

ANNUAL FINANCIAL REPORT

FOR THE YEAR
1ST JANUARY TO 31ST DECEMBER 2024

In accordance with the International Financial Reporting Standards



GREAT SEA INTERCONNECTOR ΜΟΝΟΠΡΟΣΩΠΗ ΑΝΩΝΥΜΗ ΕΤΑΙΡΕΙΑ

General Commercial Registry Number: 173582101000

1 Konstantinoupoleos, 121 32, Peristeri, Attica

www.great-sea-interconnector.com

*This is a translation from the original version in Greek language. In case of a discrepancy, the Greek original will prevail.

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ANNUAL MANAGEMENT REPORT OF BOARD OF DIRECTORS

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Management report of the Board of Directors
of the company “GREAT SEA INTERCONNECTOR SINGLE MEMBER S.A.”
for the year 2024 (1/1/2024 – 31/12/2024)
to the Annual General Assembly Meeting of Shareholder

Dear Shareholder,

This Annual Management Report, which follows, (hereinafter the “Report”) was prepared in accordance with the applicable Law and the Articles of Incorporation of the company “**GREAT SEA INTERCONNECTOR SINGLE MEMBER S.A.**” (hereinafter referred as “GSI” or “Company”) and contains all relevant information required by Law, in order to provide substantial and detailed information about the activity during the fiscal year ended at 31th December 2024.

The Financial Statements are prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the European Union (EU).

1. Analysis of the development & the Company’s activities

1.1. Business model description, goals and core values

GREAT SEA INTERCONNECTOR S.A. was established on November 24, 2023, by the INDEPENDENT POWER TRANSMISSION OPERATOR (“IPTO S.A.” or the “Parent”) and will undertake the construction and financing of the Greece-Cyprus-Israel electricity interconnection project, which is included as PCI/PMI number PCI 2.6 in the 1st list of Projects of Common and Mutual Interest (PCI/PMI) of the European Union. Its initial share capital amounts to Euro 25 thousand (Euro twenty-five thousand), which was paid on 19th January 2024, while the Company as a subsidiary of IPTO S.A. is fully consolidated in the Group’s results. The Company has as its exclusive purpose and object:

- i) The awarding, through a competitive process, of the design, supply, construction and installation of all the distinct parts that make up the Project, such as indicatively the cables, the electrode stations, the conversion stations and the substations.
- (ii) The supervision of the conducted works mentioned (i) above.
- (iii) The financing through borrowing and equity of the total cost of all parts of the electrical interconnection project between Greece-Cyprus-Israel (Great Sea Interconnector or “the Project”).
- (iv) Upon successful completion of the necessary tests, acceptance of the completed parts of the Project.
- (v) The delivery for activation and operation of the completed Project to IPTO S.A.
- (vi) The performance of any other activity and related act and action, for the execution of the Project and any other activity that is directly or indirectly related to the Company’s purpose or serves its success in any way, including the actions required to obtain the necessary permits as well as the conclusion of loan and other financial contracts with credit institutions or affiliated companies.
- (vii) The financial exploitation of the Project, which consists in the collection through the corresponding operators and the possibility of collecting the part of the Required Revenue, which corresponds to the Project.

To fulfill the above purpose, the Company can:

- (i) To set up, with or without the participation of third-party natural or legal persons, or to participate in any business of any corporate type, with the same or broadly similar purpose, in Greece and/or abroad.
- (ii) To collaborate with any natural or legal person in any way in Greece and/or abroad and conclude agreements or contracts of any kind.
- (iii) To develop any kind of financial activity to achieve its purposes (e.g. lending, issuing bills of exchange, checks, promissory notes, bonds, promissory notes and other securities or documents that incorporate debt obligations, etc.).

(iv) To lease, buy or sell or otherwise acquire or transfer movable or immovable things or rights or create security interests or other rights.

(v) To make use of financial programs and tools, especially those offered by the European Union and the Organizations that are part of it.

The Company's registered address is Konstantinoupoleos 1, 121 32, at Peristeri, Attica, while its duration is indefinite.

2. Principles of management and internal management systems

2.1. Board of Directors

The Board of Directors manage the Company as a collective body, making its decisions in accordance with the current legislation.

The members of the Board of Directors acquire all relevant information regarding the operation of the Company. They must exercise their duties at the interests of the Company and its shareholder. The Board of Directors (BoD) primarily formulates the strategy and development policy and supervises and controls the management of the Company's assets. The composition and duties of the members of the Board of Directors are determined by the law and the articles of association.

3. Description of past performance

3.1. Financial review of the fiscal year 2024

For the fiscal year ended on 31st of December 2024, the Company recorded revenue Euro 12.262 from other operations. The operating expenses mainly concern payroll costs, third party fees and benefits. Also, the Company's financial income on December 31, 2024 amounted to Euro 47.823.

3.2. Cash flows

Cash inflows consist of raising of funds through the proceeds of the issue of share capital and the revenue from other operations, while payments mainly related to the payment of interest and guarantees, the settlement of supplier invoices, payroll and other operating expenses of the Company. In December 2024, the Company maintained bank accounts with the banking institutions Eurobank S.A. and Eurobank Cyprus.

3.3. Dividend policy

According to Article 24 of the articles of association, the distribution of net profits and the payment of dividends are made in accordance with the provisions of the law, as applicable in force.

3.4. Significant events of fiscal year 2024

On 12th of January 2024, the Board of Directors, as the highest governing body of the Company, allocated and defined specific responsibilities and powers to its members.

On 19th of January 2024, after a detailed investigation of the accounts and corporate documents, the Board of Directors unanimously confirmed that the Company's share capital of Euro 25 thousand has been legally covered and fully paid by the founder Shareholder.

On 22nd of January 2024, by decision of the General Commercial Register, the Company was registered in the General Commercial Register with number 1026. The said decision approved the amendment of articles 1, 3 & 5, as and the addition of articles 10 – 26 to the Articles of Association of the Public Company with the name ELECTRIC INTERCONNECTION GREECE-CYPRUS-ISRAEL, ELECTRIC INTERCONNECTION GREECE-CYPRUS-ISRAEL SINGLE MEMBER S.A., as was decided at the General Meeting of the Shareholder on 14th of December 2023.

On 26th of January 2024, according to the President's announcement to the members, by decision of the Extraordinary Uncalled General Meeting of Shareholder, which was issued on 22nd of January 2024, the number of members of the Board of Directors was increased from four (4) to seven (7) members. The election of Ms. Yin Liu, Mr Theodoros Tsakiris and Mr Nikolaos Frydas as new members of the Board of Directors for the remainder of the term of the current Board of Directors, i.e. until 24th of November 2026 was approved unanimously.

Taking into account the above, the Board of Directors is reconstituted as follows:

1. Manousos Manousakis, as Chairman of the Board of Directors,
2. Ioannis Margaris, as Deputy Chairman of the Board of Directors,
3. Eleni Zarikou, as a Board Member,
4. Ioannis Vrettos, as a Board Member,
5. Yin Liu, as a Board Member,
6. Theodoros Tsakiris, as a Board Member,
7. Nikolaos Frydas, as a Board Member

Increase in share capital

On April 22, 2024, the Minute of the Board of Directors on 18th of April 2024 was registered in the General Commercial Register (G.E.MI.), which certified the full payment of the Share Capital increase of Euro 200 thousand, decided by the General Shareholder's Meeting of 14th of December 2023.

On 6th of June 2024, the Board of Directors proposed to the General Assembly the approval of an increase in the Company's Share Capital by Euro 4.4 million to cover the financing needs of its business activities. The proposal was approved by the General Assembly on 7th of June 2024. The share capital increase was carried out by issuing 4.400.000 new common registered voting shares, with a nominal value of Euro 1 each. The amount was fully paid on 18th of June 2024. Additionally, during the same meeting, matters related to the management and representation of the Company were addressed, and signing authority was granted to the Executive Director of the Company.

On June 27, 2024, the Board of Directors proposed to the General Assembly the certification of the capital increase payment and certified the capital payment. Furthermore, the annual Financial Statements for the period from November 24, 2023, to December 31, 2023, were submitted and approved by the Board of Directors, in accordance with International Financial Reporting Standards.

On July 26, 2024, the Annual Corporate Financial Statements were approved by the General Assembly.

On September 19, 2024 the Interim Condensed Financial Statements of GREAT SEA INTERCONNECTOR SINGLE MEMBER S.A. for the period 1.1.2024-30.6.2024 were approved from Board of Directors, in accordance with International Financial Reporting Standards.

Establishment of a Branch in Cyprus

On June 27th, 2024, after the relevant BoD decision and in the context of its strategic development and the implementation of the electrical interconnection project between Greece and Cyprus, the Company proceeded to establish a branch in Cyprus, strengthening its presence in the country with the creation of new offices, and the relevant procedures were initiated. At the same time, legal representatives and authorized persons were appointed with the responsibilities provided for by Cypriot legislation before the competent authorities. The branch was registered in Cyprus on August 6th, 2024. The Company proceeded with all necessary actions and proceeded with the recruitment of fixed-term personnel to cover the needs of the branch, while successfully completing its registration with the competent VAT and Social Security authorities.

4. Major risks

The Company continuously monitors developments in order to minimize possible negative effects that may arise from various events. More specifically, below are the main risks related to the Company's activities:

4.1. Prospects and how these are affected by the existing regulatory framework

4.1.1. Risk of declining demand

There is no substantial risk of decrease in demand due to the nature of the Company's activity.

4.2. Other risks related to the activities of the Group's companies

4.2.1. Risks related to the industry in which the parent Company operates as well as the Regulatory Framework

The Company is subject to the Societies Anonyme Companies of Chapter B of Law 3429/2005, as currently in force. Consequently, although it is not considered a public sector company, specific provisions are applied to certain operations and procedures it follows. The activity of the parent company IPTO S.A. (and by extension the Company) is subject to a strict and complex legislative and regulatory framework and to increased supervisory obligations. Possible amendments to the relevant legislative and regulatory framework may create additional management responsibilities. The assumption of any additional responsibilities or possible changes to the relevant institutional framework are likely to adversely affect the profitability of the Company.

4.2.2. Liquidity and cash flow risks

Liquidity risk is linked to the need for sufficient funding for the operation and development of the Company. The Company, in the context of the Group's policy, manages liquidity risk by monitoring and planning its cash flows and acts appropriately by ensuring as far as possible sufficient credit limits and cash and cash equivalents, and simultaneously seeks the optimal sources of financing.

In order to cover the liquidity risk, the Company decided, at the General Meeting of 14 December 2023, to increase the Share Capital by Euro 200 thousand. On 22 April 2024, the Minutes of the Board of Directors dated 18 April 2024 were registered in the General Commercial Registry (G.E.M.H.), certifying the full payment of the Share Capital increase of Euro 200 thousand.

In addition, on 6 June 2024, the Board of Directors made a recommendation to the General Meeting for the approval of an increase in the Company's Share Capital by the amount of Euro 4.4 million in order to cover the financing needs of its business activities. The proposal was approved by the General Assembly on June 7, 2024. The amount was paid in full on June 18, 2024. At the same time, the Company ensures the efficient and low-risk placement of cash reserves by maintaining cash and cash equivalents ready to implement the investments defined by its articles of association.

4.2.3. Exchange rate risk

The risk from a change in exchange rates is minimal for the Company and is mainly related to any contracts for the supply of materials or equipment whose payment is in foreign currency. As of 31st of December 2024, the Company had not entered into contracts for the supply of materials or equipment.

4.2.4. Geopolitical and macroeconomic environment risk

Currently prevailing economic conditions are stable. Following high inflation of the past years, conditions in Greece are normalized. Yet several uncertainties, driven by global developments, may impact on the future outlook.

2024 was another challenging year for business due to geopolitical risks and economic challenges. The ongoing conflicts in the Middle East, the Russia-Ukraine war and instability in maritime trade routes-maintained supply chains under pressure, while the high cost of money and inflationary pressures shaped a difficult international environment. Developments in the international economic and geopolitical environment, particularly in the United States, directly affect trade flows and business strategies, creating both opportunities and challenges.

The increase in geopolitical tensions is causing increasing concern for the markets and the economy. The energy crisis led to a significant increase in energy prices, an increase in food prices, as well as an adjustment of monetary policy in a more restrictive direction, which led to a slower growth rate in 2024. According to the forecasts of the Hellenic Fiscal Council, the growth rate of the Greek economy for 2024 was expected to be 2,6%, while ultimately the growth of the Greek economy for 2024 closed approximately to 2,3%. However, the effective use of the resources of the long-term EU budget 2021-2027 and the European recovery instrument NextGenerationEU can mitigate the negative effects of the energy crisis and the tightening of monetary policy on the Greek economy, leading in the medium term to growth rate close to 2,3% in 2025.

As the environment has developed, the protection of critical infrastructure is of high importance and for this reason the European Union has already invested significantly in strengthening energy networks and has taken decisions on the protection of submarine cables, starting with the connection of the Baltic Sea to the EU

electricity grid, which was financed with Euro 1,23 billion in grants through the EU's Connecting Europe Initiative, covering 75% of the investment cost. Similar investments are also crucial for the Eastern Mediterranean, in order to ensure energy security and independence.

4.2.5. Miscellaneous specific risks

4.2.5.1. Risk of changes in tax and other regulations

With regard to the obligations introduced by law 5164/2024 for the fiscal year 2024 and in accordance with the provisions of document no. 17603/27-02-2025 of the Department of Institutional Regulations of Companies with the Subject: "Clarifications on questions regarding the obligations of public interest entities under paragraph 12 of article 2 of law 4548/2018, following its amendment by article 3 of law 5164/2024", it follows that the Company is not obliged to establish an audit committee, nor to prepare and publish a sustainability report for the fiscal year 2024.

Any change in tax and other regulation may have an impact on the Company's financial results.

5. Environmental issues

The Company, in the context of the Group's policy, recognizes the need for continuous improvement of its environmental performance and compliance with legislation and international standards and aims for a balanced economic development in harmony with the natural environment. Following a sustainable development path, it carries out its activities in a manner that ensures environmental protection. Management considers that there are no conditions requiring the recognition of provisions for environmental obligations of the Company.

6. Employment Issues

6.1. Diversity and equal opportunities policy (regardless of gender, religion, disadvantage or other aspects)

The promotion of equal opportunities and the protection of diversity are basic principles of our Company. The Company's Management does not discriminate in recruitment/selection, remuneration, training, assignment of work duties or any other work activities. The factors that are exclusively taken into account in the assignments of responsibilities of the Management are the experience, personality, theoretical education, qualifications, efficiency and skills. On 31stDecember 2024, the Company had three employees.

6.2 Respect for employees' rights and trade union freedom

The Company respects labor rights, ensures the maintenance and enhancement of a climate of labor peace, and complies with labor Legislation.

6.3 Health and safety at work

Workplace safety is a top priority for the Company and an essential prerequisite for its operation.

Important actions ensuring health and safety at work include the preparation of first aid infrastructure for the workplaces and the design of health and safety policies for the protection of employees.

Additionally, the Company maintains first aid materials (medications, bandages, etc.) in all workplaces and complies with all legislative measures for the protection of its employees.

6.4 Systems of recruitment, training, promotions

The personnel selection and recruitment procedures are based on the qualifications required for the position and without discrimination.

7. Financial performance ratios and additional information

Regarding the year ended December 31, 2024, the following indicators are calculated below:

Financial ratios		<u>31/12/2024</u>	<u>31/12/2023</u>
<u>Current assets</u>	=	87,66%	-
Total assets			
<u>Non-current assets</u>	=	12,34%	100,00%
Total assets			

The above indicators depict the allocation of capital between current and non-current assets.

<u>Equity</u>	=	91,55%	-41,95%
Total equity & liabilities			
<u>Total liabilities</u>	=	8,45%	141,95%
Total equity & liabilities			

The above indicators show the debt dependence of the Company.

Profitability Ratios		<u>1/1/2024- 31/12/2024</u>	<u>24/11/2023- 31/12/2023</u>
<u>Profit for the year before tax</u>	=	-32,87%	128,21%
Total equity			

This ratio reflects the profitability of the Company's equity.

8. [Prospect development](#)

Outlook for 2025

The Company, in accordance with its statutory purpose, continues to assist IPTO in the Project, having contributed decisively to its design maturity and progress of the Project. The Company has so far provided support services to IPTO, already monitoring the execution of relevant contracts, including the construction contract with Nexans.

The Management will continue to implement the investment and development schedule in accordance with its planning. The Management constantly assesses the conditions prevailing in the markets where the Company intends to operate, ensuring that all necessary actions are taken in a timely manner to ensure the smooth operation and development of the Project. The Company's strategy remains focused on its ability to contribute to the energy infrastructure of the countries where the Project is being developed, in order to best serve the dynamically developing energy infrastructure market, as the need for energy security is expected to remain the main trend for at least the next decade. The Company aims to assume the rights and obligations of contracts with the contractors of the project, for the execution of which it has been established.

The Company will continue negotiations with financial institutions to finalize the terms required for the completion of the financing of its investment plan. In addition, it continues to examine potential collaborations with investment entities and schemes.

9. [Company operation in the field of research and development](#)

The Company did not incur any expenses in the field of research and development in the fiscal year 2024.

10. [Own Shares](#)

No own shares were acquired during fiscal year 2024.

11. Company Branch

The Company completed the establishment of its branch in Cyprus in October 2024. The branch was registered in Cyprus on August 6, 2024. The present Financial Statements for the year 2024 submitted by the Board of Directors for approval by the General Meeting of Shareholders include the financial transactions of the branch.

12. Financial instruments

The Company does not use financial instruments.

13. Significant transactions with related parties

The Company is controlled by the INDEPENDENT POWER TRANSMISSION OPERATOR SA. (IPTO S.A.), which owns 100% of its paid-up share capital and is the Parent Company.

There are no material transactions that have not taken place under normal market conditions.

Below is a table of the Company's related parties:

Company	Relation
ADMIE HOLDING S.A.	Parent's Shareholder
P.H.V. A.D.M.I.E. (I.P.T.O.) S.A.	Parent's Shareholder
STATE GRID LTD	Parent's Shareholder
IPTO S.A.	Parent
ARIADNE INTERCONNECTION SINGLE MEMBER S.A.	Related
GRID TELECOM SINGLE MEMBER S.A.	Related
HELLENIC ENERGY EXCHANGE S.A.	Related
ENERGY EXCHANGE CLEARING COMPANY S.A. (EnExClear S.A.)	Related
SELENE CC S.A.	Related
TERNA FIBER S.A.	Related
SAUDI GREEK INTERCONNECTION S.A.	Related
TRAINING CENTER IPTO S.M.S.A.	Related

a) Transactions with related parties

Related party transactions refer to the provision and purchase of services in the normal course of business. The aggregate amounts of transactions from the beginning of the year with related parties under IAS 24, are as follows:

	1/1/2024- 31/12/2024	24/11/2023- 31/12/2023
Revenue		
IPTO S.A. – Cyprus Branch	13.123	-
Total	13.123	-
Expenses		
IPTO S.A.	186.492	1.692
IPTO S.A. – Cyprus Branch	3.420	-
BoD fees	147.653	15.634
Total	337.564	17.326

The Company's revenue arises from the invoicing of consumables of the Company's branch in Cyprus to IPTO S.A. – Cyprus Branch based on the lease agreement.

Expense transactions from IPTO S.A. mainly concern personnel fees of Euro 118,9 thousand (2023: Euro 0) and accounting services, IT services and building security services of Euro 35,1 thousand (2023: Euro 730). Expense transactions from IPTO S.A. – Cyprus Branch concern accounting services of Euro 3,4 thousand (2023: Euro 0).

b) Balances with related parties

The closings balances of receivables and liabilities at year end, which have resulted from transactions with related parties under IAS 24, are as follows:

Receivables and accrued receivables	31/12/2024	31/12/2023
IPTO S.A. – Cyprus Branch	46.741	-
Total	46.741	-

Payables and accrued payables	31/12/2024	31/12/2023
IPTO S.A.	87.152	29.150
IPTO S.A. – Cyprus Branch	3.420	-
Obligations to Board members	14.132	8.297
Total	104.704	38.077

Receivables from related parties' amount to Euro 15,5 thousand (31/12/2023: Euro 0) concern sale of fixed assets from the GSI Branch to the IPTO S.A. - Branch in Cyprus and amount to Euro 2,7 thousand (31/12/2023: Euro 0) concern office rents.

Liabilities to related parties' amount to Euro 23,4 thousand (31/12/2023: Euro 28,4 thousand) concern office rents and amount to Euro 67,1 thousand (31/12/2023: Euro 730) concern accrued and other liabilities of which Euro 3,4 thousand (31/12/2023: Euro 0) relate to IPTO S.A. - Branch in Cyprus.

14. Management Remuneration

The Board of Directors' members remuneration social security contributions and representation expenses inclusive, for the year ended at 31st of December 2024, for the Company amount to Euro 147,7 thousand (2023: Euro 15,6 thousand).

The are no receivables due from Company's members of the Board of Directors on 31st of December 2024.

The liabilities of the Company towards the members of the Board of Directors on 31st of December 2024 amount to Euro 14,1 thousand (31/12/2023: Euro 8,9 thousand).

The executives of the Company have not received leaving indemnity during 2024.

15. Applied Key Accounting Principles

For the Statement of Financial Position, the Income Statement and Comprehensive Income, Changes in Equity and Cash Flow Statements, the accounting principles were applied, as presented in the notes to the Financial Statements and in accordance with parent's policies.

16. Other issues

The Company has no foreign exchange currency and there are no encumbrances.

17. Events after the reporting period

By the resolution dated April 15th, 2025, the BoD appointed Mr. Pan Yuehui, as member of the Board in replacement of Ms. Yin Li.

In March 2025, the Regulatory Authorities of Greece (RAEWW) and Cyprus (CERA) expressed their support for the Greece - Cyprus - Israel interconnection project (Great Sea Interconnector). This fact is also reflected in the support letters sent to the European Commission for the re-inclusion of the project in the 2nd EU List of Projects of Common and Mutual Interest of the European Union (PCI/PMI).

There are no other significant events after December 31, 2024, that require disclosure or adjustment in the Company's Financial Statements.

After that we hereby kindly request that you:

1. Approve the Income Statement and Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows, the summary of key accounting policies and methods and other explanatory information of the Company for financial year 2024 (fiscal period 1/1/2024 - 31/12/2024).
2. Release the members of the Board of Directors and auditors from all liability for the operations of financial year 2024 (fiscal period 1/1/2024 - 31/12/2024),
3. Approve the distribution of losses for the year of Euro 939.251 to the credit of the "Retained earnings" account,
4. Appoint for the financial year 2025 an audit firm to carry out the statutory audit of the year.

Peristeri, 15 of April 2025

On behalf of the Board of Directors

Chairman of the BOD

M. Manousakis

Member of BOD

E. Zarikou

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GREAT SEA INTERCONNECTOR SINGLE MEMBER S.A.

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON 31st OF DECEMBER 2024**

**IN ACCORDANCE WITH THE INTERNATIONAL FINANCIAL REPORTING STANDARDS
AS ADOPTED BY THE EUROPEAN UNION**

The attached Financial Statements have been approved by the Board of Directors of the Company «GREAT SEA INTERCONNECTOR SINGLE MEMBER S.A.» on the 15th of April 2025 and they have been posted on the web site <https://www.great-sea-interconnector.com>

Peristeri, 15th of April 2025

CHAIRMAN OF THE BoD

MEMBER OF THE BoD

CHIEF ACCOUNTANT

M. MANOUSAKIS
ID Card AO 165741

E. ZARIKOU
ID Card A00215994

S. KOLOMVOS
Class A' ID No 0139710

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INCOME STATEMENT

	Note	1/1/2024- 31/12/2024	24/11/2023- 31/12/2023
Revenue			
Revenue	<u>4</u>	-	-
Revenue from other operations	<u>5</u>	12.262	-
Total revenue		12.262	-
Expenses			
Payroll cost	<u>6</u>	198.766	-
Depreciation	<u>12, 13</u>	49.862	874
Third party fees	<u>7</u>	798.324	16.363
Third party benefits	<u>8</u>	18.599	-
Taxes–duties		3.458	-
Other expenses	<u>9</u>	186.392	-
Total expenses		1.255.401	17.237
Loss before tax and financial results		(1.243.139)	(17.237)
Financial expenses	<u>10</u>	(7.217)	(88)
Financial income	<u>10</u>	47.823	-
Loss for the year before tax		(1.202.533)	(17.325)
Income tax	<u>11</u>	263.283	3.812
Loss for the year after tax		(939.251)	(13.514)

STATEMENT OF COMPREHENSIVE INCOME

	1/1/2024- 31/12/2024	24/11/2023- 31/12/2023
Loss for the year after tax	(939.251)	
Other comprehensive income	-	-
Total comprehensive income for the year after tax	(939.251)	

The notes on pages 23 to 46 form an integral part of these Financial Statements.

STATEMENT OF FINANCIAL POSITION

		31/12/2024	31/12/2023
ASSETS			
Non-current assets			
	Note		
Tangible assets	<u>12</u>	54.730	-
Rights of use of fixed assets	<u>13</u>	151.395	28.406
Deferred tax assets	<u>11</u>	267.094	3.812
Long-term lease receivables		13.903	
Other long term receivables		6.200	-
Total non-current assets		493.222	32.218
Current assets			
Short-term lease receivables		14.599	-
Income tax receivable	<u>11</u>	7.117	-
Other receivables	<u>14</u>	191.334	-
Cash and cash equivalents	<u>15</u>	3.290.026	-
Total current assets		3.503.076	-
Total assets		3.996.398	32.218
EQUITY AND LIABILITIES			
Equity			
Share capital	<u>16</u>	4.625.000	-
Retained losses		(966.365)	(13.514)
Total equity		3.658.635	(13.514)
Long-term liabilities			
Long-term lease liabilities	<u>17</u>	97.991	23.515
Total long-term liabilities		97.991	23.515
Short-term liabilities			
Trade and other payables	<u>18</u>	55.312	15.634
Short-term lease liabilities	<u>17</u>	76.095	4.906
Accrued and other liabilities	<u>19</u>	108.364	1.678
Total short-term liabilities		239.772	22.217
Total liabilities		337.762	45.732
Total equity and liabilities		3.996.398	32.218

The notes on pages 23 to 46 form an integral part of these Financial Statements.

STATEMENT OF CHANGES IN EQUITY

	Share capital	Legal reserve	Retained earnings	Total equity
Balance as at 24/11/2023	-	-	-	-
Loss for the year after tax	-	-	(13.514)	(13.514)
Other comprehensive income/(loss) after tax for the year	-	-	-	-
Total other comprehensive income	-	-	(13.514)	(13.514)
Balance as at 31/12/2023	-	-	(13.514)	(13.514)
Balance as at 1/1/2024	-	-	(13.514)	(13.514)
Loss for the year after tax	-	-	(939.251)	(939.251)
Other comprehensive income/(loss) after tax for the year	-	-	-	-
Total other comprehensive income	-	-	(939.251)	(939.251)
Transactions with the Company's Shareholder				
Share capital increase costs	-	-	(13.600)	(13.600)
Share capital increase	4.625.000	-	-	4.625.000
Balance as at 31/12/2024	4.625.000	-	(966.365)	3.658.635

STATEMENT OF CASH FLOW

		1/1/2024- 31/12/2024	24/11/2023- 31/12/2023
Cash flow from operating activities	Note		
Loss before tax		(1.202.533)	(17.325)
<i>Adjustments for:</i>			
Depreciation of tangible and intangible assets	12, 13	49.862	874
Asset write-offs	12	11.460	-
Gain on derecognition of tangible assets		(10.744)	-
Interest income	10	(47.823)	-
Interest expense	10	7.217	88
Operating loss before changes in working capital		(1.192.561)	(16.363)
<i>(Increase)/decrease in:</i>			
Other receivables	14	(202.072)	-
<i>Increase/(decrease) in:</i>			
Trade payables		40.627	15.634
Other liabilities and accrued expenses		106.678	730
Net cash inflows from operating activities		(1.247.328)	-
Cash flows from investing activities			
Purchases of tangible and intangible assets	12	(69.864)	-
Interest received		47.448	-
Net cash flow from investing activities		(22.416)	-
Cash flows from financial activities			
Share capital increase costs		(13.600)	-
Share capital increase	16	4.625.000	-
Lease liabilities payment (capital)		(44.325)	-
Interest paid		(7.306)	-
Net cash flow from financial activities		4.559.770	-
Net increase of cash and cash equivalents		3.290.026	-
Cash and cash equivalents, opening balance		-	-
Cash and cash equivalents, closing balance		3.290.026	-

The notes on pages 23 to 46 form an integral part of these Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

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1. GENERAL INFORMATION FOR THE COMPANY

GREAT SEA INTERCONNECTOR SINGLE-MEMBER S.A. was established by the INDEPENDENT POWER TRANSMISSION OPERATOR (“IPTO S.A.” or “Parent”) on November 24, 2023 and will undertake the construction and financing of the Greece-Cyprus-Israel electricity interconnection project, which is included as PCI/PMI number PCI 2.6 in the 1st list of Projects of Common and Mutual Interest (PCI/PMI) of the European Union. Its initial share capital amounts to Euro 25 thousand, which was paid in 2024, while the Company as a subsidiary of IPTO S.A. is fully consolidated in the Group’s results. The Company has as its exclusive purpose and object:

i) The awarding, through a competitive process, of the design, supply, construction and installation of all the distinct parts that make up the Project, such as indicatively the cables, the electrode stations, the conversion stations and the substations.

(ii) The supervision of the conducted works mentioned (i) above.

(iii) The financing through borrowing and equity of the total cost of all parts of the electrical interconnection project between Greece-Cyprus-Israel (Great Sea Interconnector or “the Project”).

(iv) Upon successful completion of the necessary tests, acceptance of the completed parts of the Project.

(v) The delivery for activation and operation of the completed Project to IPTO S.A.

(vi) The performance of any other activity and related act and action, for the execution of the Project and any other activity that is directly or indirectly related to the Company’s purpose or serves its success in any way, including the actions required to obtain the necessary permits as well as the conclusion of loan and other financial contracts with credit institutions or affiliated companies.

(vii) The financial exploitation of the Project, which consists in the collection through the corresponding operators and the possibility of collecting the part of the Required Revenue, which corresponds to the Project.

To fulfill the above purpose, the Company can:

(i) To set up, with or without the participation of third-party natural or legal persons, or to participate in any business of any corporate type, with the same or broadly similar purpose, in Greece and/or abroad.

(ii) To collaborate with any natural or legal person in any way in Greece and/or abroad and conclude agreements or contracts of any kind.

(iii) To develop any kind of financial activity to achieve its purposes (e.g. lending, issuing bills of exchange, checks, promissory notes, bonds, promissory notes and other securities or documents that incorporate debt obligations, etc.).

(iv) To lease, buy or sell or otherwise acquire or transfer movable or immovable things or rights or create security interests or other rights.

(v) To make use of financial programs and tools, especially those offered by the European Union and the Organizations that are part of it.

The Company’s registered address is at Konstantinoupoleos 1, 121 32, at Peristeri, Attica, while its duration is indefinite. On 31st of December 2024 the Company had three employees.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS AND MAIN ACCOUNTING PRINCIPLES

2.1. BASIS OF PREPARATION

Statement of compliance

The Financial Statements for the year ended 31st of December 2024 (the “Financial Statements”) have been prepared in accordance with the International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB) and their relevant Interpretations, as issued by the IFRS Interpretations Committee of the IASB and adopted by the European Union (EU) and are mandatory for years starting as of 1st of January 2024.

2.1.1. Approval of the Financial Statements

The Board of Directors of the Company approved the Annual Financial Statements of the year 2024 on 15th of April 2025. The Financial Statements are subject to approval by the Annual General Meeting.

2.1.2. Basis of preparation of the Financial Statements

The accompanying Financial Statements have been prepared under the historical cost principle and the going concern principle. The Financial Statements are presented in Euro and all values are rounded to the nearest unit unless otherwise stated. Any differences that may be noticed in the tables are due to roundings.

2.1.3. Going Concern basis

2.1.3.1. Risk of the macroeconomic and corporate environment

Currently prevailing economic conditions are stable. Following the high inflation of recent years, conditions in Greece are normalized. However, several uncertainties, stemming from global developments, may affect future prospects.

The year 2024 was another challenging one for business due to geopolitical risks and economic challenges. The ongoing conflicts in the Middle East, the Russia-Ukraine war and the instability in maritime trade routes maintained supply chains under pressure, while the high cost of money and inflationary pressures shaped a difficult international environment. Developments in the international economic and geopolitical environment, particularly in the United States, directly affect trade flows and business strategies, creating both opportunities and challenges.

The increase in geopolitical tensions is causing increasing concern for markets and the economy. The energy crisis led to a significant increase in energy prices, food prices, as well as an adjustment of monetary policy in a more restrictive direction, which led to a slower growth rate in 2024. According to the forecasts of the Hellenic Fiscal Council, the growth rate of the Greek economy for 2024 was expected to be 2,6%, while ultimately the growth of the Greek economy for 2024 closed approximately to 2,3%. However, the effective use of the resources of the long-term EU budget 2021-2027 and the European recovery instrument NextGenerationEU can mitigate the negative effects of the energy crisis and the tightening of monetary policy on the Greek economy, leading in the medium term to growth rate close to 2,3% in 2025.

Given the current landscape, the protection of critical infrastructure is of high importance. For this reason the European Union has already made significant investments in strengthening energy networks and has taken decisions to protect submarine cables, starting with the connection of the Baltic region to the EU electricity grid, which was financed with Euro 1,23 billion in grants through the EU's Connecting Europe Initiative, covering 75% of the investment cost. Similar investments are critical for the Eastern Mediterranean, to ensure energy security and independence.

Greece is interconnected with neighboring countries and, apart from its domestic electricity production, is increasingly active in electricity trade. Despite the adversities, in 2024 the electricity balance for the first time since 2000 presented an export outcome. The increase in the RES production base combined with favorable weather conditions and the stability of demand were the main reasons. In the long term, the expansion of international interconnections and the addition of storage units may allow Greece to become an energy exporter for the wider region and Central Europe.

The Company continually assesses the possible impact of any changes in the macroeconomic and financial environment so as to ensure that all necessary measures are taken to minimize any impact on its operations

The attached Financial Statements have been prepared on the basis of the Company's ability to continue its operations as a going concern.

2.2. ESSENTIAL ACCOUNTING ESTIMATES AND MANAGEMENT JUDGEMENTS

The preparation of Financial Statements requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Financial Statements and the reported amounts of revenues and expenses during the reporting periods. Management's estimates and judgments are reviewed annually. Actual results may differ from those estimates.

For the fiscal year 2024, there are no significant judgments and estimates, as the limited duration of activity resulted in transactions being restricted in both quantity and volume. The most significant judgments and estimates referring to events of which the development is possible to significantly affect the items of the Financial Statements during the forthcoming period depending on the Company's activities, are similar to those of the IPTO Group and are as follows:

Provisions for risks

The Company forms provisions for risks related to third party claims against it and the outcome of which may lead to an outflow of resources for their settlement. The provision is formed on the basis of probability of the outcome of the

litigation, the lawsuit amount as well as the estimated outflow amount. Estimates are made in conjunction with the Company's legal advisors. Provision for a possible claim is not recorded. On 31st of December 2024, there is no reason to make provisions.

Impairment of inventories and accounts receivable

At each Financial Statement date, the Company assesses whether there is evidence of impairment of inventories in spare parts and in receivables. Determining whether there is an indication of impairment requires management to make estimates. On 31st of December 2024, the Company does not hold inventories or significant receivables.

Impairment of fixed assets

The Company assesses on each reporting date whether there is an indication that a long-term asset may have been impaired. The determination of whether such indications exist, require Management to make assumptions and judgments with respect to external and internal factors that may affect the recoverability of its assets, as well as assumptions on the determination of its cash generating units. On 31st of December 2024, the Company does not possess material fixed assets.

Income tax and deferred tax

Income tax for the current year is measured at the amounts expected to be paid to the tax authorities, using the tax rates that have been enacted by the Statement of Financial Position's date. The income tax includes the current income tax for each fiscal year arising from the income tax return and the deferred income tax. Deferred tax assets are recognized on potential tax losses to the extent that it is probable that future taxable profits will occur to offset the losses. Deferred tax assets that may be recognized require Management to make assessments as to the time and level of realization of future taxable profits.

2.3. ESSENTIAL ACCOUNTING POLICIES

Below are accounting policies for the most significant transactions that the Company conducted in 2024 or is expected to conduct during its operating period, for the purpose of completeness in informing users of the Financial Statements.

2.3.1 Intangible Assets

Intangible assets mainly relate to software programs. Software programs are measured at their acquisition cost minus accumulated depreciation and impairments. For all assets retired or sold, their acquisition cost and related depreciation are written off. Any gain or loss is included in the income statement. Software costs are amortized on a straight-line basis over a period of five years.

2.3.2 Tangible fixed assets

Tangible assets are initially recognized at their acquisition cost which includes all directly attributable costs for their acquisition or construction until they are ready for use as determined by Management. Repair and maintenance are recorded as expenses for the period in which they are carried out. Subsequent costs are capitalized if they meet the criteria for recognizing them as assets and increase their value. For all fixed assets that are retired, their value and related depreciation are written off when they are sold or retired. Any gain or loss resulting from the write-off of an asset is included in the Income Statement.

2.3.3 Borrowing Cost

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset that needs a substantial period of time to get ready for its intended use or sale, are capitalized as part of the acquisition cost of the relevant assets. All the remaining borrowing costs are recognized as expenses in the period in which they are incurred.

2.3.4 Depreciation

Depreciation of fixed assets is calculated on a straight-line basis over the average estimated remaining useful life of the assets. The total average useful lives (in years) applied for the calculation of depreciation, are as follows:

Type of fixed asset	Useful life
Other equipment	10
Transportation means	15
Furniture	10
Software	5
Right of Use Assets	Duration of the Contract

2.3.5 Impairment of Non-Financial Assets

The Company, on each period end date of Financial Statements preparation, assesses the existence or non-existence of signs of impairment of its assets. These indications are mainly related to a loss of value of the asset in a greater amount than expected, changes in the market, technology, legal status, physical condition of the asset and change in use. In case where there are indications, the Company calculates the recoverable amount of the asset. The recoverable amount of an asset is determined as the greater of the fair selling value of the asset or cash-generating unit (after deducting costs of disposal) and the value in use.

The recoverable amount is determined at the level of an individual asset unless that asset does not generate cash inflows that are independent of those of other assets or group of assets. When the book value of an asset exceeds its recoverable amount, then it is considered that its value has been impaired and adjusted to the amount of its recoverable amount. Value in use is calculated as the present value of estimated future cash flows using a pre-tax discount rate that reflects current assessments of the time value of money and the risks associated with the specific asset. Fair selling value (after deducting selling expenses) is determined based on the application of a valuation model, where applicable. Impairment losses from continuing operations are recognized in profit or loss. At each Financial Position date, the extent to which previously recognized impairment losses now exist or have been reduced is examined. If such indications exist, a redetermination of the asset's recoverable amount is made. Impairment losses that have been recognized in the past are reversed only in case there are changes in the estimates used to determine the recoverable amount since the recognition of the last impairment loss.

The increased balance of the asset resulting from the reversal of the impairment loss cannot exceed the balance that would have been determined (minus depreciation) if the impairment loss had not been recognized in the past. The reversal of the impairment is recognized in profit and loss while after the reversal, the depreciation of the specific asset is adjusted so that the revised balance (minus the residual value) is allocated equally in the future based on the remaining useful life of the asset.

2.3.6 Financial Assets

The financial assets that fall to the provisions of IFRS 9, according to which, at initial recognition, a financial asset is classified as measured:

- at amortized cost
- at fair value through other comprehensive income
- at fair value through income statement,

based on:

- a. Business model of the Company for the management of financial assets, and
- b. The characteristics of contractual cash flows of the financial asset.

The Company uses the following measurement category based on their financial assets:

Trade and other receivables, loans and finance lease receivables

Trade are measured at amortized cost using the effective interest method. Gains and losses, including impairments and write-offs, are recognized in the income statement.

Impairment of Financial Assets

IFRS 9 introduces the "expected credit loss" model for the impairment of financial assets. The method of determining the impairment loss of IFRS 9 applies to financial assets classified at amortized cost, contractual assets and debt investments at fair value through the Other comprehensive income, but not applied to investment in equity instruments.

Financial assets measured at amortized cost

Financial assets at amortized cost consist of trade and other receivables, cash and cash equivalents, lease receivables and corporate debt securities. Losses are measured on one of the following bases:

- 12 months of expected credit losses (these expected losses may arise due to contractual default events within 12 months of the reporting date)
- expected lifetime credit losses (simplified approach) (these expected losses may arise from events that occur over the life of the financial asset)
- Life time credit losses (if there is objective evidence of impairment of the financial asset).

Measurement of expected credit losses

Impairment for expected credit losses is a probability-weighted estimate of credit losses. Credit losses are measured at the present value (using the effective interest method) of monetary deficits, if the present value of the difference in cash flows that the Company would receive on a contractual basis and the cash flows it expects to receive.

Impairment Presentation

Losses on financial assets are measured at amortized cost, are deducted from the carrying amount of the assets.

Write-off of Financial Assets

Financial assets (or, where applicable, the part of a financial asset or part of a group of financial assets) are written off when:

- (1) contractual rights are expired over Cash flows of the financial asset or
- (2) the financial asset is transferred and this transfer fulfils the conditions of the standard for cessation of recognition.

2.3.7 Fair value of financial instruments

The fair value of a financial instrument is the amount received from the sale of an asset or paid to settle a liability in a transaction under normal conditions between two trading parties at the valuation date. In cases where information is not available or is restricted by financial markets, the valuation of fair value results from the Management's assessment according to the available information.

Fair value valuation methods are ranked at three levels:

- Level 1: Stock market values from active financial markets for identical tradable items.
- Level 2: Values other than Level 1 that can be identified or determined directly or indirectly through stock prices from active financial markets.
- Level 3: Values for assets or liabilities that are not based on stock market prices from active financial markets.

There were no changes in the valuation techniques used by the Company during the period ended at 31 December 2024. Also, during the fiscal year there were no transfers between Levels 1 and 2, nor transfers into and out of Level 3 for the measurement of fair value. The fair value of trade receivables and trade payables approximates their book values.

2.3.8 Cash and Cash Equivalents

Time deposits and other highly liquid investments with original maturity of three months or less are considered to be cash and cash equivalents.

2.3.9 Offsetting of Financial Receivables and Liabilities

Financial receivables and liabilities are offset and the net amount is presented in the Statement of Financial Position only when the Company has a legally enforceable right to offset the recognized amounts and intends to either settle such asset and liability on a net basis or realize the asset and settle the liability simultaneously.

2.3.10 Interesting bearing Loans and Borrowings

All loans and borrowings are initially recognized at cost, being the fair value of the consideration received net of issuance costs associated with the borrowing. They are subsequently measured at amortized cost using the effective interest rate method.

Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in income statement during the borrowing period using the effective interest method.

Borrowing costs paid while signing a new loan are recognized as borrowing costs when the new credit line is partly or fully received. In the case where partly or fully of the loan is not withdrawn at that time they are recorded as future loan expenses. If the loans are not used, partly or fully, then these costs are remained in the prepaid expenses and recognized in income statement during the life of the relevant credit line.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement for at least 12 months from the Statement of Financial Position date. The benefit of a government loan with an interest rate lower than market rates is considered as a government grant. The loan is recognized and measured in accordance with IFRS 9 Financial Instruments. The benefit of the lower interest rate compared to the market rates is measured as the difference between the initial carrying amount of the loan determined in accordance with IFRS 9 and the amounts received. The Company examines the terms and conditions that have been met or need to be met, in order to determine the amount that will compensate the benefit of the loan.

2.3.11 Financial Liabilities

Financial liabilities are measured at amortized cost and are derecognized when the obligation under the liability is discharged, cancelled or expires. In case an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the Income Statement.

2.3.12 Provisions for Risks and Expenses, Contingent Liabilities and Contingent Claims

Provisions are recognized when the Company has a present legal, contractual or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle this obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are reviewed at each reporting date and adjusted to reflect the present value of the expenditure expected to be required to settle the obligation. Contingent liabilities are not recognized in the Financial Statements but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the Financial Statements but are disclosed when an inflow of economic benefits is probable.

2.3.13 Income Tax (Current and Deferred)

Current income tax

Current tax expense includes income tax resulting from the Company's profits as reformed in the tax returns and provisions for additional taxes and surcharges for unaudited tax years and is calculated in accordance with the statutory or substantively enacted tax rates on the date of the Financial Position.

Deferred income tax

Deferred income tax is calculated using the liability method, on all temporary differences at the reporting date between the tax base and the book value of assets and liabilities. Deferred tax liabilities are recognized for all taxable temporary differences, except when the deferred income tax liability arises from initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor the taxable profit or loss. Deferred tax assets are recognized for all deductible temporary differences, carried forward tax assets and tax losses, to the extent that it is possible that taxable profit will be available to use against the deductible temporary differences and the carried forward unused tax assets and unused tax losses. A deferred tax asset is not recognized if it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction it does not affect either the accounting profit or the taxable profit or loss. Deferred tax assets are remeasured at each financial position date and are reduced to the extent that it is not deemed probable that there will be sufficient taxable profits against which part or all of the deferred tax assets may be used. Deferred tax assets and liabilities are calculated based on the tax rates that are expected to be in force for the period in which the asset is recovered or the liability settled and are based on the tax rates (and tax laws) that are in force or have been enacted at the date of preparation of the Financial Position statements. Income tax relating to items that are recognized directly in other comprehensive income is recognized directly in other comprehensive income and not in the Income Statement.

2.3.14 Employee Benefits

a) Defined contribution plan

The Company recognizes in the income statement as an expense, contributions attributable to the services received from the employees and paid to the insurance institution EFKA (defined contribution plan) and as a liability the part of those who have not yet paid.

b) Employment termination benefits

Termination benefits are payable when employment is terminated before normal retirement date. The Company recognizes such benefits when it is demonstrably committed to either terminate the employment of an employee based on a detailed plan from which there is no withdrawal possibility, or provide termination benefits as a result of an offer made in order to encourage voluntary redundancy. Benefits falling due more than 12 months after the reporting date are discounted to present value.

In case of employment termination where it is not possible to establish the employees who make use of such benefits, such benefits are not recognized but disclosed as contingent liability.

2.3.15 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the related amounts can be measured reliably. Revenues from the provision of services are recognized based on the stage of completion of the services provided and the extent to which the corresponding claim will be collected.

Revenue from contracts with customers

Revenues include the fair value of sales of goods and services, net of Value Added Tax, customs duties, discounts, and returns. Revenue from customers is recognized when control of the goods or services provided has been transferred to the customer. Control is transferred at the time of delivery of goods or provision of services, respectively. The amount of revenue recognized is the consideration that the Company expects to receive in exchange for these goods or services.

The Company recognizes and measures revenue in accordance with IFRS 15 for services performed, based on the transaction's reasonable fair values, when the amounts can be separately identified. For construction contracts, the Company recognizes both revenue and expenses related to these services. Therefore, the Company recognizes revenue to depict the transfer of promised services to customers in an amount that reflects the consideration to which the Company expects to be entitled for those services.

A construction contract is a contract entered into specifically for the construction of a single asset or a combination of assets that are closely interrelated or independent in terms of their design, technology, and operation or their ultimate purpose or use.

When the progress of a construction contract cannot be reasonably measured as to the total construction, revenue is recognized only to the extent of the expenses incurred up to the point at which the Company is able to reasonably measure the outcome of the contract.

IFRS 15 provides a five-step model for determining and recognizing revenue that should be applied to all contracts with customers. It is also applied to the recognition and measurement of profit and losses from the sale of non-financial assets, which are not included in the ordinary activities of the Company (e.g. sales of tangible or intangible assets)

It also requires entities to allocate the transaction price from contracts into separate performance obligations based on standalone selling prices, using the five-step model. Subsequently, revenue is recognized when the entity satisfies the performance obligations, i.e., when it transfers the promised goods or services specified in the contract to the customer.

Interest Income

Interest income is recognized on the accrual basis.

2.3.16 Leases

IFRS 16 establishes principles for the recognition, measurement, presentation and disclosure of leases for both customer ("Lessee") and supplier ('lessor'). The new standard requires lessees to recognize most leases in the statement of financial position. Lessees have a single accounting model for all leases, with certain exemptions. Lessor accounting is substantially unchanged.

The Company utilize the exceptions provided by the standard regarding short-term lease agreements that expire within 12 months from the initial recognition date, as well as lease agreements for which the underlying asset is of low value.

The Company as Lessee

For most of the leases contracted as a lessee, other than low-value or less than one-year leases - the payments of which are recorded with a fixed method in the income statement throughout the lease period - the Company recognize as an element of assets and liabilities the right of use of the asset and the lease liabilities respectively.

The rights of use of assets are measured at cost, less accumulated amortization and impairment and adjusted by the remeasurement of the respective lease liabilities. The costs of the right of use of assets include the amount of lease liabilities that have been recognized, the initial directly related costs and the lease payments made before or at the start date of commencement, reduced by the amount of discounts or other incentives offered.

Except where the Company is relatively certain that the leased asset will be passed in his possession at the end of the lease, the recognized right of use of asset are amortized on a straight line basis over the shorter of the useful life of the underlying asset and the lease term. The right of use asset is subject to impairment testing.

The Company as Lessor

Leases in which the Company does not substantially transfer all the economic benefits and risks inherent in ownership of the leased asset are classified as operating leases. When assets are leased as operating leases, the asset is included in the statement of financial position based on the nature of the asset. Rental income from operating leases is recognized in accordance with the terms of the lease using the straight-line method.

A lease that transfers substantially all the economic benefits and risks resulting from ownership of the leased asset is classified as a finance lease.

Leased assets under finance leases are derecognized, and the lessor recognizes a receivable equal to the net investment in the lease. The lease receivable is discounted using the interest rate implicit in the lease, and the accounting value is adjusted accordingly. Lease receivables increase based on interest on the receivable and decrease with the collection of lease payments.

Subleases

When the Company act as an intermediary lessor in a sublease agreement, the sublease is classified as either a finance or operating based on the right of use asset resulting from the primary lease and the initial lease and the sublease faced as two separate contracts. When the sublease is classified as a finance lease, the right of use asset is derecognized, and a lease receivable is recognized.

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

At the commencement date of a lease period the Company recognize a right-of-use asset and a lease liability by measuring the right-of-use asset at cost.

The cost of the right-of-use asset comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date of the lease period, less any lease incentives received, any initial direct costs incurred by the lessee, and an estimate of costs to be incurred by the Company in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease. The Company undertakes those costs either at the commencement date of the lease period or as a consequence of the use of the leased asset during a specified period.

The right-of-use asset is included in "Right of use asset" of the Statement of Financial Position and the lease liability is included in "Long-term Lease liability" and "Short-term Lease liability".

Initial measurement of the lease liability

At the commencement date of the lease period, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments will be discounted using the interest rate implicit in the lease, if that rate can be readily determined. Otherwise, the Company will use the incremental borrowing rate.

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

- (a) fixed payments, less any lease incentives receivable;
- (b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date of the lease period;
- (c) amounts expected to be payable by the Company under residual value guarantees;
- (d) the exercise price of a purchase option if the Company is reasonably certain to exercise that option; and
- (e) payments of penalties for terminating the lease, if the lease term reflects the Company exercising an option to terminate the lease.

Subsequent measurement

Subsequent measurement of the right-of-use asset

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

- (a) less any accumulated amortization and any accumulated impairment losses; and
- (b) adjusted for any remeasurement of the lease liability.

The Company applies the requirements of IAS 16 regarding the amortization of the right of use asset, which examines for possible impairment.

Subsequent measurement of the lease liability

After the commencement date of the lease period, the Company will measure the lease liability by:

- (a) increasing the carrying amount to reflect interest on the lease liability;
- (b) reducing the carrying amount to reflect the lease payments made; and
- (c) remeasuring the carrying amount to reflect any reassessment or lease modifications.

Interest on the lease liability is allocated during the lease term in such a manner so that the amount produces a constant periodic rate of interest on the remaining balance of the lease liability.

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

- (a) interest expense on the lease liability and
- (b) variable lease payments not included in the measurement of the lease liability in the period in which the event or condition that triggers those payments occurs.

2.4. NEW ACCOUNTING POLICIES

The accounting policies that the Company has followed for the preparation of the annual Financial Statements are applied consistently, after taking into account the new standards, the following amendments to standards and interpretations which were issued and are mandatory for the accounting periods that begin on or after January 1, 2024. The Company's assessment of the impact of the application of these new standards, amendments and interpretations is set out below.

The Company did not prematurely adopt standards, interpretations or amendments issued by the International Accounting Standards Board ("IASB") and adopted by the European Union but do not have mandatory implementation in the year 2024.

Standards, amendments and Interpretations effective for the current period

From 1st January 2024 the Company has adopted all amendments in IFRS as these were adopted by the European Union ("EU") which relate to its operations. These Amendments and Interpretations did not have a significant impact on the Financial Statements of the Company, unless otherwise stated.

IAS 1 (Amendment) “Presentation of Financial Statements: Classification of Liabilities as Current or Non Current”

In January 2020, IASB issued amendments to IAS 1 clarifying the requirements for the classification of the liabilities as current and non - current. In particular, the amendments clarify that one of the criteria for the classification of a liability as non - current is the entity’s right to defer settlement for at least 12 months after the reporting date. The amendments clarify the meaning of a right to defer settlement, the requirement of this right to exist at the reporting date and that management’s intention in relation to the option to defer the settlement does not affect current or non-current classification.

Additionally, in October 2022, IASB issued an amendment providing clarifications for the classification of debt with covenants and requires new disclosures for non-current liabilities that are subject to future covenants.

IFRS 16 (Amendment) “Leases: Lease Liability in a Sale and Leaseback”

The amendments are intended to clarify the requirements of accounting by a seller-lessee regarding measuring the lease liability arising in a sale and leaseback transactions. An entity applies the amendment retrospectively in cases of sale and leaseback transactions entered into after the date of the initial application of IFRS 16.

IAS 7 (Amendment) “Statement of Cash Flows and IFRS 7 Financial Instruments Disclosures”

In May 2023, IASB issued the final amendments to IAS 7 and IFRS 7 which address the disclosure requirements to be provided by entities in relation to their supplier finance arrangements.

New International financial reporting standards, amendments to Standards and interpretations not yet effective or not endorsed by the EU

The following new Standards, Amendments and Interpretations have been issued by the International Accounting Standards Board (IASB) but are not yet effective for annual periods starting 1st January 2024. Those relating to the Company’s operations are presented below. The Company does not intend to early adopt the following new IFRS, Amendments and Interpretations before their effective date as mentioned below.

The following amendments are not expected to have an impact on the Financial Statements of the Company, unless otherwise stated.

IAS 21 (Amendment) “The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability” (effective for annual periods starting on or after 1 January 2025)

In August 2023, IASB published amendments to IAS 21 “The Effects of Changes in Foreign Exchange Rates” which require companies to provide more useful information in their financial statements when a currency is not exchangeable to another currency. The amendments introduce a definition of the “exchangeability” of a currency and provide guidance on how an entity should estimate a spot exchange rate in cases where a currency is not exchangeable. Also, additional disclosures are required in cases where an entity has estimated a spot exchange rate due to a lack of exchangeability. IAS 21 is effective for annual reporting periods beginning on or after 1st January 2025. Early adoption is permitted. The amendments have been endorsed by the EU.

Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) (effective for annual periods starting on or after 1 January 2026)

The amendments clarify that a financial liability is derecognized on the “settlement date” and introduce an accounting policy choice to derecognize financial liabilities settled using an electronic payment system before the settlement date. Other clarifications include the classification of financial assets with ESG linked features via additional guidance on the assessment of contingent features. Clarifications have been made to non-recourse loans and contractually linked instruments. The amendments require additional disclosures for investments in equity instruments that are measured at fair value with gains or losses presented in other comprehensive income (FVOCI). The amendments have not yet been endorsed by the EU.

IFRS 18 (Amendment) “Presentation and Disclosure in Financial Statements” (effective for annual periods starting on or after 1.1.2027)

In April 2024 the International Accounting Standards Board (IASB) issued a new standard, IFRS 18, which replaces IAS 1 ‘Presentation of Financial Statements’.

The primary objective of the Standard is to improve the assessment of a company's performance by increasing comparability in presentation in an entity's financial statements, particularly in the statement of profit or loss and in its notes to the financial statements. Specifically, the Standard will improve the quality of financial reporting due to a) the requirement of defined subtotals in the statement of profit or loss, b) the requirement to disclose certain 'non-GAAP' measures – management performance measures (MPMs) and c) the new principles for aggregation and disaggregation of information.

IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027. Early adoption is permitted. The amendments have not yet been endorsed by the EU.

The Management is in the process of assessing whether the new Standard has a significant impact in the Financial Statements of the Company.

IFRS 19 (Amendment) "Subsidiaries without Public Accountability: Disclosures" (effective for annual periods starting on or after 1.1.2027)

In May 2024 the International Accounting Standards Board (IASB) issued a new standard, IFRS 19, which permits a subsidiary, without public accountability and that has a parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements. An eligible subsidiary that applies IFRS 19 is required to apply the requirements in other IFRS Accounting Standards for recognition, measurement and presentation requirements but for disclosure requirements, it applies IFRS 19 instead of the disclosure requirements in other IFRS Accounting Standards, except in specified circumstances. IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

The new standard is effective for reporting periods beginning on or after 1 January 2027 with earlier application permitted. The amendments have not yet been endorsed by the EU.

The Management is in the process of assessing whether the new Standard has a significant impact in the Financial Statements of the Company.

Annual improvements to IFRS Accounting Standards (Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 effective from 1st January 2026)

In the annual improvements volume 11 issued on 18th July 2024 the International Accounting Standards Board (IASB) makes minor amendments that include clarifications, simplifications, corrections and changes in the following Accounting Standards:

- IFRS 1 *First-time Adoption of International Financial Reporting Standards* - Hedge Accounting by a First-time Adopter
- IFRS 7 *Financial Instruments: Disclosures*:
 - Gain or loss on derecognition
 - Disclosure of differences between the fair value and the transaction price
 - Disclosures on credit risk
- IFRS 9 *Financial Instruments*:
 - Derecognition of lease liabilities
 - Transaction price
- IFRS 10 *Consolidated Financial Statements* - Determination of a 'de facto agent'
- IAS 7 *Statement of Cash Flows* - Cost Method.

The amendments to IFRS 9 address:

- a conflict between IFRS 9 and IFRS 15 Revenue from Contracts with Customers over the initial measurement of trade receivables; and
- how a lessee accounts for the derecognition of a lease liability under IFRS 9.

The amendment on derecognition of lease liabilities applies only to lease liabilities extinguished on or after the beginning of the annual reporting period in which the amendment is first applied.

The amendments apply for annual reporting periods beginning on or after 1st January 2026 and earlier application is permitted. The amendments have not yet been endorsed by the EU.

The Management is in the process of assessing whether the new Standard has a significant impact in the Financial Statements of the Company.

3. FINANCIAL RISK MANAGEMENT

3.1. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

The main financial instruments of the Company are as follows:

Assets	31/12/2024	31/12/2023
<i>At amortized cost</i>		
Other long-term receivables	6.200	-
Lease receivables	28.502	-
Other receivables	198.451	-
Cash and cash equivalents	3.290.026	-
Total	3.523.179	-
Liabilities		
<i>At amortized cost</i>		
Lease liabilities	174.086	28.420
Trade, accrued and other liabilities	163.676	17.311
Total	337.762	45.732

The book value of assets and liabilities approximates their fair value.

Financial risk management

The Company is exposed to financial risks, such as market risks (fluctuations of exchange rates, interest rates, market prices), credit and liquidity risk. The overall risk management, focuses on the uncertainty of financial and non – financial markets, aiming to minimize their possible adverse effect on the Company’s financial position. The Company determines, evaluates and, if necessary, hedges the risks related to operating activities, while it controls and revises the relevant policies and procedures related to financial risk management. Also, there are no speculative transactions.

3.2. FINANCIAL RISKS

a) Market risk

Fair value risk

The Company is not exposed to changes in equity prices since it does not have such investments recognized in the statement of financial position, either as financial assets at fair value through other comprehensive income or investments at fair value through profit or loss.

Risk of cash flows due to changes in interest rates

The Company has interest-bearing assets consisting of sight deposits and time deposits and is exposed to interest rate fluctuations which affect its cash flows as well as its financial results.

b) Exchange rate risk

The exchange rate risk is zero as it is related mainly with any material or equipment supply contracts for which the payment is made in foreign currency. On 31st of December 2024, the Company has not entered into contracts for the supply of materials or equipment.

c) Credit risk

Credit risk is the possibility that a counterparty will cause the Company financial loss due to the default of its contractual obligations. Credit risk arises from cash and cash equivalents, other long-term receivables, lease receivables and other receivables. Only banks and financial institutions with a good reputation are accepted and the Company sets limits on the degree of exposure to each individual financial institution. Although credit risk exists in the context of the generally unfavorable economic environment, it is currently assessed as controllable by the Company.

The following table presents the Company's exposure to credit risk:

	31/12/2024	31/12/2023
Lease receivables	28.502	-
Other long-term receivables	6.200	-
Other receivables	198.451	-
Cash and cash equivalents	3.290.026	-
Total	3.523.179	-

The Company applies the IFRS 9 simplified approach to measure expected credit losses using a lifetime expected loss allowance for all trade and other receivables. With regard to cash and cash equivalents, the credit rating of the Financial Institution, with which the Company maintains accounts as of 31/12/2024, according to the Moody's rating agency, is Baa2.

d) Liquidity risk

Liquidity risk is connected with the need to ensure adequate cash flow for the operation and development of the Company. The Company manages liquidity risk by monitoring and planning its cash flows, and acts appropriately to ensure sufficient credit lines and cash and cash equivalents.

To cover liquidity risk, the Company decided at the General Meeting on 14th of December 2023, to increase its Share Capital by Euro 200 thousand. On 25th of April 2024, the Board of Directors minute held on 18th of April 2024, certifying the full payment of the Share Capital increase of Euro 200 thousand, was registered in the General Electronic Commercial Registry (GEMI).

Additionally, on 6th of June 2024, the Board of Directors proposed to the General Meeting the approval of a further increase in the Company's Share Capital amounting to Euro 4.4 million, aimed at financing the Company's business activities. The proposal was approved by the General Meeting on 7th of June 2024. The amount was fully paid on 18th of June 2024.

The contractual maturities of the principal financial liabilities, including interest payments, are as follows:

Payable Amounts on 31/12/2024

	Within a year	From one to five years	After five years	Total
Trade, accrued and other liabilities	163.076	-	-	163.676
Lease liabilities	80.088	100.162	-	180.250
Total	243.764	100.162	-	343.926

Payable Amounts on 31/12/2023

	Within a year	From one to five years	After five years	Total
Trade, accrued and other liabilities	17.311	-	-	17.311
Lease liabilities	5.688	25.122	-	30.810
Total	22.999	25.122	-	48.121

The payable amounts related to lease liabilities differ from the corresponding amounts in the Statement of Financial Position, in which the accounting amount is shown, as they refer to undiscounted amounts to be paid.

3.3. CAPITAL MANAGEMENT

The Company's purpose in terms of capital management is to ensure its ability to continue its operations smoothly in order to provide returns to Shareholder, benefits to other parties related to the Company and to maintain optimal capital structure to reduce capital costs.

3.4. OTHER RISKS

Geopolitical and macroeconomic environment risk

Currently prevailing economic conditions are stable. After the high inflation of recent years, conditions in Greece are normalized. However, several uncertainties, due to global developments, may affect future prospects.

The year 2024 was another challenging one for business due to geopolitical risks and economic challenges. The ongoing conflicts in the Middle East, the Russia-Ukraine war and instability in maritime trade routes maintained supply chains under pressure, while the high cost of money and inflationary pressures shaped a difficult international environment. Developments in the international economic and geopolitical environment, particularly in the United States, directly impact trade flows and business strategies, creating both opportunities and challenges.

The increase in geopolitical tensions is causing increasing concern for the markets and the economy. The energy crisis led to a significant increase in energy prices, food prices, as well as an adjustment of monetary policy in a more restrictive direction, which led to a slower growth rate in 2024. According to the forecasts of the Hellenic Fiscal Council, the growth rate of the Greek economy for 2024 was expected to be 2,6%, while ultimately the growth of the Greek economy for 2024 closed approximately to 2,3%. However, the effective use of the resources of the long-term EU budget 2021-2027 and the European recovery instrument NextGenerationEU can mitigate the negative effects of the energy crisis and the tightening of monetary policy on the Greek economy, leading in the medium term to growth rate close to 2,3% in 2025.

Given the current environment, the protection of critical infrastructure is of high importance. For this reason the European Union has already invested significantly in strengthening energy networks and has taken decisions on the protection of submarine cables, starting with the connection of the Baltic Sea to the EU electricity grid, which was financed with Euro 1,23 billion in grants through the EU's Connecting Europe Initiative, covering 75% of the investment cost. Similar investments are also crucial for the Eastern Mediterranean, in order to ensure energy security and independence.

4. REVENUE

On 31st of December 2024 the Company had not yet developed an activity and therefore did not record revenue in its results.

5. REVENUE FROM OTHER OPERATIONS

On December 31st, 2024, the Company recorded revenue from other operations Euro 12.262, the majority of which concern gain on the derecognition of tangible fixed assets due to leasing.

6. PAYROLL COST

On December 31st, 2024, the Company's personnel numbered 3 employees with fixed-term contracts (31/12/2023: 0 employees). Payroll costs are presented in the following table:

	<u>1/1/2024-</u> <u>31/12/2024</u>	<u>24/11/2023-</u> <u>31/12/2023</u>
Salaries and wages	192.486	-
Other employee benefits	6.280	-
Total	198.766	-

7. THIRD PARTY FEES

Third party fees are presented in the following table:

	1/1/2024- 31/12/2024	24/11/2023- 31/12/2023
Fees for consulting services	495.822	-
Board of Directors Members' Fees	147.653	15.633
Statutory Audit Fees	35.000	-
Accounting Services	29.668	-
Buildings security and cleaning services	19.036	-
IT and human resource management services	19.016	-
Lawyers fees	14.443	-
Other third party fees	37.686	730
Total	798.324	16.363

Fees for consulting services relate to work carried out in connection with the construction of the Greece - Cyprus - Israel electrical interconnection project. Fees for accounting services, building security and cleaning services, IT and human resources management as well as fees to Board members amounted to Euro 215,4 thousand (2023: Euro 15,6 thousand) relate to related party transactions and are included in Note 20.

8. THIRD PARTY BENEFITS

Third party benefits are presented in the following table:

	1/1/2024- 31/12/2024	24/11/2023- 31/12/2023
Utilities	10.372	-
Repair and maintenance fees	8.227	-
Total	18.599	-

9. OTHER EXPENSES

Other expenses are presented in the following table:

	1/1/2024- 31/12/2024	24/11/2023- 31/12/2023
Promotion and advertising costs	162.456	-
Travel expenses	18.743	-
Consumables	3.223	-
Other	1.970	-
Total	186.392	-

10. FINANCIAL EXPENSES - INCOME

Financial expenses are presented in the following table:

	1/1/2024- 31/12/2024	24/11/2023- 31/12/2023
Interest on finance lease	3.556	88
Other bank charges	3.661	-
Total	7.217	88

Financial income is presented in the following table:

(Amounts in Euro unless otherwise stated)

	1/1/2024- 31/12/2024	24/11/2023- 31/12/2023
Interest on deposits	47.678	-
Finance lease interest income	145	-
Total	47.823	-

11. INCOME TAX (CURRENT AND DEFERRED)

According to Law 4172/2013 - Official Gazette 78/A/18-5-2021 the income tax was calculated at a rate of 22% for the years 2023 and 2024.

The income tax statement is submitted on a yearly basis but the profits or losses declared are temporary until the tax authorities audit the tax statements and records and the final audit report is issued.

Tax losses, to the extent that they are accepted by the tax authorities, can be used to offset future profits for a period of five years since the year in which they occurred.

Total income tax is broken down as follows:

	1/1/2024- 31/12/2024	24/11/2023- 31/12/2023
Current tax	-	-
Deferred tax	(263.283)	(3.812)
Total income tax	(263.283)	(3.812)

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the tax rate applicable in Greece on its profits. The difference is as follows:

	1/1/2024- 31/12/2024	24/11/2023- 31/12/2023
Loss before taxes	(1.202.533)	(17.325)
Tax calculated based on the tax rate applicable	(264.557)	(3.812)
Tax effect on non-tax deductible expenses	1.275	-
Tax	(263.283)	(3.812)
Effective tax rate	22%	22%

Deferred tax assets are further analyzed as follows:

	31/12/2024	31/12/2023
Liability from rights of use leases	38.299	-
Accrued and other liabilities	5.737	594
Other receivables	76	-
Tax losses	263.367	3.218
Deferred tax assets	307.478	3.812

Deferred tax liabilities are further analyzed as follows:

	31/12/2024	31/12/2023
Rights of use assets	(33.307)	-
Receivables from leases	(6.270)	-
Tangible assets	(807)	-
Deferred tax liabilities	(40.384)	-
Net deferred tax assets	267.094	3.812

The movement of the net deferred tax assets is as follows:

Opening balance 24/11/2023	-
Credit to income statement	(3.812)
Effect on other comprehensive income	-
Closing balance 31/12/2023	(3.812)
<hr/>	
Opening balance 1/1/2024	(3.812)
Credit to income statement	(263.283)
Effect on other comprehensive income	-
Closing balance 31/12/2024	(267.094)

The deferred tax credit recognized to income statement is analyzed as follows:

	1/1/2024- 31/12/2024	24/11/2023- 31/12/2023
Rights of use assets	33.307	-
Receivables from leases	6.270	-
Tangible assets	807	-
Other receivables	(76)	-
Liability from rights of use leases	(38.299)	-
Accrued and other liabilities	(5.142)	(594)
Tax losses	(260.150)	(3.218)
Total	(263.283)	(3.812)

The Company's tax losses on December 31st, 2024, amount to Euro 1.197.123. The Company estimates that the amount of deferred tax assets is recoverable.

12. TANGIBLE ASSETS

The breakdown of tangible assets is presented in the table below:

	Buildings	Machinery and equipment	Fixtures and Furniture	Total
Net book value as at 31/12/2023	-	-	-	-
<hr/>				
	Buildings	Machinery and equipment	Fixtures and Furniture	Total
Cost				
Opening Balance 1/1/2024	-	-	-	-
Additions	46.232	5.110	18.522	69.864
Disposals	(5.861)	(319)	(5.280)	(11.460)
Closing Balance 31/12/2024	40.371	4.791	13.242	58.404
<hr/>				
Depreciation				
Opening Balance 1/1/2024	-	-	-	-
Depreciation	(3.354)	(60)	(261)	(3.674)
Closing Balance 31/12/2024	(3.354)	(60)	(261)	(3.674)
<hr/>				
Net book value as at 31/12/2024	37.017	4.731	12.981	54.730

13. RIGHTS OF USE ASSETS

The breakdown of rights of use assets is presented in the table below:

	<u>Buildings</u>
Cost	
Opening Balance 24/11/2023	-
Additions	29.280
Closing Balance 31/12/2023	29.280
Depreciation	
Opening Balance 24/11/2023	-
Depreciation	(874)
Closing Balance 31/12/2023	(874)
Net book value as at 31/12/2023	28.406

	<u>Buildings</u>
Cost	
Opening Balance 1/1/2024	29.280
Additions	189.198
Write-offs	(24.688)
Closing Balance 31/12/2024	193.790
Depreciation	
Opening Balance 1/1/2024	(874)
Depreciation	(46.188)
Write-offs	4.667
Closing Balance 31/12/2024	(42.395)
Net book value as at 31/12/2024	151.395

The additions of Euro 189.198 relate to offices lease of the Company's branch in Cyprus.

14. OTHER RECEIVABLES

Other receivables are presented in the table below:

	<u>31/12/2024</u>	<u>31/12/2023</u>
Receivables from VAT	160.789	-
Suppliers prepayments	9.322	-
Prepaid expenses	2.754	-
Other receivables	18.469	-
Total	191.334	-

15. CASH AND CASH EQUIVALENTS

The cash and cash equivalents are presented in the table below:

	<u>31/12/2024</u>	<u>31/12/2023</u>
Sight deposits in Euro	190.206	-
Time deposits in Euro	3.100.000	-
Total	3.290.026	-

The majority of the cash and cash equivalents of Euro 3.287.443 are in a Greek Bank, while the remaining amount of Euro 2.583 is in a Cypriot bank and there are no commitments on them.

The credit rating class of the Greek Financial Institution on 31/12/2024 based on the rating agency Moody's is Baa2.

16. SHARE CAPITAL

The initial share capital of the Company amounts to Euro 25 thousand, which was paid and certified on 19th of January 2024.

On 14th of December 2023, the Extraordinary General Assembly Meeting of the sole shareholder of the Company approved an increase in the share capital by the amount of Euro 200 thousand, with the purpose of meeting the financial needs for operational expenses. The share capital increase was carried out by issuing 200.000 new common registered voting shares, with a nominal value of Euro 1 each. On 22nd of April 2024, the payment of Euro 200 thousand to the Company was certified.

On 7th of June 2024, the Extraordinary General Assembly Meeting of the sole Shareholder of the Company approved an increase in the share capital by Euro 4,4 million, aimed at addressing financial needs for operational expenses. The increase in share capital was executed through the issuance of 4.400.000 new common voting shares, with a nominal value of Euro 1 each. The amount was fully paid on 18th of June 2024.

17. LEASE LIABILITIES

The analysis of lease liabilities is presented in the following table:

	31/12/2024	31/12/2023
Long-term lease liabilities	97.991	23.515
Short-term lease liabilities	76.095	4.906
Total	174.086	28.420

The maturity dates of the long-term liabilities are as follows:

	31/12/2024	31/12/2023
1 to 2 years	78.410	5.055
2 to years	19.581	18.460
Total	97.991	23.515

The finance lease liabilities - minimum lease payments are as follows:

	31/12/2024	31/12/2023
Up to 1 year	80.088	5.688
1 to 5 years	100.162	25.122
Total	180.250	30.810
Minus: Future financial charges of finance leases	(6.164)	(2.390)
Present value of finance lease liabilities	174.086	28.420

Lease liabilities concern the leases of the Company's offices.

18. TRADE AND OTHER PAYABLES

Trade and other payable analysis are presented in the following table:

	31/12/2024	31/12/2023
Other payable taxes	19.185	2.426
Social security contributions, payable	15.221	4.281
BOD members payables	14.132	8.927
Other suppliers and contractors	6.774	-
Total	55.312	15.634

The above liabilities are interest free and short-term.

19. ACCRUED AND OTHER LIABILITIES

Accrued and other liabilities amounting to Euro 108.364 (31.12.2023: Euro 1.678) concern statutory audit fees, seconded personnel fees, accounting services as well as liabilities for the leasing of headquarters and branch office.

20. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The Company is controlled by the INDEPENDENT POWER TRANSMISSION OPERATOR S.A., which holds 100% of its paid-up share capital and is the Parent Company.

There are no material transactions that have not been conducted under normal market conditions.

Below is a table of the Company's related parties:

Company	Relation
ADMIE HOLDINGS S.A.	Parent's Shareholder
P.H.V. A.D.M.I.E. (I.P.T.O.) S.A.	Parent's Shareholder
STATE GRID LTD	Parent's Shareholder
IPTO S.A.	Parent
ARIADNE INTERCONNECTION SINGLE MEMBER S.A.	Related
GRID TELECOM SINGLE MEMBER S.A.	Related
HELLENIC ENERGY EXCHANGE S.A.	Related
ENERGY STOCK EXCHANGE CLEARING COMPANY S.A. (EnExClear S.A.)	Related
SELENE CC S.A.	Related
TERNA FIBER S.A.	Related
SAUDI GREEK INTERCONNECTION SA	Related
TRAINING CENTER IPTO S.M.S.A.	Related

a) Transactions with related parties

Related party transactions refer to the provision and purchase of services in the normal course of business. The aggregate amounts of transactions from the beginning of the year with related parties under IAS 24, are as follows:

	1/1/2024- 31/12/2024	24/11/2023- 31/12/2023
Revenue		
IPTO S.A. – Cyprus Branch	13.123	-
Total	13.123	-
Expenses		
IPTO S.A.	186.492	1.692
IPTO S.A. – Cyprus Branch	3.420	-
BoD fees	147.653	15.634
Total	337.564	17.326

The Company's revenue arises from the invoicing of consumables of the Company's branch in Cyprus to IPTO S.A. – Cyprus Branch based on the lease agreement.

Expense transactions from IPTO S.A. mainly concern personnel fees of Euro 118,9 thousand (2023: Euro 0) and accounting services, IT services and building security services of Euro 35,1 thousand (2023: Euro 730). Expense transactions from IPTO S.A. – Cyprus Branch concern accounting services of Euro 3,4 thousand (2023: Euro 0).

b) Balances with related parties

The closings balances of receivables and liabilities at year end, which have resulted from transactions with related parties under IAS 24, are as follows:

Receivables and accrued receivables	31/12/2024	31/12/2023
IPTO S.A. – Cyprus Branch	46.741	-
Total	46.741	-

Payables and accrued payables	31/12/2024	31/12/2023
IPTO S.A.	87.152	29.150
IPTO S.A. – Cyprus Branch	3.420	-
Obligations to Board members	14.132	8.297
Total	104.704	38.077

Receivables from related parties' amount to Euro 15,4 thousand (31/12/2023: Euro 0) concern sale of fixed assets from the GSI Branch to IPTO S.A. - Branch in Cyprus and amount to Euro 2,7 thousand (31/12/2023: Euro 0) concern office rents.

Liabilities to related parties' amount to Euro 23,4 thousand (31/12/2023: Euro 28,4 thousand) concern office rents and amount to Euro 67,1 thousand (31/12/2023: Euro 730) concern accrued and other liabilities of which Euro 3,4 thousand (31/12/2023: Euro 0) relate to IPTO S.A. – Branch in Cyprus.

Management remuneration

The gross remuneration, including employer contributions and representation expenses of the Company's Board of Directors for the fiscal year ended 31st of December 2024, amounted to Euro 147,7 thousand (2023: Euro 15,6 thousand).

There are no receivables due from members of the Company's Board of Directors as of 31st of December 2024.

The liabilities of the Company towards the Board of Directors as of 31st of December 2024 amounted to Euro 14,1 thousand (31/12/2023: Euro 8,9 thousand).

The executives of the Company have not received leaving indemnity during 2024.

21. COMMITMENTS AND CONTINGENCIES

For the year ended 31.12.2023 the Company remains tax unaudited by the competent tax authorities. The Management's assessment is that any taxes that may arise will not have a material effect on the Financial Statements.

For the year 2024, the Company is expected to receive an unqualified Tax Compliance Report within 2025, as the tax audit for the year 2024 has been assigned to its Certified auditors as provided by the provisions of article 65a of Law 4174/2013. The relevant tax certificate is expected to be issued after the publication of the annual Financial Statements. If additional tax liabilities arise until the completion of the tax audit, it is estimated that these will not have a material effect on the Financial Statements.

There are no commitments and contingent liabilities or legal cases to disclose.

22. AUDIT FEES FOR FINANCIAL STATEMENTS AND OTHER SERVICES

The fees of the certified auditors for the statutory audit, tax audit and other services for the fiscal year 2024 amounted in total to Euro 35.000.

23. COMPANY BRANCH

The Company completed the establishment of its branch in Cyprus in October 2024. The branch was registered in Cyprus on August 6, 2024. The present Financial Statements for the year 2024 submitted by the Board of Directors for approval by the General Meeting of Shareholders include the financial transactions of the branch.

24. EVENTS AFTER THE REPORTING PERIOD

By the resolution dated April 15th, 2025, the BoD appointed Mr. Pan Yuehui, as member of the Board in replacement of Ms. Yin Liu.

In March 2025, the Regulatory Authorities of Greece (RAEWW) and Cyprus (CERA) expressed their support for the Greece - Cyprus - Israel electricity interconnection project (Great Sea Interconnector). This fact is also reflected in the support letters sent to the European Commission for the re-inclusion of the project in the 2nd EU List of Projects of Common and Mutual Interest of the European Union (PCI/PMI).

There are no other significant events after December 31st, 2024, that require disclosure or adjustment of the Company's Financial Statements.

INDEPENDENT AUDITOR'S REPORT

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Independent Auditors' Report (Translated from the original in Greek)

To the Shareholders of
GREAT SEA INTERCONNECTOR SINGLE MEMBER S.A.

Report on the Audit of the Financial Statements

Opinion

We have audited the Financial Statements of GREAT SEA INTERCONNECTOR SINGLE MEMBER S.A. (the "Company") which comprise the Statement of Financial Position as at 31 December 2024, the Income Statement and Statement of Comprehensive Income, Changes in Equity and Cash Flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying Financial Statements present fairly, in all material respects, the financial position of GREAT SEA INTERCONNECTOR SINGLE MEMBER S.A. as at 31 December 2024 and its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRS) 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 Auditors' 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 Matters

We draw attention to the fact that the Financial Statements of the Company for the prior year ended 31 December 2023 were not audited by a Certified Auditor.

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 auditors' 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 IFRS 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.

Auditors' 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 auditors' 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 auditors' 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 auditors' 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

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 requirements of paragraph 1, cases aa, ab and b, of article 154C of L. 4548/2018, we note that:

- (a) In our opinion, the Board of Directors' Report has been prepared in accordance with the applicable legal requirements of Articles 150 of L. 4548/2018 and its contents correspond with the accompanying Financial Statements for the year ended 31 December 2024.
- (b) Based on the knowledge acquired during our audit, relating to GREAT SEA INTERCONNECTOR SINGLE MEMBER S.A. and its environment, we have not identified any material misstatements in the Board of Directors' Report.

Athens, 30 April 2025

KPMG Certified Auditors S.A.
AM SOEL 186

Philippos Kassos, Certified Auditor Accountant
AM SOEL 26311