

2.1.2 New standards, amendments to standards and interpretations

2.2.1 New and revised International Financial Reporting Standards ("IFRS") and Interpretations, Revisions and Amendments to existing standards that have entered into force and have been adopted by the European Union

Effective from 1 January 2022, the Company has adopted all changes in IFRS as adopted by the European Union ('EU') in relation to its operations. This adoption has had no significant impact on the Company's financial statements.

The following new standards, interpretations and amendments to existing standards were issued by the International Accounting Standards Board (IASB) or adopted by the EU and their application becomes mandatory on or after 1 January 2022.

(Amendments to IAS 16) 'Property, Plant and Equipment: Proceeds before Intended Use'

Amendments to IAS 16 "Property, Plant and Equipment" do not allow a company to deduct from the cost of assets amounts that it may receive from the sale of products produced during the preparation of these assets to render them ready for use. On the contrary, the company recognises such sales income and the relevant costs in the Statement of Comprehensive Income. There has been no material impact on the Company's financial statements due to this interpretation.

IAS 37 (Amendment) 'Onerous Contracts— Cost of Fulfilling a Contract'

The amendment clarifies that 'the cost of performing a contract' includes the directly-related costs of performing that contract and the allocation of other costs directly related to its execution. The

amendment also clarifies that, before recognising a separate provision for an onerous contract, an entity should recognise any impairment loss on the assets used to fulfil the contract, rather than on assets that were dedicated exclusively to that contract. There has been no material impact on the Company's financial statements due to this interpretation.

IFRS 3 (Amendment) 'Reference to the Conceptual Framework'

The amendment has updated the standard to refer to the 'Conceptual Framework for Financial Reporting' issued in 2018, applicable when determining what constitutes an asset or liability in a business combination. An exemption was also added for certain types of liabilities and contingent liabilities acquired in a business combination. Lastly, it is clarified that the acquirer should not recognise contingent assets, as defined in IAS 37, at the acquisition date. There has been no material impact on the Company's financial statements due to this interpretation.

Annual Improvements to IFRS 2018-2020

IFRS 9 'Financial instruments'

The amendment addresses which costs should be included in the 10% assessment for the derecognition of financial liabilities. Under the amendment, costs or fees paid to third parties should not be included in the 10% assessment. There has been no material impact on the Company's financial statements due to this interpretation.

IFRS 16 'Leases'

The amendment removed the example of payments by the lessor for leasehold improvements in Illustrative Example 13 of the standard. There has been no material impact on the Company's financial statements due to this interpretation.

2.2.2. New Standards, Interpretations, and Amendments to existing Standards which are not yet in force or have not been adopted by the European Union

The following new IFRSs, revisions to IFRSs and interpretations have been issued by the International Accounting Standards Board (IASB) but are not effective for annual periods beginning on or after 1 January 2022. Those related to Company or Group operations are presented below. The Company does not intend to adopt the following new IFRS standards, or revisions or interpretations thereof before their effective date, as indicated below.

IAS 1 (Amendments) 'Presentation of Financial Statements' and the Second IFRS Statement of Practice 'Disclosure of Accounting Policies' (effective for annual periods beginning on or after 1 January 2023)

In February 2021, the IASB issued limited purpose amendments regarding the disclosures of accounting policies. The purpose of the amendments is to improve disclosures of accounting policies so as to provide investors and other users of the financial statements with more useful information. More specifically, these amendments require disclosure of information regarding accounting policies when they are material, and provide guidance on the meaning of 'material' when applied to disclosures of accounting policies. The Company will examine the impact of all of the above on the financial statements. The effect of the respective interpretation on the Company financial statements is not expected to be material.

IAS 8 (Amendments) 'Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates' (effective for annual accounting periods beginning on or after 1 January 2023)

In February 2021, the IASB issued amendments that clarify how an entity should distinguish between accounting estimate changes and accounting policy changes. The impact of the respective interpretation on the Company financial statements is not expected to be material.

IAS 12 (Amendments) 'Deferred tax relating to assets and liabilities arising from a single transaction'

(effective for annual accounting periods beginning on or after 1 January 2023)

In May of 2021, the IASB issued targeted amendments to IAS 12 that clarify how companies account for deferred tax on transactions such as leases and release obligations and transactions for which financial entities recognise both an asset and a liability. In certain specific circumstances, companies are exempt from recognising deferred tax when they recognise receivables or liabilities for the first time. The amendments clarify that the exemption does not apply and that companies are required to recognise deferred tax on such transactions. The Company will examine the impact of all the above on the financial statements. The impact of the respective interpretation on the Company financial statements is not expected to be material.

IAS 1 (Amendment) 'Classification of liabilities as current or non-current' (effective for annual periods beginning on or after 1 January 2024)

In January 2020, the IASB issued amendments of IAS 1 affecting the requirements for the presentation of obligations. In particular, the amendments clarify one of the criteria for classifying obligations as long-term, the requirement for an entity to be entitled to settle the obligation for at least 12 months after the reporting period. The amendments include, among other things, clarification that an entity's right to defer settlement should exist at the reporting date, and clarification that the classification of liabilities is unaffected by management intentions or expectations regarding the exercise of the right to defer settlement. In addition, in July 2020, the IASB issued an amendment to clarify the classification of loan liabilities that carry financial penalty clauses and also provides for a one-year deferral of the effective date of the originally-issued amendment to IAS 1. The above have not yet been adopted by the European Union. The Company does not intend to adopt these amendments prior to their effective date. The impact of the respective interpretation on the Company financial statements is not expected to be material.

IFRS 16 (Amendment) 'Lease Obligation on Sale and Leaseback' (effective for annual periods beginning on or after 1 January 2024)

The amendment clarifies how a seller-lessee should account for variable lease payments arising from sale and leaseback transactions. A financial entity should apply requirements retrospectively to sale and leaseback transactions entered into after the date on which the entity initially applies IFRS 16. The amendment has not yet been adopted by the EU. The Company does not intend to adopt these amendments prior to their effective date. The impact of the respective interpretation on the Company financial statements is not expected to be material.

2.2 Foreign currency

(a) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The financial statements are presented in Euro, which is the Company's functional and presentation currency.

(b) Foreign currency transactions

Transactions in foreign currency are translated into the respective functional currency using the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets that are measured based on historical cost in a foreign

currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognized in the statement of comprehensive income and presented withing finance cost. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of comprehensive income in the financial statement line that is relevant to the specific transaction.

2.3 Property, plant and equipment

All property, plant and equipment is shown at historical cost less accumulated depreciation and subsequent impairment. Cost includes expenditure that is directly attributable to the acquisition of property, plant & equipment. Land is not depreciated.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Repairs and maintenance are charged to the statement of comprehensive income as incurred except for the general refurbishment costs of the energy plant which are capitalised and charged against income on a straight-line basis for a period until the next scheduled refurbishment.

Depreciation on assets is calculated using the straight-line method over their estimated useful life, as shown on the table below for the main classes of assets:

-Buildings	20-30 years
-Machinery, and equipment	20-30 years
-Furniture and fixtures	5 years
-Transportation equipment	6 years
-Computer hardware & software	3 - 5 years

The assets' residual value and the useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. In 2021, following the completion of an upgrade the Thessaloniki plant's useful life was extended for 16 years (until 2036).

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (See note 2.6)

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the Statement of Comprehensive Income within 'Other gains/(losses), net' as appropriate.

2.4 Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised over the period of time that is required to complete and prepare the asset for its intended use. An asset fulfilling the requirements is an asset necessarily requiring a significant period of preparation for the use it is intended for, or for its sale.

Borrowing costs are capitalised to the extent that funds are borrowed specifically for the purpose of obtaining a qualifying asset. To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset. All other borrowing costs are expensed.

2.5 Intangible assets

Computer software

These include primarily the costs of implementing the computer software programs.

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised using the straight-line method over their estimated useful lives (3 years).

Shallow connection

Shallow connections are Natural Gas Transmission System expansion projects needed for the connection of a single consumer, from the battery limits of the consumer's installations up to the existing gas transmission infrastructure. The Shallow connections are constructed by DESFA (Hellenic Gas Transmission System Operator S.A) and part of the relevant cost charged to the consumer is up to the maximum amount of EUR 3 million plus inflation (defined with a ministerial decision), in return for the exclusive right to use this connection.

Accordingly, the total cost charged by DESFA to the Company is treated as an intangible asset and is amortised over the same useful economic life as the respective Plant (20 years).

2.6 Environmental Securities (Emission Rights)

Elpedison S.A. requires a supply of environmental securities (emission rights) to meet its own requirements in the exercise of its industrial activities (so-called "own use"). The emission rights can be purchased or sold in the open market. Emission rights in the possession of the Company at the balance sheet date that are in excess of the amount required to be matched against the actual emissions of the Company during the year, are treated as intangible assets and are recognized at the cost incurred to acquire them. The allowances recognized are not amortised, provided residual value is at least equal to carrying value. The residual value of the rights is the value at which they are traded in the open market. On the other hand, if the Company's actual emissions during the year exceed the value of the emission rights in the Company's possession, the Company raises a provision for the estimated cost of the purchase of the emission rights necessary to cover the difference. Any emission rights that are purchased to cover prior year liabilities are netted-off against the provision set up for this purpose at the end of that year, with any difference recognized in the Statement of Comprehensive Income. Emission rights are

recognized in the Statement of Comprehensive Income as they are delivered to the government in settlement of the liability for emissions on a units-of-production basis.

2.7 Financial assets

Recognition and initial measurement, classification

On initial recognition the Company classifies its financial assets as measured at amortised cost and financial assets at fair value through profit or loss. Financial assets are not reclassified subsequent to the initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model. The Company does not have FVOCI-debt or equity investments.

A financial asset is measured at amortised cost if it meets both the following conditions and is not designated at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows ;and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost as described above, are classified as FVTPL. This includes all derivative financial assets.

Financial assets-subsequent measurement

Financial assets at FVTPL

These assets are subsequently, measured at fair value. Net gains and losses, including any interest, are recognised in profit and loss.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest rate method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit and loss. Any gain or loss in derecognition is recognised in profit and loss.

Financial liabilities, classification, subsequent, measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held- for- trading, as a derivative or designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit and loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Interest expense and foreign exchange gains and losses are recognised in profit and loss. Any gain or loss on derecognition is also recognised in profit and loss.

Derecognition

Financial assets

The Company derecognises a financial asset when:

- The contractual rights to the cash flows from the financial asset expire; or
- It transfers the rights to receive the contractual cash flows in a transaction in which either:
 - Substantially all the risks and rewards of ownership of the financial asset are transferred; or
 - The Company neither transfers nor retains substantially all the risks and rewards of ownership and it does not retain control of the financial asset.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged, or cancelled, or expired. The Company also derecognise a financial liability when its terms are modified and the cash flows from the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On the derecognition, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit and loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount is presented in the profit and loss when, and only when, the Company currently has a legally enforceable right to set-off the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

IMPAIRMENT OF NON FINANCIAL ASSETS

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories, contract assets and deferred tax asset) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflow of other assets or CGUs. The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, 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 specific to the asset or CGU. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis. An impairment loss in respect to goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

At each reporting date the Company reviews its non-financial assets that are subject to amortisation or depreciation to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Intangible assets that have an indefinite useful life or intangible assets not ready to use are not subject to amortisation and are tested annually for impairment. For impairment testing, assets are grouped together into the smallest group of assets that generated cash inflows of other assets or CGUs. The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less cost of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of other assets in the CGU on a pro rata basis.

2.8 Derivative financial instruments and hedge accounting

Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Company is exposed to a USD FX risk, through the portion of its gas cost that is expressed in USD and that its suppliers convert into Euro by using the foreign exchange rate at a specific date. The Company mitigates this risk by using a fair value hedge on a daily basis, which consists of a simple foreign exchange forward contract. Consequently, the Company designates derivatives as hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge).

The Company documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Company also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values of hedged items.

The fair value of derivative instruments used for hedging purposes is disclosed in note 20. The total fair value of a hedging derivative is classified as a non-current asset or liability when the remaining hedged item is more than 12 months, and as current asset or liability when the remaining maturity of the hedged item is less than 12 months.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the statement of comprehensive income as they arise.

2.9 Inventories

Inventories are comprised of spare parts for maintenance and proper operation of the power plants and of fuel oil reserve as an alternative fuel, classified as "Consumable materials" and LNG.

Inventories are stated at the lower of cost and net realisable value. Cost of inventories is determined using the weighted average cost method. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

2.10 Trade receivables

Trade receivables, which generally have 15-90 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments are considered indicators that the receivable is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the impairment is recognised in the Statement of Comprehensive Income. (Note 9)

2.11 Insurance and other claims

Insurance and other claims are included in other receivables, are recorded on an accrual basis and represent the claimable expenses, net of deductibles, which are expected to be recovered from insurance companies. The Company recognizes receivables from insurances only when the realization of the related economic benefit is virtually certain. Any remaining costs to finalize the claims are included in other liabilities.

2.12 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments such as marketable securities and time deposits with original maturities of three months or less.

2.13 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds, net of tax.

Any excess of the fair value of the consideration received over the par value of the shares issued is recognised as "share premium" in shareholder's equity.

2.14 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost using the effective interest rate method. Interest expense and foreign exchange gain and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

2.15 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognized in the Statement of Comprehensive Income, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or in equity, respectively.

Current income tax charge is calculated according to tax rates and tax laws that were applicable on the taxable income of each year.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit nor loss is not accounted for. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance-sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

To the extent that it is not probable that taxable profit will be available against which the unused tax losses can be utilised, deferred tax asset is not recognized.

2.16 Employee Retirement Benefits

The Company has both defined benefit and defined contribution plans.

Defined contribution plan

A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans, the Company pays contributions to publicly administered Social Security funds on a mandatory basis. The staff is mainly covered by the main National Insurance Agency in relation to the private sector ("EFKA"), which provides retirement and medical benefits. Each employee is required to contribute part of their monthly salary to the fund, part of the overall contribution is paid by the Company.

The Company has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

The Company's defined benefit plan is an "insurance pension plan", according to which, in case of employees' retiring, 100% of the insured individual amount will be paid at the time of retirement.

Defined benefit plan

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive upon retirement, usually dependent on one or more factors such as age, years of service and compensation. The Company is required by law to pay employees a lump sum benefit upon retirement. This classifies as a defined benefit which is not funded.

The liability recognized in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date, together with adjustments for unrecognized actuarial gains or losses and past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

The current service cost of the defined benefit scheme that is recognized in the Statement of the Comprehensive Income in "Payroll and related Expenses" reflects the increase in the defined benefit obligation resulting from an employee's service in the current period, benefit charges, cut-backs and settlements. The recognised prior service cost is directly recognised in profit/loss.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Net interest cost is assessed at the net amount between the obligation for the defined scheme and the fair value of the assets of the scheme on the prepayment interest rate.

Past-service costs are recognized immediately in the statement of comprehensive income

Termination benefits are payable when employment is terminated before the normal retirement date. The termination benefits are calculated according to the provisions of the law.

2.17 Trade and other payables

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

2.18 Leases

Where the Company is the lessee

At inception of 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 an identified asset for a period of time in exchange for consideration.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use-asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use-asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term unless the lease transfers the ownership of the underlying asset at the end of the lease term or the cost of the right-of-use-asset reflects that the Company will exercise the purchase option. In that case the right-of-use-asset will be depreciated over the useful life of the underlying asset which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use-asset is periodically reduced for impairment losses, if any, and adjusted for any remeasurement of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement day, discounted using the interest rate implicit in the lease or if that rate cannot be readily determined the Company's incremental borrowing rate. Generally, the Company uses the incremental borrowing rate. The lease liability is measured at amortised cost using the effective interest rate method. It is remeasured when there is a change in the future lease payments arising from a change in the index or rate, if there is a change in the Company's estimate of the amount expected to be paid under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in the profit or loss if the carrying amount has been reduced to zero.

The Company present the right-of-use assets in property, plant and equipment and the lease liabilities in other non-current liabilities and trade and other payables in the Statement of Financial Position. Right-of-use assets and lease liabilities are separately presented in the notes to the financial statements (see note 5 and 13 accordingly).

2.19 Provisions for Risks and Charges

Provisions for environmental restoration, restructuring costs and legal claims are recognized when: the Company has a present legal or constructive obligation as a result of past events; it is

more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the increases specific to the liability.

2.20 Environmental liabilities

Environmental expenditure that relates to current or future revenues is expensed or capitalized as appropriate. Expenditure that relates to an existing condition caused by past operations and that does not contribute to current or future earnings is expensed.

The Company complies with existing legislation and all obligations resulting from its environmental and operational licenses.

Liabilities for environmental remediation costs are recognized when environmental assessments or clean-ups are probable and the associated costs can be reasonably estimated. Generally, the timing of these provisions coincides with the commitment to a formal plan of action or, if earlier, on divestment or on closure of inactive sites.

2.21 Revenue recognition

Revenue comprises the fair value of the sale of goods and services, net of value-added tax, rebates and discounts. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is recognized as follows:

(a) Sales of electricity

Revenue from Generation

Revenue from the sale of electricity is recognized over time based on the monthly production provided to the Greek national grid, as confirmed by HEnEx S.A. (Hellenic Energy Exchange S.A.) and ADMIE (Independent Power Transmission Operator).

Cross Border revenue

Cross border revenue is recognized over time as electricity being transmitted through the cross-border connections and is based on the monthly measurements that HEnEx and the other Operators, communicate to the Company. These monthly measurements include the total imported and exported quantities that have been sold to the domestic and external markets. For these sold quantities, the Company issues and receives the respective invoices every month.

Electricity Retail Market Revenue

Revenue from the sale of electricity to the retail market is recognized over the period that electricity is provided to customers on an annual basis and is measured on a monthly basis, based on measurements that ADMIE communicates for Medium Voltage Customers and on estimations based on the historical consumption that the Hellenic Electricity Distribution

Network Operator S.A (DEDDIE) communicates for Low Voltage (LV) Customers. Based on these measurements provided by ADMIE and the forecasts provided by DEDDIE which contain the consumption per metering point and combined with the contractual terms, each client receives a monthly bill per metering point. For LV customers, the bills are “on-account” until DEDDIE communicates the actual consumption of the period, and subsequently, a settlement invoice is issued.

Gas Retail Market Revenue

Revenue from the sale of natural gas to the retail market is recognized over the period that natural gas is provided to customers on an annual basis and is measured on a monthly basis, based on measurements that DEDA communicates for Medium Pressure (MP) Customers and on estimations based on the historical consumption that the Public Gas Distribution Network S.A (DEDA) communicates for Low Pressure (LP) Customers. Based on these measurements provided by DEDA which contain the consumption per metering point and combined with the contractual terms, each client receives a monthly bill per metering point. For LP customers, the bills are “on-account” DEDA communicates the actual consumption of the period, and subsequently, a settlement invoice is issued.

(b) Interest income

Interest income is recognized on a time-proportion basis using the effective interest method. When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument, and continues unwinding the discount as interest income.

2.22 Dividend distribution

Dividend distribution to the Company’s shareholders is recognized as a liability in the Company’s financial statements in the period in which the dividends are approved by the Shareholders’ assembly.

3 Financial Risk Management

This note describes the policies and principles adopted by Elpedison S.A. to manage and control the commodity price risk that arises from the volatility of the prices of energy commodities and environmental securities (CO2 emissions) and other risks related to financial instruments (market risk, credit risk and liquidity risk).

As required by IFRS 7, the paragraphs that follow provide information about the nature of the risk related to financial instruments, based on accounting and management sensitivity considerations.

In this economic and regulatory environment, management continuously assesses the situation to ensure that all necessary actions and measures are taken in order to minimize any impact in the operations of the Company.

3.1 Market Risk

1. Commodity Price Risk and Exchange Rates Risk Related to Commodity Transactions

The Company's revenue and cost of production is affected by fluctuations in the prices of the energy commodities that it handles (electric power, natural gas, environmental securities). These fluctuations affect the Company both directly and indirectly through indexing mechanisms contained in pricing formulas.

2. Cash flow and fair value interest rate risk

The Company's income and operating cash flows are substantially independent of changes in market interest rates. The Company is exposed to cash flow interest rate risk, as borrowings are at floating rates.

The interest rate that the Company is exposed to is the 3-month Euribor. If interest rates on borrowings had been, during 2022, 0,15% higher/lower with all other variables held constant, pre-tax profit/loss for the year would have been approximately 383 K Euro lower/higher, as a result of higher/lower interest expense.

3.2 Liquidity risk

The liquidity risk represents the risk that the Company may not have access to sufficient financial resources to meet its financial and commercial obligations in accordance with agreed terms and maturities. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

The Bond loans of the Company are guaranteed by the Shareholders (Note 14 to the financial statements). The Bond Loans that the Company had received for the construction of its two power plants are maturing on 31 March 2023.

Within 2022, the Company submitted to the Bondholders request for the increase of the financial indebtedness by €160 million due to the significant increase in commodity and energy prices, the uncertainty of natural gas price as a result of the worldwide and mainly European energy crisis and the on-going and Ukraine / Russian conflict.

Following to the Company's request and the Bondholder's consent, the permitted indebtedness amounted to €270 million. Short term borrowing agreements have been signed with Alpha Bank for a total amount of € 50 million, EURO BANK S.A for a total amount of €10 million and ALLIANZ TRADE €40mil (exclusively for the issuance of guarantees). There are additional €60 million credit lines that are expected to be contracted within 2023.

As at December 31st the total utilization for short term facilities was €67 million.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date:

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
At 31 December 2022				
Borrowings (Note 14)	244.489	-	-	-
Trade and other payables (Note 13)	318.174	19.755	13.098	-
At 31 December 2021				
Borrowings (Note 14)	212.472	-	-	-
Trade and other payables (Note 13)	268.326	16.102	1.347	-

The Company is in compliance with its loan covenants as of 31 December 2022.

The amounts included as loans in the table above do not correspond to the amounts included in Statement of Financial Position as they are contractual (undiscounted) cash flows, which include capital and interest.

3.3 Credit Risk

(i) Monitoring of Credit Risk

The Company is exposed to potential losses in the event that a commercial or financial counterparty fails to meet its obligations. Company's sales consist of wholesale sales and retail sales. Regarding wholesale sales, for electricity the majority of them consists of sales to the national grid and market operators (HEnEx /ADMIE); the underlying risk is considered to be essentially low.

Although transient disturbances may arise out of the distressed financial conditions of other operators reflecting in their delayed payments mostly to ADMIE which in turn are reflected in delays in payments by ADMIE to the other market participants. After the Target Model application, the imbalances market is cleared by ENEX and accordingly no delayed payments are permitted.

Electricity and natural gas wholesale sales to traders are normally secured through trading platforms such as HEnEx, EEX or are covered by adequate securities posted by the counterparts.

In 2022, the retail portfolio included High, Medium and Low Voltage customers in electricity supply and Medium and Low pressure customers in gas supply. During the year the Company expanded its portfolio for electricity and gas supply in Business and Residential customers. The following paragraphs describe how the Company manages the associated credit risk.

(ii) Securities held for managing Credit Risk

The credit risk of each client is pre-emptively evaluated in cooperation with credit management services companies along with a Credit Insurance company. For the majority of the customers that are supplied with electricity or gas by the Company a credit risk appraisal has been performed before acquisition.

In more detail, as far as Low Voltage (Business and Residential) customers are concerned, cash deposit is compulsory, unless direct debit (through a credit card or bank account) is used for the payment of the electricity bill. In addition, before the acquisition of Low Voltage Residential customers, check for debts takes place (through the Teiresias database) and the guarantee is adjusted accordingly. In cases of unsettled debts to previous suppliers, the customer acquisition is rejected.

A special case is represented by the customers under the so-called “Universal Supply”, i.e. suppliers which have been terminated by their previous supplier due to non-payment. The customers falling into this category have been allocated to the largest suppliers (i.e. those having a market share greater than 4%) pursuant to Ministerial Decision 57469/2612/2020. The Company has approximately 10.158 customers belonging to this category. The Company manages the enhanced credit risk connected with these customers seeking proactively to improve their payment behavior or to have them disconnected by the DSO. Adequate bad-debt provisions are calculated for this category of customers.

Regarding Large Accounts, the credit risk is assessed before acquisition through the implementation of the Credit Insurance process, where the guarantee requested is corresponding to the credit risk of each client, based on the credit limit that the Insurance company offers. Upon acquisition, the balances of all Large accounts are being closely monitored on a daily basis through the implementation of the Large Accounts Dunning Process, aiming to ensure that the risk of the portfolio remains within manageable levels. In case of repeated poor payment performance by the client, a guarantee readjustment is taking place upon renewal and, when deemed necessary, adequate additional securities are requested.

(iii) Assessment of Impairment

The doubtful debt provision is based on Elpedison’s credit policy which is in compliance with IFRS 9. The allowance for doubtful debts for LV Accounts is assessed by performing a stratification of accounts receivable. This involves splitting the receivables into groups, which share similar credit risk characteristics. The credit risk groups are being assessed on the basis of historical loss experience for each group. The historical loss experience is assessed on an annual basis taking into account, the most recently available data. For credit risks related to specific MV customers, provisions are made on an individual balance basis for possible impairment.

A provision for impairment of trade receivables of related parties (ADMIE and HEnEx) is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments are considered indicators that the receivable is impaired. The amount of the provision is the difference between the asset’s carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in statement of comprehensive income (note 9).

3.4 Capital risk management

The Company’s objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for the shareholders and to maintain an optimal capital structure to reduce the cost of capital.

Consistent with other peers, the Company monitors capital on the basis of the gearing ratio. The ratio is calculated as net debt divided by total capital employed. Net debt is calculated as total borrowings (including “current and non-current borrowings” as shown in the Statement of Financial Position) less “Cash & Cash equivalents”. Total capital employed is calculated as “Equity” as shown in the Statement of Financial Position plus net debt.

Within 2022 the Company repaid a total amount of € 293 thousand of its bond loans (2021: € 6.000).

The gearing ratios as at 31 December 2022 were as follows:

	As at	
	31 December 2022	31 December 2021
Total Borrowings (Note 14)	244.489	212.472
Less: Cash & Cash Equivalents (Note 10)	(10.029)	(10.783)
Net debt	234.460	201.689
Total Equity	245.892	127.678
Total Capital Employed	480.352	329.367
Gearing ratio	49%	61%

3.5 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).
- As of 31 December 2022 the Company had no liabilities measured at fair value.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

The fair value of forward foreign exchange contracts is determined using foreign exchange rates at the balance sheet date, with the resulting value discounted back to present value.

The fair value of the following financial assets and liabilities approximate their carrying amount:

- Trade and other receivables
- Cash and cash equivalents
- Trade and other payables
- Borrowings

4 Critical accounting estimates and judgements

The preparation of the financial statements and the related notes requires the use of estimates and assumptions both in the measurement of certain assets and liabilities and in the valuation of contingent assets and liabilities. The actual results that arise upon the occurrence of the relevant events could thus differ from these estimates.

The estimates and assumptions used are revised on an ongoing basis, and the impact of any such revision is immediately recognized in statement of comprehensive income. The use of estimates is particularly significant for the following items:

- Measurement of sales revenues for which no final clearance statement has been received by ADMIE and HEnEx, is estimated using historical and predictive data for electricity consumption for each meter.
- The provisions for risks and charges, arising mainly from legal disputes are estimated based on legal counsel's view of potential outcome.
- The process that management follows to estimate the allowance for doubtful accounts and other provisions for write downs is described in note 3 above.
- Determination of the provision for income taxes that the Company is subjected to, requires significant judgment. There are some transactions and calculations for which the ultimate tax determination is uncertain. The Company recognises liabilities for anticipated tax audits based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.
- The Company tests whether property, plant and equipment have suffered any impairment on an annual basis. If any such indication exists, the recoverable amount of the property, plant and equipment is estimated in order to determine the extent of the impairment loss.
- Amortization of intangible assets with a finite useful life. The process of determining depreciation and amortization expense entails reviewing periodically the remaining useful lives of assets. Intangible assets which are the result of payments to obtain the right to use third party assets such as the shallow connection are amortised over the life of the asset or the period of the license obtained, whichever is shorter.

The use of judgments is particularly significant for the following items:

- There are pending disputed cases relating to the Company. The Management assesses the outcome of these cases in order to recognise asset or liability. Where a negative outcome is possible, the Company forms the required provisions. Provisions, where required, are calculated on the basis of the current value of the estimates made by the management of the cost to be incurred for settling the expected liabilities as of the reporting period date.

5 Property, plant and equipment

	Land	Buildings	Plant & Machinery	Motor vehicles	Furniture and fixtures	Assets Under Construction	Total
Cost							
As at 1 January 2021	2.865	26.217	552.021	824	3.583	910	586.420
Additions for the year	-	8	3.080	-	61	2.560	5.709
Disposals	-	-	(23)	-	-	-	(23)
Right of use assets for the year	-	477	-	72	-	-	549
As at 31 December 2021	2.865	26.702	555.078	896	3.644	3.470	592.655
Accumulated Depreciation							
As at 1 January 2021	174	17.172	345.603	523	2.989	-	366.461
Charge for the year	87	1.699	19.368	152	193	-	21.499
Disposals	-	-	(18)	-	-	-	(18)
As at 31 December 2021	261	18.871	364.953	675	3.182	-	387.942
Net Book Value at 31 December 2021	2.604	7.831	190.125	221	462	3.470	204.713
Cost							
As at 1 January 2022	2.865	26.702	555.078	896	3.644	3.470	592.655
Additions for the year	-	2.560	1.350	-	830	7.664	12.404
Disposals	-	-	(55)	(21)	-	-	(76)
Right of use assets for the year	3.769	10.588	-	207	-	-	14.564
As at 31 December 2022	6.634	39.850	556.373	1.082	4.474	11.134	619.547
Accumulated Depreciation							
As at 1 January 2022	261	18.871	364.953	675	3.182	-	387.942
Charge for the year	207	2.915	19.508	137	350	-	23.118
Disposals	-	-	(28)	(21)	-	-	(49)
As at 31 December 2022	468	21.786	384.433	791	3.532	-	411.010
Net Book Value at 31 December 2022	6.166	18.063	171.940	291	943	11.134	208.537

Leases – Right-of-use assets

The right-of-use assets included in Property, plant and equipment have resulted from the application of IFRS 16 as from 1 January 2019 and are disclosed separately in the following table:

	Land	Buildings	Motor vehicles	Total
Cost				
As at 1 January 2022	1.273	1.956	688	3.917
Additions	3.769	10.588	207	14.564
As at 31 December 2022	5.042	12.544	895	18.481
Accumulated Depreciation				
As at 1 January 2022	258	1.269	471	1.998
Charge for the year	207	1.564	137	1.908
As at 31 December 2022	465	2.833	608	3.906
Net Book Value at 31 December 2022	4.577	9.711	287	14.575

6 Intangible assets

Intangible assets are analysed as follows:

	Software	Right of use of Shallow Connection	Total
Cost			
As at 1 January 2021	3.966	3.598	7.564
Additions	1.172		1.172
As at 31 December 2021	5.138	3.598	8.736
Accumulated Amortisation			
As at 1 January 2021	2.271	1.779	4.050
Charge for the year	630	184	814
As at 31 December 2021	2.901	1.963	4.864
Net Book Value at 31 December 2021	2.237	1.635	3.872
Cost			
As at 1 January 2022	5.138	3.598	8.736
Additions	1.640	-	1.640
As at 31 December 2022	6.778	3.598	10.376
Accumulated Amortisation			
As at 1 January 2022	2.901	1.963	4.864
Charge for the year	514	185	698
As at 31 December 2022	3.415	2.148	5.562
Net Book Value at 31 December 2022	3.363	1.450	4.813

A description of the shallow connection can be found in Note 2.5.

7 Deferred Taxation

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The offset amounts are presented in the following table:

	As at	
	31 December 2022	31 December 2021
Deferred tax asset	14.955	12.302
Deferred tax liability	(30.121)	(29.567)
Total deferred tax liability	(15.166)	(17.265)

Reconciliation of effective tax rate

		2021
Profit before tax from continuing operations		61.753
Tax using the company's domestic tax rate	22%	13.586
Tax effect of:		
Non-deductible expenses	4,77%	2.947
Recognition of prior years tax losses	-10,76%	(6.642)
Effect from income tax rate change	-1,20%	(743)
	15%	9.148
		2022
Profit before tax from continuing operations		150.920
Tax using the company's domestic tax rate	22%	33.202
Tax effect of:		
Non-deductible expenses	1,29%	1.950
Utilisation of previously non deductible interest cost related to thin capitalization	-1,84%	(2.781)
Difference from prior year tax	0,45%	683
Changes in estimates related to prior years	-1,68%	(2.533)
	20%	30.522

Changes in deferred tax assets and liabilities during the year, without taking into account offsetting of balances with the same tax authority, are the following:

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	Intangible and tangible fixed assets	Inventory	Pension Obligation	Provisions	Other	Total
Deferred Tax Assets						
At 1 January 2021	31	2.794	91	8.673	4.607	16.196
(Charged)/credited						
- to profit or loss	(5)	(233)	-	553	(4.208)	(3.893)
- to other comprehensive income	-	-	(1)	-	-	(1)
Total comprehensive income/(loss)	(5)	(233)	(1)	553	(4.208)	(3.894)
At 31 December 2021	26	2.561	90	9.226	399	12.302
Balance at 1 January 2022						
Balance at 1 January 2022	26	2.561	90	9.226	399	12.302
(Charged)/credited						
- to profit or loss	1	(1)	(44)	(105)	2.793	2.644
- to other comprehensive income	-	-	9	-	-	9
Total comprehensive income/(loss)	1	(1)	(35)	(105)	2.793	2.653
Balance at 31 December 2022	27	2.560	55	9.121	3.192	14.955

	Intangible and tangible fixed assets	Other	Total
Deferred Tax Liabilities			
At 1 January 2021	29.775	(3.675)	26.100
Charged/(credited)			
- to profit or loss	(2.390)	5.857	3.467
Total comprehensive income/(loss)	(2.390)	5.857	3.467
At 31 December 2021	27.385	2.182	29.567
Balance at 1 January 2022			
Balance at 1 January 2022	27.385	2.182	29.567
(Charged)/credited			
- to profit or loss	(161)	715	554
Total comprehensive income/(loss)	(161)	715	554
Balance at 31 December 2022	27.224	2.897	30.121

The gross movement in the deferred income tax asset/ (liability) is as follows:

	Year ended	
	31 December 2022	31 December 2021
Beginning of the year	(17.265)	(9.904)
Income statement charge	2.090	(7.360)
Released/(charged) to equity	9	(1)
End of year	(15.166)	(17.265)

Other temporary differences include temporary differences (note 13) and accrued expenses such as secondment fees. Based on the current Tax Law, the corporate income tax rate of legal entities in Greece for fiscal year 2022 and onwards is 22% (2021:22%).

8 Inventories

Inventories relate to supplies and equipment used to maintain and operate the Company's facilities as follows:

	As at	
	31 December 2022	31 December 2021
Merchandise	342	473
Spare Parts	12.937	8.371
Consumable materials	8.901	6.423
LNG	40.515	3.500
Total	62.694	18.767

Inventories recognised as an expense due to consumption during the year ended 31 December 2022 amount to € 3.515 (2021: € 1.588), the amount has been included in Cost of Sales.

9 Trade and other receivables

	As at	
	31 December 2022	31 December 2021
Trade receivables	149.673	81.749
Contract cost	267.463	200.649
Trade receivables -Related parties	48.040	28.719
Total	465.176	311.117
Less: Provision for impairment of trade receivables	(66.157)	(40.262)
Trade receivables net	399.019	270.855
Restricted cash	13.767	9.215
Prepayments	23.513	11.625
Guarantee deposits with suppliers	38.059	13.088
Other receivables- current	129.321	117.944
Other receivables net	204.660	151.873
Less non current portion	(38.059)	(13.088)
Total	565.621	409.640

The carrying amounts of the receivables approximate their fair value.

The increase in Prepayments mainly relates to amortisation of commissions for new contracts that are recognised during the duration of the respective contracts according to IFRS 15.

The amount in "Restricted cash" refers to a reserved amount in a bank account of the Company, which is used in the context of the Company's transactions in the electricity market (Spot market), based on the new market model (Target Model), which was introduced in November 2020.

ADMIE, HEnEx and DAPEEP balances are included in receivables from related parties, and are normally due within 30 days. Accordingly balances over 30 days old, are considered to be past due and are assessed for impairment.

Movements on the provision for impairment of the trade receivables are as follows:

	Year ended	
	31 December 2022	31 December 2021
At 1 January	40.262	35.585
Provision for impairment of trade receivables for the year (Note 18)	25.895	4.677
At 31 December	66.157	40.262

The Company applies the IFRS 9 simplified approach to measure expected credit losses ("ECL") using a lifetime expected loss allowance for all trade receivables.

ECL model is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

To measure the expected credit loss in relation to trade receivables, the Company has established a provision matrix relying on aging analysis, which is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

10 Cash and cash equivalents

	As at	
	31 December 2022	31 December 2021
Cash at Bank and in Hand	10.029	10.783
Total cash and cash equivalents	10.029	10.783

The above analysis does not include as at 31 December 2022 the amount of € 13.767, (2021: € 9.215) which regards restricted cash in a bank account of the Company, which is used in the context of the Company's transactions in the electricity market (Spot market), based on the new market model (Target Model), which was introduced in November 2020. This amount is included in the "Trade and other receivables".

11 Share capital and Share Premium

	Number of Shares (authorised and issued)	Share Capital	Share Premium	Total
As at 1 January 2021	9.963.360	99.634	44.996	144.630
As at 31 December 2021	9.963.360	99.634	44.996	144.630
As at 1 January 2022	9.963.360	99.634	44.996	144.630
As at 31 December 2022	9.963.360	99.634	44.996	144.630

All ordinary shares were authorised, issued and fully paid. As at 31/12/2022 the authorised share capital after the merger with Elpedison Energy S.A on 2015 is € 99,6 mil divided to 9.963.360 shares. The nominal value of each ordinary share is €10.00.

As at 31/12/2022 the share premium amount is € 45,0 mil (representing share premium of € 45,5 mil minus expenses on capital increase € 0,5mil).

12 Reserves

Statutory reserves

The Company forms statutory reserves under Greek law, according to which corporations are required to transfer a minimum of 5% of their annual net profit as reflected in their statutory books to a statutory reserve until such reserve equals one third of the outstanding share capital. This reserve cannot be distributed during the existence of the corporation, but can be used to offset accumulated losses. The statutory reserves amount to € 7.384 (2021: € 1.330) .

13 Trade and other payables

Trade and other payables include amounts with respect to:

	As at	
	31 December 2022	31 December 2021
Trade payables	5.158	54.290
Trade payables		
- Related Parties	40.996	82.916
Accrued Expenses & Deferred Income	213.833	122.429
Social security and other taxes	56.728	22.014
Guarantee deposits from customers	19.755	16.102
Non-current lease liabilities	13.098	1.347
Current lease liabilities	1.346	458
Other payables	32.967	3.668
	383.881	303.224
Less non current portion:	(32.853)	(17.449)
Total	351.027	285.775

Non-current portion of Trade and other payables includes retail customers' guarantee deposits paid in cash. Trade payables are unsecured and are usually paid within 30 to 60 days of recognition. The carrying amounts of trade and other current payables are assumed to be the same as their fair values, due to their short-term nature.

Lease liabilities

Lease liabilities are analysed as follows:

	Land	Buildings	Motor	Total
Opening	1.025	625	155	1.805
Additions	3.769	10.588	207	14.564
Repayment of leases	207	1.455	263	1.925
Total Lease Liability				14.444
Of which are:				
Non-current lease liabilities				13.098
Current lease liabilities				1.346
Total Lease Liability				14.444

Accrued expenses refer to gas cost, long-term maintenance cost accruals, accrued interest for the bond loans and other accrued operating expenses.

Fair value of non-current liabilities is equal to book value.

14 Borrowings

The table below shows the balance outstanding of the loan facilities of the Company at December 31, 2022:

	As at	
	31 December 2022	31 December 2021
Long term Borrowings		
Long term Bond Loans	-	-
Deferred borrowing costs	-	-
Total Long term Borrowings	-	-
Current portion of Long term Bond Loans	177.573	177.866
Short term facilities	67.000	35.000
Deferred borrowing costs	(84)	(394)
Total Short term Borrowings	244.489	212.472
Total Borrowings	244.489	212.472

On 30 September 2021, the Company agreed with its Bondholders to extend its total debt amounting to €177.866 for 12 months with the option of the Company to request a further extension of 6 months, until 31 March 2023 and, the reduction of the Basic Margin to 2.55% from the 3.30%. More specifically, on 30 September 2021 the Company proceeded to the extension of three Bond Loans & the signing of an Intercreditor Agreement as follows:

- Bond Loan 1 for the maximum amount of €81.064 from Banca IMI S.p.A., HSBC Continental Europe and UniCredit S.p.A. as Mandated Lead Arrangers, Intesa Sanpaolo S.p.A., HSBC Continental Europe and UniCredit S.p.A as Bondholders and BNP Paribas Securities Services as Bondholders' Agent and Paying Agent. The Bond Loan bears a margin of 2.55% over 3-months Euribor, is denominated in euro and is guaranteed by Edison SpA. On 31 December 2021, the outstanding balance of Bond Loan 1 amounted to €67.393.
- Bond Loan 2 for the maximum amount of €81.064 from EUROBANK S.A as Bondholders' Agent, Paying Agent, Mandated Lead Arranger and Bondholder and PIRAEUS BANK S.A., EUROBANK S.A and ALPHA Bank S.A., as Mandated Lead Arrangers and Bondholders. The Bond Loan bears a margin of 2.55% over 3-months Euribor, is denominated in euro and, is guaranteed by Hellenic Petroleum S.A.. On 31 December 2021, the outstanding balance of Bond Loan 2 amounted to €67.393.
- Bond Loan 3 for the maximum amount of €51.818 from EUROBANK S.A as Bondholders' Agent, Paying Agent, Mandated Lead Arranger and Bondholder and PIRAEUS BANK Bank S.A. and ALPHA BANK CYPRUS Ltd, as Mandated Lead Arrangers and Bondholders. The Bond Loan bears a margin of 2.55% over 3-months Euribor, is denominated in euro and, is guaranteed by Hellenic Petroleum S.A. and Edison SpA. On 31 December 2021, the outstanding balance of Bond Loan 3 amounted to €43.079.
- Intercreditor Agreement between EUROBANK S.A, as Intercreditor Agent and all other involved parties.

All Bond Loans provide for a mandatory repayment (cash sweep) that shall be equal to 50% of the Excess Cash Flow, with the exemption of the last quarter of 2022 for which the relevant calculation period will be the three months of that quarter. The Excess Cash Flow is defined as the aggregate of the Net Cash Flow minus the Debt Service Obligations.

The Bond Loans weighted average borrowing cost for 2022 was 2,85% (effective rate 2,88%). The Bond Loans weighted average borrowing cost for 2021 was 3,11% (effective rate 3,15%).

Unamortized deferred borrowing costs relate to the bank fees for the arrangement of the loans which are amortised using the effective interest rate method.

Within 2022, the Company submitted to the Bondholders request to increase the financial indebtedness (short term credit lines) due to the significant increase in commodity and energy prices, the uncertainty of natural gas price as a result of the worldwide and mainly European energy crisis, the on-going and escalated hostilities between Russia and Ukraine with consequent political tensions involving broadly all European countries and, the regulatory regime in Greece and Europe.

Following to the Company's request and the Bondholder's consent, short term borrowing agreements have been signed between Alpha Bank for a total amount of € 50 million, EUROBANK S.A for a total amount of €10 million and ALLIANZ TRADE €40mil (exclusively for the issuance of guarantees). There are additional €60 million credit lines that are expected to be contracting within 2023.

During the year 2022, the company withdrawn €136 million from short term facilities and repaid €104 million, of which €35 million Euros were related to an outstanding balance from the previous year."

As at 31 December 2022 the total utilization for short term facilities was €67 million.

Movement of deferred borrowing costs:

	Year ended	
	31 December 2022	31 December 2021
At beginning of year	394	453
Additions	168	525
Amortization of deferred borrowing cost	(478)	(584)
At end of year	84	394
Current portion	84	394
Non-current portion	-	-
Total	84	394

15 Employee benefit obligations

	Year ended	
	31 December 2022	31 December 2021
At 1 January	224	184
Benefits paid within the current year	9	(9)
Provision for compensation upon dismissal or retirement	46	53
Interest expense	1	1
Actuarial (gains)/losses	44	(4)
Total	324	224

Movement in the defined benefit obligation is as follows:

	Year ended	
	31 December 2022	31 December 2021
Net defined benefit liability at the beginning of the year	224	184
Benefits paid within the current year	9	(9)
Current service cost	46	53
Interest expense/(income)	1	1
Actuarial (gains)/losses	44	(4)
Net defined benefit liability at the end of the year	324	224

	Year ended	
	31 December 2022	31 December 2021
Opening defined benefit obligation	224	184
Benefits paid within the current year	9	(9)
Current service cost	46	53
Interest cost	1	1
Actuarial (gains)/losses	44	(4)
Obligation registered in the Statement of Financial Position	324	225

The amounts recognised in the Statement of Comprehensive Income are as follows:

	Year ended	
	31 December 2022	31 December 2021
Current service cost	46	53
Interest cost	1	1
Total	47	54

The principal actuarial assumptions were as follows:

Actuarial assumptions	Year ended	
	31 December 2022	31 December 2021
Discount rate	3,50%	0,45%
Salary growth rate	2%-7,5%	0%-2%
Inflation	1,70%	1,70%
Plan Duration	22,9	22,7

16 Sales revenue

Sales revenue is analysed as follows:

	Year ended	
	31 December 2022	31 December 2021
Sales from Day Ahead Market	1.032.950	547.439
Natural Gas supply	668.408	293.272
Dual fuel reimbursement	1.364	1.412
Electricity Supply	1.447.919	637.183
Sales of Emission Rights	37.487	-
Cross-border trading	4.615	11.798
Total	3.192.742	1.491.104

Sales from “Day Ahead Market” relate to the daily market in which power generators bid and offer electricity for every hour of the next day for all nodal locations.

“Cross border activities” category relates to cross-border purchases and sales of electricity.

The commissions’ fees paid for the new connections are recognized over the related contract duration in accordance with IFRS 15.

17 Other Income

	Year ended	
	31 December 2022	31 December 2021
Other revenues	5.079	1.679
Other non-operating income	1.743	3.053
Total	6.822	4.732

Other non-operating income refers to reversals of previous years’ unutilized provisions. Other revenues refer to revenues from other energy related products such as Net Metering, DriveGreen, Energy Efficiency.

18 Expenses by category

	1/1 - 31/12/2022		
	Cost of sales	Administrative expenses	Distribution expenses
Payroll and related expenses	3.905	12.533	-
Lawyers fees	312	862	-
Commissions	11.968	-	-
Contractors' fees	6.285	1.509	-
Advisory fees	-	2.628	-
Other fees	-	939	5.894
Repairs & maintenance costs	12.573	-	-
Depreciation & amortization	21.029	2.788	-
Miscellaneous costs / Special Levy	1.693	22.902	9.764
Impairment of trade receivables		25.895	-
Natural gas cost	1.365.504	-	-
Emission Rights	135.661	-	-
Chemicals	2.529	-	-
Purchase of Electricity	1.389.669	-	-
Cross-border trading	2.034	-	-
Total	2.953.163	70.056	15.658

	1/1-31/12/2021		
	Cost of sales	Administrative expenses	Distribution expenses
Payroll and related expenses	3.520	10.251	-
Lawyers fees	181	622	-
Commissions	7.930	-	-
Contractors' fees	6.384	1.061	596
Advisory fees	-	2.425	-
Other fees	-	780	3.213
Repairs & maintenance costs	8.744	-	-
Depreciation & amortization	20.878	1.436	-
Miscellaneous costs	897	3.248	6.570
Impairment of trade receivables	-	4.677	-
Natural gas cost	562.736	-	-
Emission Rights	66.450	-	-
Chemicals	162	-	-
Purchase of Electricity	702.269	-	-
Cross-border trading	9.464	-	-
Total	1.389.615	24.500	10.379

Miscellaneous costs mainly consist of utilities and other general expenses. In 2022 is also included the special levy applied with the Law 4936/2022 of an amount of €18,3 million.

On 18.11.2022, national law 4994/2022, introduced a temporary mechanism for the return of part of the suppliers' extraordinary revenues that may occur as the result of the provisions of law 4951/2022.

A joint decision is expected to be issued by the Ministers of Environment and Energy and Finance, which will define every relevant detail and procedure for the implementation of the Mechanism following a

proposal by RAE, as well as the procedure and time for the imposition, certification, collection and reimbursement of the extraordinary contribution to the Energy Transition Fund.
At present, any financial impact of the extra levy on electricity supply cannot be determined.

The costs recognised for benefits to employees are as follows:

	Year ended	
	31 December 2022	31 December 2021
Wages and salaries	12.534	10.472
Social security costs	2.626	2.273
Employees allowances and expenses	1.233	973
Provision for employees retirement benefits	46	53
Total	16.439	13.771

The Company as at 31 December 2022, had 252 employees and 4 seconded employees, (FY 2021: 226 employees and 4 seconded employees).

19 Other gains/ (losses), net

	Year ended	
	31 December 2022	31 December 2021
Foreign exchange forward contracts:		
-Realised loss	-	-
-Realised gains	-	27
Total	-	27

20 Net Finance costs

	Year ended	
	31 December 2022	31 December 2021
Interest income	5	-
Interest and other financial income on trade receivables	1.231	494
Total finance income	1.236	494
Interest expense and similar charges	(10.117)	(9.453)
Interest and finance charges for lease liabilities	(408)	(70)
Amortisation of deferred borrowing cost	(478)	(587)
Total finance cost	(11.003)	(10.110)

The interest cost paid in the year ended 31 December 2022 was €7.719, (2021 € 6 .073).

21 Income tax expense

	Year ended	
	31 December 2022	31 December 2021
Deferred tax (expense)/benefit (Note 7)	2.090	(7.360)
Income tax (current year)	(31.929)	(1.788)
Income tax (difference from prior year)	(683)	-
Total	(30.522)	(9.148)

The income tax rate was 22% for the year ended 31 December 2022 the same as in 2021.

22 Commitments and Contingencies

22.1 Unresolved legal claims

The Company is engaged in a number of legal cases as at 31 December 2022. A summary of these legal cases and managements assessments of their outcome is provided below:

a) Default interests litigation

The Company has filed two lawsuits against LAGIE and ADMIE before the Piraeus Multi-Member Court of First Instance and the Athens Multi-member Court of First Instance respectively. The hearing of ADMIE lawsuit has taken place on 19.11.2015 and the Court issued No 703/2016 Judgment rejecting the lawsuit partly in substance and partly as non-admissible. The Company has filed an Appeal against Judgment 703/2016, the hearing of which took place on 01.06.2017 and the Court of Appeal of Athens based on 952/2018 Judgment rejected the Company's Appeal. Our Company has filled on 26.06.2018 a Request of Annulment, which has been rejected with No 560/2022 decision of the Hellenic Supreme Court. The Company has filed a recourse before the European Court of Human Rights (ECHR) on 28.07.2022.

ADMIE has filled before the Athens Multi-Member Court of First Instance the lawsuit dated 14.07.2021 against the Company claiming the payment of €1.906.613,50 as default interest and €1.659.050,03 as delayed capital. The issue of decision is pending.

On 29.09.2022 the Company intervened in favor of ADMIE, DAPEEP and DEDDIE (formally as all are parties to the case) before the Athens Court of Appeals within the framework of the appeal of the above operators against 1494/2021 decision of the Court of First Instance, that had rejected the claims against PPC for default interests (€52.853.368).

On 10.02.2023 the Company intervened in favor of ADMIE, DAPEEP and DEDDIE before the Athens Court of Appeals within the framework of the appeal of PPC against 944/2020 decision of the Court of First Instance pursuant to which PPC has been ordered to pay 1. to ADMIE the amount of €188.329.288,40 and the amount of €18.984.786,86 for the periods and with the interests obligations mentioned within the decision, 2. to ADMIE the default interest upon the amount of €227.607.741,42 and the amount of €40.311.194,82 for the periods and with the interests obligations mentioned within the decision and 3. To DEDDIE the amount of €5.022.549,98 and €244.600,25 for the periods and with the interests obligations mentioned within the decision.

b) RAE decision for regulated charges

On 7 March 2019 with the decision 292/2019 RAE imposed a fine to the Company amounting to €250.000 related to the mechanism of payment of regulated charges. Against the said decision, the Company filed on 24.01.2020 a judiciary recourse before the Athens Administrative Court of Appeals.

The Court pursuant Judgment 4352/2020 accepted partially Company's recourse and amended RAE's decision 292/2019 by reducing the imposed fine and reduced it to the amount of €60.000. The Company filed an appeal before the Council of State the hearing of which is set for 19.09.2023.

c) Collective Action against the Company for readjustment clause

The General Federation of Consumers of Greece and the Union of Consumers of Prefecture of Aitoloakarnania filled against the Company the action and application of interim measures dated 10.02.2022 (Collective Action article 10 of Law 2251/1994) requesting inter alia the recognition of the nullity of each readjustment mechanism (readjustment clause) included in the Company's supply of electricity agreements during the period March 2018 until July 2022. The hearing took place on 11.01.2023 and the decision is pending.

d) Arbitration with DEPA

The Company has launched an Arbitration against DEPA for unlawful charges of the amount €5.698.988,02, concerning additional retroactive increase of natural gas charges supplied during the period 15.06.2011-31.12.2013.

22.2 Taxation -Unaudited tax years

From 2011 onwards, under certain provisions, all Greek companies are subject to an annual tax compliance audit by their statutory auditors. Accordingly, the Company was subject of a tax compliance audit by its statutory auditor for the financial years 2011-2021 for which it obtained unqualified tax audit certificates. According to recent legislation, the tax audit and the issuance of tax certificates is also valid from 2016 onwards but on an optional basis. The Company is currently under a tax compliance audit by its statutory auditor for the financial year 2022. Management does not expect any material findings from this audit.

22.3 Letters of Guarantee

The Company has issued letters of guarantee or provided cash collaterals to the electricity market operators, the Customs Office and gas and LNG suppliers totalling € 57 million.

22.4 Lease commitments – Company as a lessee

The Company leases its headquarters' offices and the land on which the Thessaloniki Plant is located. The leases are accounted for under IFRS 16.

22.5 Contractual commitments

The Company has long-term agreements for the maintenance of the gas turbines of both plants Thessaloniki and Thisvi. The annual minimum commitments under these agreements amount to € 1,4 million approx.

23 Dividends

The Board of Directors does not make any recommendation with respect to the distribution of any dividends or reserves for the 2022 financial year and refers the matter to the next Annual General Meeting of the Shareholders in 2023.

24 Related-party transactions

24.1 Parent and ultimate controlling party

The Company is controlled by Elpedison B.V. (incorporated in the Netherlands), which owns 100% of the Company's shares and is the parent Company. The ultimate controlling parties of the Company are Edison SpA and Hellenic Energy Holdings S.A.

24.2 Related party entities

The Company has transactions and balances outstanding with the following entities that are related parties:

- Edison SpA
- Hellenic Energy Holdings S.A.
- DIAXON AVEE
- Hellenic Energy Exchange S.A. (HEnEx S.A.)
- Hellenic Energy Clearing House S.A. (EnExClear S.A.)
- RES and GOs Operator S.A. (DAPEEP S.A.)
- Independent Power Transmission Operator (ADMIE S.A)
- Hellenic Electricity Distribution Network Operator S.A (DEDDIE S.A)
- Hellenic Fuels S.A. and Lubricants
- KALIPSO KEA S.A
- Edison HELLAS S.A
- EDF RENEWABLES HELLAS S.A.
- EDF RENEWABLES SERVICES HELLAS S.A.
- EDF Trading
- Hellenic Petroleum Renewable Energy Sources S.A.
- Energy Pylou-Methonis S.A.
- Aeoliki Energy Peloponnese S.A.
- AIOLIKO PARKO AETOS SINGLE MEMBER S.A.
- HELLENIC PETROLEUM DIGITAL S.A.
- HELLENIC PETROLEUM R.S.S.O.P.P. S.A.
- HELLENIC PETROLEUM RENEWABLE WIND FARMS OF EVIA S.A.
- Asprofos Single Member Engineering S.A.
- ILIOVI S.A.
- HELIOELXIS S.A.
- AKTINA LAKONIAS SINGLE MEMBER S.A.
- ATEN ENERGY S.A.
- HELLENIC RENEWABLES SINGLE MEMBER S.A.
- Wind Park Makrilakomma S.A.
- Sagias Wind Park S.A.
- Kozilio Ena Single Member S.A.

Edison S.P.A is one of the ultimate controlling parties of the Company is guarantor of Bond Loan 1&3 and provides the Company with experienced personnel which provided technical support and technical services through service agreements. Edison S.P.A has also provided the Company with experienced personnel for key Company operational services during 2022.

Hellenic Energy Holdings is one of the ultimate controlling parties of the Company and is guarantor of Bond Loan 2&3 and lends the land where the power plant in Thessaloniki is located, has also provided the Company with experienced personnel for key Company operational services during 2022.

Hellenic Energy Exchange S.A. (HEnEx S.A.), Enex Clearing House S.A. (EnExClear), RES and GOs Operator S.A. (DAPEEP S.A.) and Independent Power Transmission Operator (ADMIE S.A) are related parties to the Company, as are partly controlled by the Greek State which is also a major shareholder in Hellenic Petroleum S.A. (one of the ultimate controlling parties of the Company).

Hellenic Electricity Distribution Network Operator S.A (DEDDIE) is a related party to the Company, since the Public Power Company S.A (PPC) is partly controlled by the Greek State which is also a major shareholder in Hellenic Petroleum S.A. (one of the ultimate controlling parties of the Company).

HELLENIC FUELS AND LUBRICANTS SA is related party of the Company, as HELLENIC FUELS SA is a subsidiary of Hellenic Energy Holdings SA.

DIAXON AVEE is related party of the Company, as DIAXON AVEE is a subsidiary of Hellenic Energy Holdings SA.

KALYPSO KEA SA is a member of the Hellenic Energy SA Group.

Edison HELLAS S.A is related party of the Company, as the ultimate controlling party of Edison Spa.

EDF RENEWABLES HELLAS S.A. is related party of the Company, EDF SA is the ultimate controlling party of Edison Spa.

EDF RENEWABLES SERVICES HELLAS S.A. is related party of the Company, EDF SA is the ultimate controlling party of Edison Spa.

EDF Trading is related party of the Company, EDF SA is the ultimate controlling party of Edison Spa.

HELLENIC RENEWABLE ENERGY SOURCES SA is related party of the Company, as it is a subsidiary of Hellenic Energy SA.

ENERGY PYLOU-METHONIS SA is related party of the Company, as it is a subsidiary of Hellenic Renewable Energy Sources SA.

AEOLIKI ENERGY PELOPONNESE SA and AETOS WIND PARK S.A are related party of the Company, as they are subsidiaries of EDF EN Hellas SA.

HELLENIC PETROLEUM DIGITAL and HELLENIC PETROLEUM R.S.S.O.P.P. SA are related parties of the Company, as they are subsidiaries of Hellenic Energy Holdings S.A.

HELLENIC Petroleum Renewables Wind Farms OF EVIA S.A. is related party of the company, as it is a subsidiary of Hellenic Energy Holdings S.A.

Asprofos is a member of Hellenic Energy Holdings S.A.

ILIOVI S.A. and HELIOELXIS S.A are related parties of the Company, EDF SA is the ultimate controlling party of Edison Spa.

AKTINA LAKONIAS SINGLE MEMBER S.A. is related party of the Company, EDF SA is the ultimate controlling party of Edison Spa.

ATEN ENERGY S.A is related party of the Company, as it is subsidiary of Hellenic Petroleum Renewables.

HELLENIQ Renewables Single Member S.A. is related party of the Company, as it is subsidiary of Hellenic Energy Holdings S.A.

Wind Park Makrilakomma and Sagias Wind Park S.A. are related parties of the Company, as they are subsidiaries of Hellenic Petroleum Renewables S.A.

Kozilio Ena Single Member S.A. is related party of the Company, as it is subsidiary of Hellenic Petroleum Renewables S.A. On 30.12.22, all the companies of SE Chronus E.P.E. have been absorbed by Kozilio Ena S.A.

Transactions with related parties were carried out at arm's length.

The value of transactions and balances with the aforementioned related parties appears in the following tables.

24.3 Sales of electricity and other services to related parties

	Year ended	
	31 December 2022	31 December 2021
Edison S.P.A	7.473	-
EDF TRADING LIMITED	34.980	-
AEOLIKI ENERGY ACHLADOTOPOS S.A	14	-
ADMIE S.A	-	(534)
DAPEEP S.A	515.780	2.629
HENEX S.A	-	-
DEPA COMMERCIAL S.A	32.496	37.617
Attiki Gas Supply Company S.A	-	-
KALIPSO KEA SINGLE MEMBER S.A	3.024	2.435
Hellenic Fuels and Lubricants S.A	870	606
HELLENIC ENERGY HOLDINGS S.A	775	112.337
ELPE RES S.A	-	4
ELPE R.S.S.O.P.P. S.A	158.839	-
EDISON HELLAS S.A	2	2
EDF RENEWABLES SERVICES HELLAS S.A	24	13
ENERGY PYLOU-METHONIS S.A	10	8
AEOLIKI ENERGY PELOPONNESE S.A	6	6
DIAXON AVEE	7.073	3.543
EDF RENEWABLES HELLAS S.A	24	12
ILIOELXIS ENERGY S.A.	12	-
ILIOVI ENERGY S.A	309	-
SE CHRONUS 14 E.P.E.	6	-
WIND PARK MAKRILAKKOMA S.A	2	-
WIND ENERGY PARK AETOS SA	2	-
AKTINA LAKONIAS S.A	0	-
ATEN ENERGY S.A	8	-
ELPE RENEWABLES SINGLE MEMBER S.A	7	-
DEDDIE S.A	15.940	33.112
ENEXCLEAR S.A	1.181.782	630.931
	<u>1.959.459</u>	<u>822.720</u>

24.4 Purchases of materials and services from related parties

	Year ended	
	31 December 2022	31 December 2021
Edison S.P.A	44.874	458
EDF TRADING LIMITED	72.619	-
HELLENIC ENERGY HOLDINGS S.A	428	62.638
ELPE R.S.S.O.P.P. S.A	479	-
AEOLIKI ENERGY ACHLADOTOPOS S.A	2.824	-
WIND PARK EVOIAS SA	21	-
ADMIE S.A	20.673	13.585
DAPEEP S.A	32.310	35.718
HENEX S.A	366	383
ENEXCLEAR S.A	1.049.297	400.866
DEPA COMMERCIAL S.A	292.330	153.089
DEDA S.A	-	106
KALIPSO KEA SINGLE MEMBER S.A	106	70
Hellenic Fuels and Lubricants SA	8.381	500
ELPE RENEWABLES SINGLE MEMBER S.A	101	-
AIOLIKO PARKO SAGIAS S.A	292	-
WIND PARK MAKRYLAKKOMA S.A	417	-
ASPROFOS S.A	747	-
ELPE DIGITAL S.A	301	-
HELIOELXIS S.A	5.438	-
ILIOVI S.A	2.557	-
EDA ATTIKIS S.A	-	1.712
SE CHRONUS 2 E.P.E.	54	-
SE CHRONUS 3 E.P.E.	89	-
SE CHRONUS 4 E.P.E.	90	-
SE CHRONUS 5 E.P.E.	77	-
SE CHRONUS 6 E.P.E.	86	-
SE CHRONUS 7 E.P.E.	84	-
SE CHRONUS 8 E.P.E.	87	-
SE CHRONUS 9 E.P.E.	77	-
SE CHRONUS 10 E.P.E.	87	-
SE CHRONUS 11 E.P.E.	134	-
SE CHRONUS 12 E.P.E.	133	-
SE CHRONUS 13 E.P.E.	132	-
SE CHRONUS 14 E.P.E.	132	-
SE CHRONUS 15 E.P.E.	139	-
SE CHRONUS 16 E.P.E.	131	-
SE CHRONUS 17 E.P.E.	128	-
SE CHRONUS 18 E.P.E.	124	-
SE CHRONUS 19 E.P.E.	125	-
ATEN ENERGY S.A	73	-
ENERGY PYLOU-METHONIS S.A	5	4
DEDDIE S.A	163.683	155.796
	<u>1.700.229</u>	<u>824.925</u>

24.6 Key Management compensation

Key management includes the Chairman of the Board, the Chief Executive Officer and the first line directors. The compensation paid to key management for employee services is shown below:

	Year ended	
	31 December 2022	31 December 2021
Salaries and other short-term employee benefits	2.189	1.922
	<u>2.189</u>	<u>1.922</u>

25 Events after the reporting period and other significant events

There are no significant events after the reporting period.

26 Separate financial information of the integrated undertaking of electricity generation and supply of electricity and gas

Balance Sheet 31/12/2022					
<i>Amounts in Euro thousands</i>	Generation of electricity	Supply of electricity	Supply of NG	Other	Total
ASSETS					
Non-current assets	235.579	6.242	9.575	13	251.409
Property, plant and equipment	206.887	1.637	-	13	208.537
Intangible assets	2.036	2.777	-	-	4.813
Other long term assets	26.656	1.828	9.575	-	38.059
Current assets	307.880	168.176	143.789	18.499	638.344
Inventories	39.055	-	23.297	341	62.693
Trade and other receivables	263.308	164.676	119.805	17.833	565.622
Cash and cash equivalents	5.517	3.500	687	325	10.029
Total assets	543.459	174.418	153.364	18.512	889.753
EQUITY					
Share capital	98.198	1.436		-	99.634
Reserves	7.385	-		-	7.385
Share premium	44.584	412		-	44.996
Retained Earnings	49.833	(9.365)	41.049	12.362	93.878
Total equity	200.000	(7.517)	41.049	12.362	245.893
LIABILITIES					
Non-current liabilities	28.514	17.526	2.303	-	48.343
Deferred income tax liabilities	15.166	-	-	-	15.166
Other non-current liabilities	13.098	17.452	2.303	-	32.853
Retirement benefit obligations	250	74		-	324
Current liabilities	314.945	164.409	110.012	6.150	595.516
Trade and other payables	78.292	53.666	3.927	1.309	137.194
Provisions	59.164	43.743	106.085	4.841	213.833
Borrowings Short Term	177.489	67.000	-	-	244.489
Total liabilities	343.459	181.935	112.315	6.150	643.860
Total equity and liabilities	543.459	174.418	153.364	18.512	889.753

Income Statement 31/12/2022					
<i>Amounts in Euro thousands</i>	Generation of electricity	Supply of electricity	Supply of NG	Other	Total
Revenues					
Revenues from Generation	1.198.447	-	-	-	1.198.447
Revenues from Supply	-	1.291.297	496.925	3.253	1.791.475
Revenues from Distribution Network	-	41.974	4.497	-	46.471
Revenues from Transmission System	-	-	1.488	-	1.488
Electricity Exports	-	4.615	-	-	4.615
Other revenues	38.851	-	-	114.360	153.211
Total revenues	1.237.298	1.337.886	502.910	117.614	3.195.707
EXPENSES					
Natural gas cost	893.114	-	450.413	-	1.343.527
Cost of energy sold	-	1.234.664	-	101.784	1.336.448
Electricity Imports	-	2.034	-	-	2.034
Distribution Network	-	37.968	3.484	-	41.452
Transmission System	-	15.257	5.776	-	21.033
Emission Rights-CO2	135.661	-	-	-	135.661
Inventories consumptions	3.516	-	-	-	3.516
Payroll and related expences	8.359	6.038	1.375	666	16.439
Third party fees	10.083	6.932	754	340	18.109
Repairs & maintenance costs	11.239	-	-	-	11.239
Other income-expenses	14.792	9.960	(259)	-	24.493
Taxes and fees	31.284	61	13	-	31.357
Depreciation & amortization	22.550	1.188	78	-	23.816
Impairment on trade receivables	9.522	16.373	-	-	25.895
Finance costs	9.238	1.751	14	-	11.003
Finance income	-	(1.202)	(34)	-	(1.236)
Total expenses	1.149.359	1.331.023	461.615	102.791	3.044.787
Profit/(Loss) before income tax	87.939	6.863	41.295	14.823	150.920

ELPEDISON S.A.
Financial Statements
for the year ended 31 December 2022
(All amounts in Euro thousands unless otherwise stated)

Balance Sheet 31/12/2021					
<i>Amounts in Euro thousands</i>	Generation of electricity	Supply of electricity	Supply of NG	Other	Total
ASSETS					
Non-current assets	212.123	3.025	6.524	-	221.672
Property, plant and equipment	204.241	472	-	-	204.713
Intangible assets	3.128	743	-	-	3.871
Other long term assets	4.754	1.810	6.524	-	13.088
Current assets	137.284	250.359	25.243	26.303	439.190
Inventories	14.794	-	3.500	473	18.767
Trade and other receivables	117.099	247.124	20.125	25.291	409.640
Cash and cash equivalents	5.391	3.235	1.618	539	10.783
Total assets	349.409	253.384	31.767	26.303	660.863
EQUITY					
Share capital	98.198	1.436	-	-	99.634
Reserves	1.330	-	-	-	1.330
Share premium	44.584	412	-	-	44.996
Retained Earnings	(12.508)	(15.033)	9.138	121	(18.282)
Total equity	131.604	(13.185)	9.138	121	127.678
LIABILITIES					
Non- current liabilities	18.811	15.058	1.069	-	34.938
Deferred income tax liabilities	17.265	-	-	-	17.265
Other non-current liabilities	1.346	15.034	1.069	-	17.449
Retirement benefit obligations	200	24	-	-	224
Current liabilities	198.994	251.511	21.560	26.182	498.247
Trade and other payables	11.063	148.126	2.936	1.523	163.648
Provisions	49.459	29.385	18.624	24.659	122.127
Borrowings Short Term	138.472	74.000	-	-	212.472
Total liabilities	217.805	266.569	22.629	26.182	533.185
Total equity and liabilities	349.409	253.384	31.767	26.303	660.863

ELPEDISON S.A.
Financial Statements
for the year ended 31 December 2022
(All amounts in Euro thousands unless otherwise stated)

Income Statement 31/12/2021					
<i>Amounts in Euro thousands</i>	Generation of electricity	Supply of electricity	Supply of NG	Other	Total
Revenues					
Revenues from Generation	611.731	-	-	-	611.731
Revenues from Supply	-	532.570	225.737	1.186	759.493
Revenues from Distribution Network	-	38.941	2.746	-	41.686
Revenues from Transmission System	-	-	482	-	482
Electricity Exports	-	11.798	-	-	11.798
Other revenues	1.412	-	-	65.628	67.040
Total revenues	613.143	583.309	228.964	66.814	1.492.230
EXPENSES					
Natural gas cost	340.590	-	211.167	-	551.757
Cost of energy sold	-	511.753	-	66.279	578.032
Electricity Imports	-	9.464	-	-	9.464
Distribution Network	-	37.733	2.974	-	40.707
Transmission System	-	11.185	6.606	-	17.791
Emission Rights-CO2	66.450	-	-	-	66.450
Inventories consumptions	1.588	-	-	-	1.588
Payroll and related expences	6.665	5.899	987	220	13.771
Third party fees	8.927	6.012	663	505	16.107
Repairs & maintenance costs	6.889	-	-	-	6.889
Other income-expenses	84.667	6.667	(246)	-	91.088
Taxes and fees	161	65	-	-	226
Depreciation & amortization	21.476	796	43	-	22.315
Impairment on trade receivables	-	4.677	-	-	4.677
Finance costs	8.232	1.598	280	-	10.110
Finance income	0	(486)	(8)	-	(494)
Total expenses	545.644	595.363	222.466	67.004	1.430.477
Profit/(Loss) before income tax	67.500	(12.054)	6.498	(190)	61.753

1. General Principles

The Company ELPEDISON S.A drafts, submits for audit and publishes its annual financial statements in accordance with IFRSs, the relevant provisions of C.L. 4548/2018, as well as Laws 3229/2004 and 3301/2004.

The Company, as an Integrated Company, has considered the provisions of Law 4001/2011 (Official Government Gazette First Issue 179) and Directive 2009/72/EC, no. 31 on the separation of the accounts of integrated electricity undertakings as well as the decision n. 124/2017 and 162/2019 of the Regulatory Authority of Energy.

Based on the above, prepares separate accounts, Balance Sheet and Profit and Loss Statement regarding the activities Generation and Supply in the Electricity Market in accordance with the provisions of Article 141 of Law 4001/2011 and decision no. 43/2014 by the Regulatory Authority for Energy:

The other activities of the Company, apart from electricity (E), are kept in consolidated non-separated accounts (Other or Other activities).

At the end of the financial year, the Company drafts and publishes according to the IFRS, its separate profit and loss statements and balance sheet per activity. Balance Sheet and profit and loss statements (before tax). The totals of the unbundled financial statements are equal and agree with the Balance Sheet and the profit and loss statement of Elpedison SA that have been prepared in accordance with International Financial Reporting Standards as adopted by the EU, with the exception of income tax, as unbundled Financial Statements of Income are presented in before tax.

The abovementioned statements are contained in the notes of the annual financial statements of the Company, which are approved and signed according to the law and contain a certificate by the auditors, where reference is made to the rules which are approved by RAE, as referred to in Article 141 paragraph 4 of Law 4001/2011.

The Company shall notify RAE within 15 working days, after the approval of the annual financial statements by the General Meeting of the Company, the annual financial statements which shall contain the certificate and report of the auditors on the application of the Allocation Principles and Rules in the Assets and Liabilities accounts and in Revenues and Expenses.

2. Allocation Method & Rules

Methods and Accounting Rules

The methods and accounting rules followed by the Company are dictated by the general accounting principles and the articles of the International Accounting Standards (IFRS).

The Accounting Department of the Company is fully computerized with a valid and properly configured accounting program (SAP), which ensure that separate accounts have been prepared and that separate profit and loss statements and balance sheet are prepared for each activity.

In particular, the mandatory registration of all accounting records per business area (in SAP) is currently applied, as designated by the Company in accordance with the above General Principles, as follows:

- (a) Business Areas / Activities
 - Generation of electricity
 - Supply of electricity
 - Supply of gas
 - Cross-border trading
- (b) Business Areas apart from the activities
 - Other.

Allocation Rules of Expenditure and Revenue (Profit or loss)

In each registration of a document or transaction, as well as any other entry, the amounts are characterized by "business area" and then the corresponding accounts of expenditure, income, assets and liabilities are automatically updated. The program has a security key based on which no entry is allowed without the above characterization.

In this way, the documents and transactions which are solely related to one of the activities of the Company or which state a separate amount per activity, shall immediately update the separate accounts of each Activity / Business Areas (a).

Any documents and transactions which do not separately state the activity they are related to, shall update, when entered, the business area accounts (b), "Other".

At the end of each month, the balances of "Other" accounts are allocated as an assessment to each one of the activities (business areas a), whereas the allocation key is the participation percentage of each one in the total revenues of the Company during each closing financial year or the MWH or the meters or the employees participation.

Thereafter, the Company prepares the annual profit and loss statements of each financial year per activity.

Allocation Rules of Assets and Liabilities

The entries updating the Assets and Liabilities Accounts, such as fixed assets, reserves, customers, other receivables, suppliers, liabilities and loans are allocated based on the activity to which they relate.

At the end of each financial year, total Equity is allocated based on the difference of Assets and Liabilities of each activity, which is designated as "capital allocation to business units".

Based on the above "capital allocation", as well as the general accounting principles, the following Assets and Liabilities are also allocated by activity: Cash and any financial products, tax liabilities and receivables, provisions.

3. Contents of Activities of Annual Income and Expenditure

The annual separate Profit and Loss Account for each activity includes the Company's transactions with third parties.

In particular, each activity includes the following:

a) Generation of electricity

This activity includes Income, Expenditure and Assets and Liabilities, which are derived solely from the operation of power plants.

Expenses relating to the above income, the main ones are the following: Supply of natural gas, CO2 allowances markets, payroll, third party fees and expenses, maintenance and operational costs, consumption of spare parts, other production expenses and depreciation, as well as finance costs.

b) Supply of electricity (Retail)

This activity includes Income, Expenditure and Assets and Liabilities, which are derived from the wholesale and retail electricity trade and cross-border trade in electricity. Purchases relating to the supply of Electricity from HEnEx and companies in Greece and abroad, purchase of import and export rights and other services from ADMIE and network use (DEDDIE). Expenses mainly relate to payroll, third party payments, finance costs, amortization and miscellaneous costs. are mainly originating from billings to HEnEx and to domestic and foreign companies.

Purchases concern the supply of Electricity from HEnEx and domestic and foreign companies, the rights of import and export, and the other services from ADMIE, the network usage (DEDDIE).

Expenses mainly relate to personnel remunerations and costs, third party fees, depreciation finance costs and miscellaneous expenses.

c) Supply of gas

As per the requirements of RAE decision 162/2019.

d) Other activities

The other activities include income from other activities. The Expenses include fees, expenses, depreciation, financial and extraordinary profits or losses, which relate to the other activities of the Company, apart from the Generation and Supply of Electricity and gas, as they are mentioned above.