June ’20

annual report

POWER PUBLIC CORPORATION S.A.

01.01.19 -
31.12.19

annual report
POWER PUBLIC CORPORATION S.A.

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annual report

1
Selected Financial Data

Summary financials (€ mil.)

	GROUP			PARENT COMPANY from continuing operations		
	2019	2018	Δ%	2019	2018	Δ%
Total Revenues	4,931.6	4,741.9	4.0%	4,736.3	4,593.2	3.1%
EBITDA recurring	333.6*	403.8*	(17.4%)	376.4**	401.1**	(6.2%)
EBITDA margin recurring	6.8%	8.5%		7.9%	8.7%	
EBITDA	798.9	148.4	438.3%	642.0	219.3	192.7%
EBITDA margin	16.2%	3.1%		13.6%	4.8%	
Profit/(Loss) Before Taxes and Fin. Expenses (EBIT)	(1,961.7)	(771.7)		(2,226.4)	(648.1)	
EBIT margin	(39.8%)	(16.3%)		(47.0%)	(14.1%)	
Net Income / (loss)	(1,685.7)	(903.8)		(1,963.1)	(786.0)	
EPS/(loss) (in €)	(7.3)	(3.9)		(8.5)	(3.4)	
Number of shares (mil.)	232	232		232	232	

Summary Balance Sheet and Capex (€ mil.)

	GROUP			PARENT COMPANY		
	2019	2018	Δ%	2019	2018	Δ%
Total Assets	13,572.5	14,089.0	(3.7%)	12,767.6	13,482.4	(5.3%)
Net Debt	3,687.0	3,692.4	(0.1%)	3,706.4	3,814.7	(2.8%)
Total Equity	3,040.6	3,943.1	(22.9%)	2,685.8	3,825.0	(29.8%)
Capital Expenditure	646.6	746.7	(13.4%)	608.1	687.7	(11.6%)

(*) For the Group:
2019: EBITDA adjusted for the Special RES account (-€ 99.3 mil), post-retirement benefits (-€ 243.4 mil) and PSOs for previous years (-€ 122.6 mil)
2018: EBITDA adjusted for the Special RES account (+€ 196.3 mil), provision for personnel's severance payment (+€ 164.3 mil) and settlement of the Renewables levy-ETMEAR for previous years (-€ 105.2 mil).
(**) For the Parent Company:
2019: EBITDA adjusted for the Special RES account (-€ 99.3 mil), post-retirement benefits (-€ 148.1 mil), PSOs for previous years (-€ 122.6 mil) and provision for the reduction of receivables of the Parent company from lignite subsidiaries (+€104.4 mil)
2018: EBITDA adjusted for the Special RES account (+€ 196.3 mil), provision for personnel's severance payment (+€ 90.7 mil) and settlement of the Renewables levy-ETMEAR for previous years (-€ 105.2 mil).

2
Company Information

2.1 GENERAL INFORMATION

PPC was incorporated as a Societe Anonyme on January 1st 2001, under the Liberalisation Law (2773/1999). Until January 2001, PPC was wholly owned by the Hellenic Republic.
The corporate seat is in the Municipality of Athens, Greece. PPC's executive offices are at 30, Chalkokondyli Street, 104 32 Athens, Greece.
In accordance with article 3 of the Articles of Incorporation, as in effect on 31.12.2019, the objective of the Company is:

a. The engagement in commercial and industrial activities in the energy sector, in Greece and abroad.
These activities shall indicatively include:

- The engagement in commercial and industrial activities in the electricity sector, in Greece and abroad,
- the design, supervision, construction, exploitation, maintenance and operation of power plants,
- the supply and sale of electricity as well as of energy products and services, including studies, applications, installations and financing services concerning measures to improve end-use energy efficiency at its customers' facilities,
- the extraction, generation, supply and sale of energy raw materials,
- the assignment of any activity similar to those set forth herein above, to third parties, by virtue of contract,
- the operation or management of privately-owned vessels or vessels owned by third parties, under Greek or foreign flag having as sole object the transportation of liquid fuels.
- the provision of services and products of electromobility and the sale of related commercial products and equipment.
- the participation in any capacity in the Energy Exchange and the performance of any relative acts and transactions including the provision of investment services or the performance of investment activities within the context of any distinct Energy Exchange and/or any other related regulated Market or submarket of the Energy Exchange, as established in each case. For the pursuit of the above aim, the company may establish or participate in the share capital of credit or investment services companies.

b. The engagement in commercial and industrial activities in the telecommunications sector, the provision of services to third parties related to Projects design, management and supervision, the provision of services to third parties related to training and occupational health and safety, the provision of services to thirdparty Companies on organization and information technology issues, the design, construction, maintenance, management, exploitation and operation of waste treatment units, including power generation from or/and in relation to waste management, as well as the development of all kinds of assets held by the company.

c. The utilization -in any possible way- of the company's assets, movable or immovable, and the development of its resources either by the company itself or through, by way of example, the establishment of companies, participation in joint ventures, as well as through the acquisition of shares of other companies, Greek or foreign, and in general, through the participation in enterprises, including the participation in public tendering procedures for Contracts for Public Private Partnerships (PPPs), as well as the establishment or participation in the share capital of Special Purpose Companies within the framework of and in implementing PPPs.

In order to attain the abovementioned objectives, PPC S.A. may, in particular, a) sign any kind of contracts or agreements with domestic or foreign individuals or legal persons and inter-state organizations,
b) participate in the share capital of existing companies or in the share capital of companies to be established in the future, grant loans to the said companies and provide guarantees in their favor, c) issue any bond loans of any type whatsoever and participate in the share capital of companies to which the company has granted loans through the conversion or not of the bonds of the aforesaid loans into shares.

The Company has secured the trademark No. 160076 “Public Power Corporation Societe Anonyme” and “PPC S.A.”

In accordance with the classification of the Hellenic Statistical Authority (EL.STAT - STAKOD 08), the economic activity of PPC S.A. comes under:

BRANCH OF ECONOMIC ACTIVITY (STAKOD 08)	TOTAL REVENUES 01.01.2019 - 31.12.2019
«Generation, transmission and distribution of electricity», 35.1	€ 4,931.6 mil.

PPC S.A.’s updated Articles of Incorporation is posted on the company’s website:
Home Page / PPC / Investor Relations / Company Profile / Articles of Incorporation of PPC S.A.

2.2 HISTORICAL BACKGROUND

PPC was established in 1950 having as purpose to generate, transmit and distribute electricity throughout the Greek territory. Prior to the establishment of PPC, the right to generate, transmit and distribute electricity had been assigned by the Greek Government to private and municipal electricity companies.

PPC started its operation in 1953 by generating and selling electricity to the abovementioned private and municipal electricity companies. During the period 1957-1963, the Company acquired the above electricity companies, including the Electric Company of Athens - Piraeus Ltd, which used to service the largest urban area of Greece and was generating a significant percentage of the total electricity consumed in the Greek market.

The L.s 1559/1985 and 2244/1994, provided for a relevant exception from PPC’s exclusive right in electricity generation mainly in order to give the right to industrial companies to generate electricity for their own consumption. Moreover, said legislation allowed individuals to generate electricity from renewable sources and cogeneration exclusively for commercial use.

By virtue of L. 2773/1999 concerning the liberalization of the electricity market and pursuant to the Presidential Decree 333/2000, PPC, as of January 1st 2001, was converted into a societe anonyme wholly owned by the Greek State having as main purpose the generation and supply of electricity.

In December 2001, following an increase of share capital and an offering of existing shares held by the Hellenic Republic, PPC’s shares were listed on the Athens Stock Exchange. In parallel, Global Depository Receipts (GDRs) were admitted to London Stock Exchange which were deleted, as of November 29, 2017, at the request of the Parent Company.

The Hellenic Republic further reduced its stake in PPC through secondary offerings in December 2002 and October 2003.

In April 2014, the Greek Biministerial committee for restructurings and privatizations decided the transfer, without consideration, of 39,440,000 ordinary shares with voting rights corresponding to 17% of the existing share capital of PPC S.A, by the Hellenic Republic to the HRADF, pursuant to the provisions of L. 3986/2011.
In March 2018, a transfer of 79,165,114 PPC shares (namely 34.123%) by the Hellenic Republic to the Hellenic Corporation of Assets and Participations S.A. (HCAP S.A.), in which the Hellenic Republic holds 100% of its shares and voting rights, was completed by L. and without consideration, according to para. 20, article 380 of L. 4512/2018, as amended para. 1 of article 197 of L. 4389/2016. Given that HRADF is a subsidiary of HCAP, the total percentage of the Hellenic Republic in PPC’s share capital, remains indirectly at 51.123%.

After the spin-off of the Transmission and the Distribution segments, two 100% subsidiaries of PPC were created, namely IPTO S.A. (Independent Power Transmission Operator S.A.) and HEDNO S.A. (Hellenic Electricity Distribution Network Operator S.A.). IPTO S.A. is responsible for the management, operation, maintenance and development of the Hellenic Electricity Transmission System and its interconnections. On June 20th 2017, the full ownership unbundling of IPTO SA was completed as provided for in articles 142 et seq. of L. 4389/2016.
HEDNO S.A. is responsible for the management, operation, development and maintenance of the Hellenic Electricity Distribution Network, which is owned by PPC S.A.

Pursuant to L. 4533/2018, on June 30th 2018 the Parent Company completed the spin-off of the two branches of lignite power generation Melitis and Megalopolis and their contribution to two new 100% subsidiary companies under the trade names "LIGNITIKI MELITIS SA" and "LIGNITIKI MEGALOPOLIS SA", respectively.

2.3 OVERVIEW OF COMPANY'S ACTIVITIES

PPC is Greece's largest electricity generator and the principal supplier of electricity in Greece.

PPC holds assets in lignite mines, power generation and distribution. The installed capacity of its power plants is 11.6 GW and accounts for approximately 55% of the installed capacity of power stations in Greece (including 930 MW of its two lignite subsidiaries Lignitiki Melitis S.A. and Lignitiki Megalopolis S.A.). Its power portfolio consists of conventional thermal plants (lignite, gas and oil fired), and hydroelectric power plants, as well as Renewable Energy Sources (RES) installations. PPC is the owner of the Distribution Network (Medium and Low voltage of approximately 240,000 km and High Voltage of approximately 1,000 km) which is operated by its 100% subsidiary, the Hellenic Distribution Network Operator S.A. (HEDNO S.A.).

Specifically, in the RES sector, PPC is the first company in Greece to install RES (in 1982), and is active through its subsidiary company "PPC Renewables S.A." (PPCR), with a portfolio of wind farms, small scale hydroelectric plants and photovoltaics.

The Hellenic Electricity Transmission System, often referred to as the "Interconnected System", spreads over the mainland of Greece. The Ionian islands, along with certain Aegean islands, are also included in the Interconnected System, to which they are connected through submarine cables. In the Interconnected System, approximately one third of the generation capacity is located in northwestern Greece, in close proximity to the lignite mines

All remaining islands, which are referred to as the "Non-Interconnected Islands", are served by autonomous oil-fired power plants. In most of the islands, demand is also covered by RES. The largest power plants in the Non-Interconnected Islands are located in Crete and Rhodes (with total thermal capacity exceeding 1,150 MW).

In 2019, PPC's generation of 25.8 TWh coupled with the 2.3 TWh that it imported, covered 45.5% of total demand. PPC's energy mix comprised of generation from lignite (40.5%), oil (17.8%), natural gas (27.6%), hydroelectric (13.1%) and renewable energy sources (1%).

The nearly 6.6 mil. customers of PPC, consumed 75.8% of the total electricity supplied to end-customers in Greece in 2019.

PPC remains by far the largest private investor in the country with total investments exceeding EUR 3.3 billion during the last five years, which contribute to the renewal of its generation potential and are expected to improve significantly the financial results of the company in the coming years.

PPC is entering a new phase during which it plans to transform itself into a modern, strongly outward-looking and efficient European utility.

The three pillars through which PPC's business plan for the coming years will be implemented are the following:

- Implementation of the "Green deal" in electricity generation by accelerating the decommissioning of lignite power plants and the corresponding mines and highlighting RES as the new dominant energy production technology. The detailed decommissioning plan includes the removal of polluting lignite plants with a capacity of about 3.4 GW by 2023. The decommissioning plan will be implementedwith full respect for PPC employees, local communities and the environment.

- The plan for the new PPC includes significant investments in RES, aiming at an additional installed capacity of more than 1 GW by 2024, which will come from organic growth and many partnerships as well. The plan also includes PPC's entrance in e-mobility with the installation of 1,000 charging stations throughout Greece over the next 2-3 years and 10,000 charging stations in the medium term.

- Digitization and operational efficiency to achieve cost reduction synergies and revenue growth by applying new technologies in all PPC'S sector. The company's digital transformation plan includes network upgrades, with tools such as smart meters, automated switches, GIS systems and more.

- Expansion to new activities and value-added products with a customer-oriented approach both in the retail electricity market and in new business sectors, such as e-mobility. The transformation of the Commercial department includes new combined products and flexible packages, as well as high-level energy services, following the example of modern electricity suppliers worldwide.

PPC is changing in the direction of the energy transformation that is taking place worldwide in the industry, in order to play a leading role again in the Greek market and Southeast Europe.

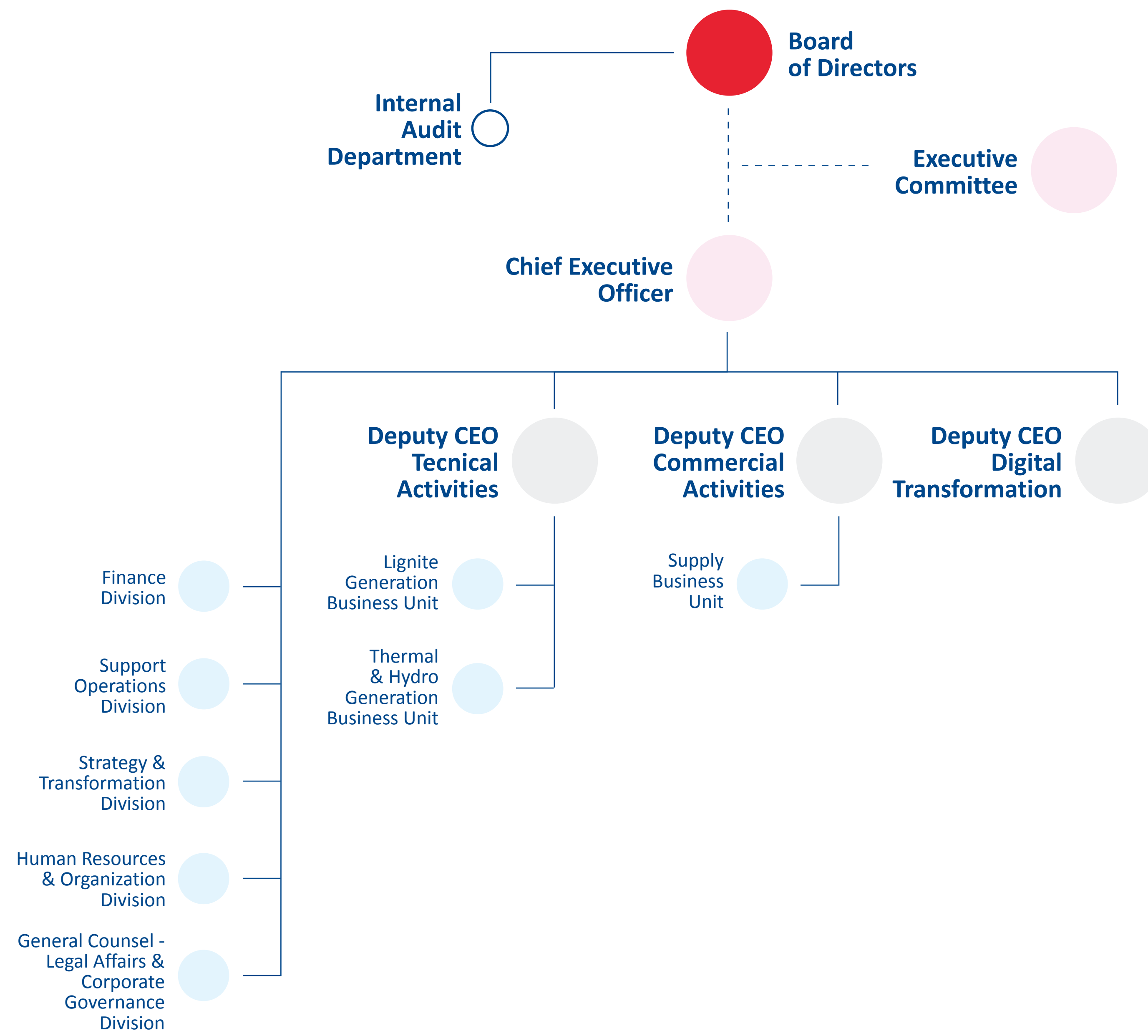
The following table shows selected PPC's operating data for the years 2017, 2018 and 2019:

YEAR ENDED 31st DECEMBER	2019	2018	2017
Installed Capacity (GW)	11.6	12.2	12.1
Percentage of total installed capacity in Greece(1)	55.1%	58.8%	59.5%
Net Annual Generation (TWh)(2)	25.8	31.2	32.6
Generation Market Share(3) (average annual)	53.7%	61.2%	63.0%
Electricity sold to end customers on an annual basis (TWh)(4)	38.4	40.8	43.8
Supply Market Share(5) (average annual)	75.8%	81.8%	86.7%
Customers (in mil)	6.6	6.9	7.2
Number of employees on Payroll	15,109	16,747	17,519

(1) Installed capacity of PVs household installations is included in the relevant figures.
(2) Net electricity generation equals gross generation of electricity less energy consumed internally in the generating process.
(3) Generation market share is defined as the percentage of the electricity generated by PPC over the total electricity generated in Greece each year.
(4) Including domestic sales and exports.
(5) Supply market share is defined as the percentage of the electricity supplied by PPC to end-customers in Greece over the total electricity supplied to end-customers in Greece each year.

3
Organizational structure, Management - Corporate Governance, Employees

3.1 ORGANIZATIONAL STRUCTURE (on 31.12.2019)



PPC S.A.'s updated detailed organizational chart is posted on the company's website:
Home Page / PPC / Company profile / Organizational Structure

3.2 MANAGEMENT - CORPORATE GOVERNANCE

Corporate Governance is a system of management and control of the societes anonymes. It is a set of structures, principles, rules, procedures and practices based on which the continuous improvement of the Company's efficient operation for the sake of its shareholders and all parties having legitimate interest in its operation, the enhancement of the long-term value of the Company and in general the safeguarding of corporate interests are pursued.
The implementation and the observance of the best practices of corporate governance constitutes an essential commitment and priority of Public Power Corporation S.A. due to its important role in the Greek economy and the public interest services it provides.

PPC has drawn up by virtue of article 152 par. 1 item (a) sub-item (bb) of L. 4548/2018 and implements its own Code of Corporate Governance, which is posted on the Company's website (www.dei.gr).

The main parts of the Code of Corporate Governance applicable to PPC are the following:

A. Administration
Composition, competences and operation of the Board of Directors and of other Administration bodies and committees of the Company.

B. Shareholders
Competences and operation of the General Meeting of shareholders, shareholders' rights, provision of information to the shareholders, as well as obligations of the Company to publish information, pursuant to article 10, paragraph 1 of the Directive 2004/25/EC of the European Parliament, as incorporated in L. 3461/2006 (article 30) and in force from time to time.

C. Internal audit, regulatory compliance and risk management
Main characteristics of the systems of internal audit, regulatory compliance and risk management of the company with regard to the procedure of drawing up of financial statements.

The corporate governance code is posted on the web site of the Company:
Home Page/PPC/Company profile/Corporate Governance

The Board of Directors on 31.12.2019 consisted of:

Name	Position
Stassis Georgios	Chairman of the BoD-CEO - Executive Member
Papadimitriou Pyrros	Vice Chairman of the BoD - Non Executive Member
Karakousis Georgios	Deputy Chief Executive Officer - Executive Member
Members	
Venieris Georgios	Independent - Non Executive Member
Vlassopoulos Anastasios	Independent - Non Executive Member
Doxaki Despoina	Independent - Non Executive Member
Theodoridis Stefanos	Independent - Non Executive Member
Kardamakis Stefanos	Independent - Non Executive Member
Paterakis Alexandros	Non Executive Member
Karaleftheris Pantelis	Non Executive Member - Representative of Employees
Fotopoulos Nikolaos	Non Executive Member - Representative of Employees

PPC S.A.'s updated Board of Directors composition is posted on the company's website:
Home Page/PPC/Investor Relations/Company Organization/PPC S.A. Board of Directors

3.3 EMPLOYEES

PPC's Group full time employees on the 31st of December of the years 2019 and 2018, are presented by company and activity on the following table:

	2019	2018
PPC S.A.		
Mines	2,189	2,569
Generation	3,375	3,961
Supply	965	975
Administration	1,569	1,512
TOTAL on December 31st	**8,098**	**9,017**
HEDNO S.A.	5,997	6,445
PPC RENEWABLES S.A.	58	64
LIGNITIKI MELITIS S.A.	194	225
LIGNITIKI MEGALOPOLIS S.A.	762	996
TOTAL on December 31st (GROUP)	**15,109**	**16,747**

4
Share Capital - Dividend

4.1 SHARE CAPITAL

Until 16.01.2017 the Company's share capital amounted to Euro 1,067,200,000 divided into 232,000,000 common registered shares corresponding to 232,000,000 voting rights with a nominal value of Euro 4.60 each. By resolution of the Shareholders' Extraordinary General Meeting on January 17, 2017, the company's share capital was decreased by four hundred ninety-one million eight hundred forty thousand euros (€ 491,840,000) along with a decrease of the nominal value of the share by two euros and twelve cents (€ 2.12) each and distribution in kind rather than in cash of one (1) share of the societe anonyme with company name "HOLDING COMPANY ENERGIAKI S.A." and the distinctive title "ENERGIAKI HOLDING S.A." of a nominal value of two euros and twelve cents (€ 2.12) for each share held in the company.
Following the aforementioned decrease, the share capital of the company currently amounts to five hundred seventy-five million three hundred sixty thousand euros (€ 575,360,000), divided into two hundred thirty-two million (232,000,000) common registered shares of a nominal value of two euros and forty-eight cents (€2.48) each.

The Company's shares are traded in the Main Market of the Athens Stock Exchange (ATHEX). From November 29th 2017 at the request of the Parent Company, the deletion of the Company's Global Depository Receipts (GDRs) and the cessation of their trading on the London Stock Exchange took place.

The company's shares are included in a number of indices such as: GD, DOM, FTSE, SAGD, FTSEA, ASIP, DKO, FTSENTR, HELMSI.

4.2 SHAREHOLDING STRUCTURE

The Company's shareholding structure as of the 31st of December 2019 was as follows:

Shareholders	Percentage
Hellenic Corporation of Assets and Participations S.A. (HCAP) (1)	34.12%
Hellenic Republic Asset Development Fund (HRADF) (1)	17.00%
Single Social Security Institution (EFKA) and TAYTEKO/TEAPAP-PPC (2)	3.93%
Institutional Investors & general public (3)	44.95%
TOTAL	**100%**

(1) On April 8, 2014, the Greek Biministerial committee for restructurings and privatizations decided the transfer, without consideration, of 39,440,000 ordinary shares with voting rights corresponding to 17% of the existing share capital of PPC S.A, by the Hellenic Republic to the HRADF, pursuant to the provisions of L. 3986/2011. On April 9, 2014, the transfer of said shares by the Hellenic Republic to the HRADF was effected, following execution of an over-the-counter transaction and was announced on 11.4.2014. On March 20, 2018, a transfer of 79,165,114 PPC shares (namely 34.123%) by the Hellenic Republic to the Hellenic Corporation of Assets and Participations S.A. (HCAP S.A., in which the Hellenic Republic holds 100% of its shares and voting rights), was completed by law and without consideration, according to para. 20, article 380 of L. 4512/2018, as amended para. 1 of article 197 of L. 4389/2016. Given that HRADF is a subsidiary of HCAP, the total percentage of the Hellenic Republic in PPC's share capital, remains indirectly at 51.123%.
(2) On March 3, 2018, the transfer of shares of the integrated insurance agencies to the Greek Single Social Security Institution (EFKA) was completed.
(3) Including the total holdings of the company Silchester International Investors LLP which according to its statement as of December 11, 2019, amounted to 23,010,805 shares or 9.92% of PPC's voting rights, in its capacity as investment manager for its following clients:
- Silchester International Investors International Value Equity Trust,
- Silchester International Investors International Value Equity Taxable Trust,
- Silchester International Investors International Value Equity Group Trust,
- Silchester International Investors Tobacco Free International Value Equity Trust,
- The Calleva Trust.

On 31.12.2019, the Company was not aware of any shareholders, other than the HCAP, HRADF, the Silchester International Investors LLP, which held directly an amount greater than or equal to 5% of its share capital.

On 31.12.2019 the Members of the Board held 0.0006% of PPC shares in total.

4.3 DIVIDEND

The Annual General Meeting of Shareholders decided not to distribute a dividend for the fiscal year starting on 01.01.2019 and ending on 31.12.2019.

5
Subsidiaries and Associates

The following table presents the participation of PPC S.A. in other companies as of 31.12.2019:

PPC S.A.	Ownership 31.12.2019
HEDNO S.A.	100%
PPC RENEWABLES S.A.	100%
PPC FINANCE PLC	100%
PPC BULGARIA JSCo	85%
PPC ELEKTRIK TEDARIC VE TICARET A.S.	100%
PPC ALBANIA Sh.A.	100%
EDS DOO SKOPJE	100%
LIGNITIKI MELITIS S.A.	100%
LIGNITIKI MEGALOPOLIS S.A.	100%
WASTE SYCLO S.A.	49%
PPC SOLAR SOLUTIONS S.A.	49%
PPC RENEWABLES S.A.	**Ownership 31.12.2019**
ARKADIKOS ILIOS 1 S.A.	100%
ARKADIKOS ILIOS 2 S.A.	100%
ILIAKO VELOS 1 S.A.	100%
AMALTHIA ENERGIAKI S.A.	100%
SOLARLAB S.A.	100%
ILIAKA PARKA DITIKIS MAKEDONIAS 1 S.A.	100%
ILIAKA PARKA DITIKIS MAKEDONIAS 2 S.A.	100%
PHOIBE ENERGIAKI S.A.	100%
GEOTHERMIKOS STOCHOS S.A.	100%
WINDARROW MOUZAKI ENERGY S.A.	100%
PPC RENEWABLES ROKAS S.A.	49%
PPC RENEWABLES TERNA ENERGIAKI S.A.	49%
PPC RENEWABLES NANKO ENERGY–MYHE GITANI S.A.	49%
PPC RENEWABLES MEK ENERGIAKI S.A.	49%
PPC RENEWABLES ELTEV AIFOROS S.A	49%
PPC RENEWABLES EDF EN GREECE S.A.	49%
EEN VOIOTIA S.A.	46.6%
AIOLIKO PARKO LOYKO S.A.	49%
AIOLIKO PARKO BAMBO VIGLIES S.A.	49%
AIOLIKO PARKO KILIZA S.A.	49%
AIOLIKO PARKO LEFKIVARI S.A.	49%
AIOLIKO PARKO AGIOS ONOUFRIOS S.A.	49%
OROS ENERGIAKI S.A.	49%
ATTICA GREENESCO ENERGIAKI S.A.	49%
VOLTERRA LYKOVOUNI SOLE SHAREHOLDER COMPANY S.A.	45%
VOLTERRA K-R SOLE SHAREHOLDER COMPANY S.A.	45%
EDS DOO SKOPJE	**Ownership 31.12.2019**
EDS DOO BELGRADE	100%
EDS INTERNATIONAL SK SRO	100%
EDS INTERNATIONAL KS LLC	100%

B'

part B'

Financial Report

1
Financial Report

January 1st 2019 - December 31st 2019

The attached Financial Report of the fiscal year 2019, has been prepared **according to article 4 of L. 3556/2007 and the executive Decisions of the Board of the Hellenic Capital Market Commission**, has been approved by the Board of Directors of "Public Power Corporation S.A." on April 23rd 2020, and is available for the investors, on the internet, at the web site address www.dei.gr.

Public Power Corporation S.A.
General Commercial Registry: 786301000
Chalkokondyli 30 - 104 32 Athens

A
Statement of Members of the Board of Directors

Statement of Members of the Board of Directors

(according to article 4, par.2 of L. 3556/2007)

1. Georgios Stassis, Chairman and C.E.O. of P.P.C. S.A.
2. Georgios Venieris, Member of the Board of Directors,
3. Stefanos Kardamakis, Member of the Board of Directors

hereby

WE DECLARE
that, to the best of our knowledge:

a. The accompanying Financial Statements of the Parent Company and the Group, for the year ended December 31st 2019, which were prepared according to the International Accounting Standards – currently in effect- as adopted by the European Union, truthfully depict assets, liabilities, equity and the statement of income of Public Power Corporation S.A., as well as the companies included in the consolidation, according to the provisions of article 4 of L. 3556/2007 and,

b. The accompanying Board of Directors' Report truthfully depicts the evolution, performance and position of Public Power Corporation S.A. and the companies included in the consolidation, as well as a description of the major risks and uncertainties that they have to deal with.

Athens, April 23rd 2020

Chairman and C.E.O.
Georgios Stassis

Member of the Board
Georgios Venieris

Member of the Board
Stefanos Kardamakis

B
Executive Summary of the Board of Directors

Public Power Corporation S.A. Executive Summary of the Board of Directors for the Fiscal Year 2019

Dear Shareholders,
Following the end of the Public Power Corporation's eighteenth fiscal year as a Societe Anonyme, we have the honor to submit for approval, according to the Company's statutes, the financial statements for the year ended December 31st 2019, as well as, our comments on the respective statements. Furthermore, we submit for approval the unbundled financial statements for the year 2019 (Appendix I of the Annual Financial Statements) according to the provisions of L. 4001/2011 art. 141 and the approved by the Regulatory Authority of Energy, methodology of accounting unbundling.

The Group's subsidiaries which are consolidated in the Group's financial statements are the following "PPC Renewables S.A.", "Hellenic Distribution Network Operator SA or HEDNO SA" , "Arkadikos Ilios 1 S.A.", "Arkadikos Ilios 2 S.A.", "Iliako Velos Ena S.A.", "Amalthia Energiaki S.A..", "Solarlab S.A.", "Iliaka Parka Ditikis Makedonias 1 S.A.", "Iliaka Parka Ditikis Makedonias 2 S.A.", "PPC FINANCE PLC", "PPC Bulgaria JSCo", "PPC Elektrik Tedarik ve Ticaret Anonim Şirketi", "Phoibe Energiaki Photovoltaika S.A.", "PPC Albania", "Geothermikos Stochos S.A", "Windarrow Mouzaki Energy S.A.", "EDS DOO Skopje", "EDS DOO Belgrade", "EDS International SK SRO", "EDS International KS LLC", "Lignitiki Melitis S.A." and "Lignitiki Megalopolis S.A."

Based on L. 4548/2018, as applies, PPC S.A. prepared the financial statements for the year ended December 31st 2019 (eighteenth fiscal year), in accordance with the International Financial Reporting Standards (IFRS), as endorsed by the European Union.

This report also refers to Alternative Performance Measures. For details on the purpose and calculations refer to ANNEX - Definitions and reconciliations of Alternative Performance Measures ("APMs").

The annual Report of the main Subsidiaries for the year 2019, are available on the internet at the following web site addresses:

HEDNO S.A.	**http://www.deddie.gr**
PPC RENEWABLES S.A.	**http://www.ppcr.gr**

Amendments in the current legal framework during 2019.
All detailed amendments in the current legal framework are presented in Note 2 to the Financial Statements.

PPC Group FY2019 financial results
- Increase in turnover by 4% in 2019
- Recurring EBITDA at € 333.6 m in 2019 (from € 403.8 m in 2018)
- Reversal of trend in Q4 2019 with recurring EBITDA at € 236.8 m from € 44.7 m. in the respective period of 2018, as a result of measures taken
- Negative impact due to higher energy purchases and higher CO_2 prices
- Reduction of lignite fired generation by 30.1% since lignite units are less competitive
- Devaluation of € 2.1 bln on pre-tax results mainly due to lignite assets negative value

Key Group Financial Results

(in € m)	2019	2018	Δ (%)	Q4 2019	Q4 2018	Δ (%)
Turnover [1]	4,931.6	4,741.9	4.0	1,323.5	1,253.1	5.6
Operating expenses (adjusted for the Special RES account, provision for personnel's severance payment, post-retirement benefits, settlement of the Renewables levy-ETMEAR and PSOs for previous years) [2]	4,598.0	4,338.1	6.0	1,086.7	1,208.4	(10.1)

EBITDA recurring	**2019**	**2018**	**Δ (%)**	**Q4 2019**	**Q4 2018**	**Δ (%)**
(adjusted for the Special RES account, provision for personnel's severance payment, post-retirement benefits, settlement of the Renewables levy-ETMEAR and PSOs for previous years) (3)=(1)-(2)	**333.6**	**403.8**	(17.4)	**236.8**	**44.7**	429.8
EBITDA margin recurring (4)=(3)/(1)	**6.8%**	**8.5%**		**17.9%**	**3.6%**	
Special RES Account (5) (charge was abolished as of 1.1.2019)	(99.3)	(196.3)			43.1	
Provision for personnel's severance payment and post-retirement benefits (6)	(243.4)	164.3		(243.4)	(1.8)	
Settlement of ETMEAR for previous years (7)		(105.2)				
PSOs for the years 2007-2011 and settlement for 2017 (8)	(122.6)			(122.6)		
EBITDA (9)=(3)-(5)-(6)-(7)-(8)	**798.9**	**148.4**	438.3	**602.8**	3.4	
EBITDA margin (10)=(9)/(1)	**16.2%**	**3.1%**		**45.5%**	0.3%	
Depreciation, total net financial expenses and share of profits/(losses) in associated companies (11)	758.0	751.1	0.9	209.9	176.3	19.1
Devaluation of assets & impairment of the shareholding in lignite subsidiaries (12)	2,098.8	246.2		2,033.9	5.6	
Pre-tax profits/(Losses) (adjusted for the Special RES account, provision for personnel's severance payment, post-retirement benefits, settlement of ETMEAR, PSOs for previous years and devaluation of assets & impairment of the shareholding in lignite subsidiaries) (13)=(3)-(11)	(424.4)	(347.3)		26.9	(131.6)	
Pre-tax profits/(Losses) (14)=(9)-(11)-(12)	**(2,057.9)**	**(848.9)**		**(1,641.0)**	**(178.5)**	
Net income / (Loss) (15)	(1,685.7)	(903.8)		(1,332.5)	(329.2)	

For further information regarding definitions of ratios included in abovementioned figures, please refer to the Financial Report for the twelve - month period ended December 31, 2019 (Report of the Board of Directors – Appendix)

Group EBITDA for 2019 was positively impacted by the rebate of € 99.3 m. from the surplus created in the Special Account for Renewables, by the reduction by € 243.4 m of the liability for post-retirement benefits, as well as by the settlement of a total amount of € 122.6 m for PSOs for previous years (collection of € 194.7 for the period 2007-2011 and negative impact by € 72.1 m. for 2017).

Excluding abovementioned amounts, recurring EBITDA settles at € 333.6 m. For comparability reasons, EBITDA for 2018 is adjusted at € 403.8 m.

The deterioration of recurring EBITDA for the full year is primarily attributed to higher expense for the purchase of CO_2 emission rights driven by the significant increase of prices, which more than doubled, as well as to the negative impact on energy purchases cost by increased System Marginal Price.

On the other hand, EBITDA was positively impacted by the partial recovery of the higher expense for the purchase of CO_2 emission rights through the CO_2 clause in Medium and High Voltage tariffs as well as the measures taken since August 2019 and the cost containment efforts of the Company.

According to the International Financial Reporting Standards (IFRS), the Group and the Parent Company have selected since the listing in the Stock Exchange to value their fixed assets on their fair values. Said appraisal is performed periodically, every three to five years. Results of the previous appraisal were recorded in the 2014 annual financial statements. Consequently, in 2019, an independent firm was assigned for the appraisal of the Group's property, plant and equipment at December 31, 2019 fair values.
As a result of the appraisal, a total net increase of the fixed assets value of the Group by € 1,261 m was recorded, which based on IFRS had a direct impact on equity, while at the same time, as a result of the appraisal and the negative value arising from lignite assets, an additional devaluation of assets by € 2,098.8 m was recorded which negatively affected pre tax profits. The amount of € 2,098.8 m includes among other the provision for the dismantling of power plants and mines as well as the full restoration of the land in the mines once the facilities cease to operate. All the above amounts do not have a cash flow effect.

Adjusted pre - tax losses for 2019 amounted to € 424.4 m compared to adjusted pre - tax losses of € 347.3 m in 2018.

It is noted that since Q4 2019, a reversal of the trend has been recorded, since it is the first quarter that fully incorporates the positive impact from measures taken, with recurring EBITDA amounting to € 236.8 m compared to € 44.7 m in Q4 2018. Adjusted pre-tax profits amounted to € 26.9 m. compared to pre-tax losses of € 131.6 m. last year.

Analysis of Revenues & Operational Expenses of PPC Group

Revenues

Turnover for 2019 – the reduction of sales volume by 2,421 GWh (or 5.9%) driven by market share loss increased by € 189.7 m or 4% due to:

- tariff adjustments effective as of 1.9.2019 and gradual reduction of the discount provided to customers who pay on time from 15% to 5%,
- partial recovery of the CO_2 expense from Medium and High Voltage tariffs
- revenues' increase from energy sales of thermal units in the non-interconnected islands as well as from Distribution network fees collected by third party electricity suppliers.

Operating Expenses

Operating expenses before depreciation increased in 2019 to € 4,598.0 m compared to € 4,338.1 m in 2018, marking an increase by € 259.9 m mainly as a result of the particularly increased expenses for energy purchases, CO_2 emission allowances and natural gas.
Operating expenses before depreciation do not include adjustments for the Special RES Account, the provision for personnel's severance payment, the reduction of the liability regarding post-retirement benefits and the settlements for ETMEAR and PSOs for previous years.

Operating figures (generation – imports)

In 2019 domestic electricity demand increased by 2.7% to 58,660 GWh compared to 57,122 GWh in 2018. On the contrary, total electricity demand (including pumping and exports) marked a slight decrease by 0.8% due to the intensified decrease of Third Party exports from Q2 2019 onwards. This decrease was recorded following a RAE decision that imposed restrictions on the NOME products that can be exported, resulting in the containment of the NOME quantities that were delivered from the second quarter onwards.

PPC's average retail market share in the country, declined to 75.8% in 2019, compared to 81.8% in 2018, while PPC sales (in GWh) declined by 5.9%. Specifically, the average retail market share in the Interconnected System was contained to 71.7% in December 2019 from 80.3% in December 2018, while PPC's average market share, per voltage, was 97.5% in High Voltage, 52.6% in Medium Voltage and 73.4% in Low Voltage compared to 97.6%, 68.0% and 82.1% in December 2018, respectively.

PPC's electricity generation and imports (including the lignite subsidiaries) covered 45.5% of total demand in 2019 (41.6% in the Interconnected System), while the corresponding percentage in 2018 was 54% (51% in the Interconnected System), a reduction attributed to lower lignite and hydro generation.

Specifically, lignite fired generation declined by 30.1% or 4,489 GWh with the largest part of the reduction being realized in Q3 2019 (1,975 GWh) and in Q4 2019 (1,409 GWh) mainly due to lower natural gas prices and higher CO_2 prices which render lignite - fired units less competitive compared to natural gas fired units.

Hydro generation declined by 33.4% or 1,688 GWh, a reduction which was however attributed to different reasons since it was driven by lower inflows in the hydro power plants' reservoirs in 2019 compared to 2018 as well as by the increase of water reserves, which in December 2019, were up by 467 GWh compared to December 2018.

On the contrary generation from natural gas fired units increased by 11.9% or 758 GWh.

Regarding electricity imports in the country, they were increased by 22.1% or by 2,479 GWh, due to increased quantities that where imported from third parties (increase by 2,576 GWh), since PPC imports slightly decreased by 97 GWh.

Energy mix expenditure

Expenditure for liquid fuel, natural gas, third parties fossil fuel, CO_2, energy purchases (excluding the charge and the rebate for the Special RES account deficit) and for the Special Lignite Levy increased by € 425 m (14.8%) compared to 2018.

In detail:

- Liquid fuel expense remained practically stable at € 670.9 mil. in 2019 without a significant change both in electricity generation and heavy fuel oil and diesel prices.
- Natural gas expense increased by 12.5% to € 431.4 mil. from € 383.6 mil. due to higher natural gas generation. Natural gas prices remained practically stable since the increase recorded in the first half 2019 was counterbalanced by a proportional decrease recorded in the second half of 2019.
- Energy purchases expense from the System (mainland) and the Network (non-interconnected islands), excluding the charge of electricity suppliers for the Special RES account and negative impact from NOME auctions, increased by € 305 mil. due to the System Marginal Price (SMP) increase from € 60.4/MWh to € 63.8/MWh (negative impact by € 61.2 mil.), higher energy purchases volume (negative effect by € 208.6 mil.) and other expenses (negative effect by € 35.2 mil.). The negative impact from NOME auctions - despite their abolition - continued although reduced by € 71.9 mil. (€ 156 mil. compared to € 227.9 mil.) due to the reduction of the difference between SMP and the NOME price, as well as due to lower quantities that PPC delivered in Q3 and Q4 2019.
- Expenditure for CO_2 emission rights increased to € 546.5 mil. compared to € 369.6 mil. in 2018 due to the CO_2 emission rights' average price increase from € 12.5/tn to € 23.7/tn, despite lower emissions (from 29.5 mil. tones to 23.1 mil. tones).

Payroll cost

Total payroll cost including capitalized expense decreased by € 49.1 mil. to € 817 mil. in 2019 from € 866.1 mil. in 2018, due to natural attrition (a decrease of 1,638 employees).

Provisions

In 2019, a € 46.1 mil. reversal of bad debt provisions for customers was recorded compared to a € 169.7 mil. reversal in 2018.
Provisions for litigation and slow moving materials, decreased to € 37.1 mil. compared to € 153.8 mil. in 2018, mainly due to the fact that in 2018 provisions for litigation were negatively impacted by an € 109.5 mil. provision for overdue interest that IPTO claimed from PPC.

Financial expenses

In 2019, net financial expenses increased by € 18.3 mil. to reach € 97.6 mil. compared to € 79.3 mil. in 2018 mainly due to the decrease of the interest on overdue receivables from customers. On the contrary, financial expenses decreased by € 13.7 mil. mainly due to lower interest rate cost of the debt portfolio.

Capex

Capital expenditure, amounted to € 646.6 mil. in 2019 compared to € 746.7 mil. in 2018.

The composition of main capex is as follows:

(in € m)	2019	2018	Δ (%)
Mining projects	85.9	67.8	26.7
Generation	375.3	453.7	(17.3)
RES projects	32.0	52.5	(39.0)
Distribution network	149.8	168.6	(11.2)

Net Debt

Net debt stood at € 3,687 mil. on 31.12.2019, a decrease of € 5.4 mil. compared to 31.12.2018.

Net Debt evolution

(in € mil.)	31.12.2019	31.12.2018
Gross Debt [(1)]	4,040.1	4,023.7
Cash and cash equivalents (including lignite subsidiaries) /Restricted cash*/Financial assets at fair value [(2)]	353.1	331.3
Net Debt [(3) = (1) - (2)]	3,687.0	3,692.4

(*) For the calculation of net debt, restricted cash related to debt has been deducted.

Capital Expenditure Program of Business Units.

Total capital expenditure for the Parent Company amounted to € 608.1 mil. and was allocated as follows: € 85.9 mil to Mines, € 372.7 mil to Generation, € 145.9 mil to the Distribution Network, € 1.9 mil. to the Supply Division and € 1.7 mil. to activities of the Administrative Divisions. Capital expenditure for the Parent Company for the year 2019 has decreased by € 79.6 mil., compared to 2018, representing a decrease of 12%.

It is noted that capital expenditure for the year 2018 was affected by the significant progress in the construction of the Ptolemaida V lignite fired Unit, resulting in an increased amount of expenditure for the whole year.

Total capital expenditure for the Group for 2019 amounted to € 646.6 mil. and includes besides Parent Company's capital expenditure, also those of PPC RENEWABLES S.A. amounting to € 32 mil., of HEDNO S.A. amounting to € 3.9 mil. and of the two spined-off Lignite subsidiaries amounting to € 2.6 mil. Capital expenditure for the Group for the year 2019 decreased by € 100.1 mil., compared to 2018, representing a decrease of 13%

Mines Business Unit

Capital expenditure of the Mines Business Unit for 2019 amounted to approximately €85.9 mil. and is related to projects in Western Macedonia Lignite Center (WMLC). A breakdown of the capital amount was spent during 2019 is presented below:

1. €48.5 mil. were spent on land expropriations of which €33.8 mil. on land acquisition in the region of Pontokomi – Mavropigi villages and €13.4 mil. on the relocation of Pteleonas village. As also €1.3 mil. were spent on archaeological excavations.
2. €17.3 mil. were spent on pre-operational expenses and earthworks, using both PPC's and contractors equipment, in South Field Mine.
3. € 5.2 mil. were spent on the construction of the lignite belt conveyor system that interconnects Main Field Mine and Kardia Field Mine.
4. € 8.2 mil. were spent on electromechanical works of which €5.5 mil on belt conveyor's extension and constructions and €2.7 mil. on equipment upgrades.
5. € 3.5 mil. were spent on civil engineering projects and other technical projects (berm floor construction, road asphalting).
6. € 0.8 mil. were spent on environmental projects and liabilities to third parties (national road and railway relocation, waste management projects, fences construction etc)
7. € 2.2 mil. were spent on the purchase of auxiliary equipment.
8. The remaining expenses are related to smaller projects.

Total excavations in the Mines of Western Macedonia amounted to 129.5 mil. cubic meters and lignite production to 17.7 mil. tones.

Generation Business Units

Exploitation:

- During 2019 the total net production of the General Division of Lignite Generation (GDLG) and General Division of Thermo- and Hydro-electrical Generation (GDTHG) power stations (excluding the subsidiary companies Lignitiki Megalopolis S.A., Lignitiki Melitis S.A. for 2018-2019 and PPC Renewables S.A.) amounted to 22.05 TWh, decreased by 18.5% compared to 2018 (27.11 TWh). PPC's share of production dropped from 53.30% in 2018 to 46.03% in 2019.
- Compared to 2018, the most notable change is the significant reduction of lignite generation. The lignite based generation (excluding the subsidiaries) was reduced by 37.32%, since it reached 6.97 TWh, which is 4.15 TWh less than in 2018. The main causes for this reduction was: the decommissioning of the lignite based Units I and II of the Kardia Power Plant since 30.06.2019; the limited operation of the Amyntaio-Filota Power Plant and Units III and IV of Kardia under special regulatory conditions in view of their planned decommissioning; and the increased Unit unavailability due to planned maintenance and upgrade projects (the unavailability factor due to planned outages was 21.78% in 2019 as opposed to 12.89% in 2018). The lignite Units' availability factor was 67.42% in 2019, which is a reduction of 9.0 p.c. units compared to 2018. The generation's reduction and the

increase of the unavailability factor in 2019 resulted to a reduction of the load factor, which reached 29.36% as opposed to 42.37% in 2018 and a corresponding reduction of the utilization factor from 55.45% in 2018 to 43.56% in 2019.

- Compared to 2018, the hydroelectric generation was reduced by 1.70 TWh or 33.55%, reaching 3.36 TWh in 2019. It should be noted that in 2018, the hydroelectric generation reached 5.06 TWh when emergency measures were taken for protecting the reservoirs from flooding due to excessive rainfall. The 2019 generation is directly comparable to that of 2017 which reached 3.46 TWh.
- Natural gas based generation reached 7.13 TWh, 0.77 TWh more than in 2018, which is a 12.02 % increase. The Units' load factor reached 30.95% and was increased by 3.29 p.c. units. The availability factor in 2019 was 83.46%, an increase of 13.31 p.c. units compared 70.15% in 2018. The increased availability, however, outpaced the increased generation and as a result the utilization factor was reduced by 2.35 p.c. units reaching 37.08% in 2019 from 39.43% in 2018.
- In 2019, the South Rhodes Thermal Plant at Kattavia added 119.56 MW of capacity at the Rhodes electrical system. This allowed the transfer of 18 generator sets of total power 22.95 MW from the Rhodes Thermal Power Plant at Soroni to the Atherinolakkos Thermal Power Plant for partially supporting the needs of Crete's electrical system. In view of the increased load demand placed on Crete's system, extra 58 MW of non-permanent capacity were also used. Furthermore, extra 20 MW of non-permanent capacity was used in 2019 for supporting the needs of the rest of the Non-Interconnected Islands (NII).
- Megalopoli Unit A III and B IV as well as Meliti Unit were owned by the Parent Company until 30.06.2018. As of 01.07.2018 they are owned by the Lignitiki Megalopolis S.A and Lignitiki Melitis S.A. respectively.The two lignite based generation subsidiaries Lignitiki Megalopolis S.A. and Lignitiki Melitis S.A. operated the whole of 2019 as independent units. They started operating like this from the second half of 2018. Comparison between 2019 and 2018 is performed on a whole year basis irrespective of ownership status.
  Lignitiki Megalopolis S.A.'s generation was 2.37 TWh, which is similar to the annual production of 2018 (operating both as a subsidiary and as part of PPC), when it reached 2.36 TWh. The load, availability and utilization factors were 54.78%, 67.73% and 80.88%, respectively, very similar to the corresponding 2018 values, which were 54.26%, 68.35% and 79.38%, respectively.
  Lignitiki Melitis S.A.'s generation reached 1.08 TWh in 2019 and was 0.39 TWh less than the 2018 annual generation (operating both as a subsidiary and as part of PPC), which was 1.47 TWh. The load factor was reduced to 43.54%, which is 14.79 p.c. units less than that of 2018, which was 58.33%. Although the power plant's availability increased to 68.90% in 2019 from 64.92% in 2018, the generation's reduction resulted to the reduction of the utilization factor to 63.20% in 2019 from 89.86% in 2018.

Investments:
Total Investments of the General Division of Lignite Generation and the General Division of Thermo- and Hydro-electrical Generation during 2019 amounted to 372.7 million €.

In the context of PPC S.A.'s Strategic Priorities Plan, the GDTHG and the GDLG have undertaken the implementation of Investment Projects in order to replace obsolete Units with new, environmentally friendly ones, of modern technology and higher performance. Concerning the progress of the Projects during 2019 it is noted that:

- **Thermal Units:**
  - **Megalopoli Natural Gas Combined Cycle Unit No V, of 811 MW net capacity at reference conditions:**
    The Unit was put into commercial operation on January 27th 2016. Performance tests of the Unit have already been executed and the relative evaluation report was submitted by the Third Party to PPC. Moreover, the Unit's compliance tests with the Management Code of the Independent Power Transmission Operator (IPTO) have been completed and it has been included in IPTO's Register. The Unit's Final Acceptance Protocol has been approved.
  - **Steam Electric Unit V, of Ptolemaida Station, of 660 MW (+ 140 MWth for District Heating) installed capacity, using pulverized lignite fuel:**
    The Installation License of the Project was issued, by the Ministry of Reconstruction of Production Environment and Energy, on April 24th 2015 while the Building Permit was issued on July 1st 2015.
    PPC, in accordance with the contractual provisions, has already paid to the Contractor two advance payments, of approximately € 198 mil., each, against relevant Letters of Guarantee of Advance Payment, of approximately € 227 mil., each respectively.
    Currently, the submission to PPC for review of studies and drawings, for the procurement of Project's equipment as well as for the construction of civil engineer and electromechanical works, continues. At the same time all Project buildings and facilities are in the process of construction. 91 % of the mechanical, 87% of the electrical, 61% of the automation, instrumentation and control, and 73% of the water and chemical processing equipment are on site and have been costed. The certified Civil Engineering work has been completed by 89%, the installation of mechanical equipment by 63%, the raise and installation of electrical equipment by 62%, the installation of instrumentation and automation equipment by 4%, and the raise and installation of water and chemical treatment facilities by 26%. For the fiscal year 2019 expenditure for the project amounted to 307.5 million €.

- **Hydroelectric Units:**
  - **Messochora Hydro-Electric Project (HEP) (160+1.6 MW):**
    The Environmental Terms Ministerial Decision has been issued providing that PPC will undertake ground support and stabilization measures for the preservation of a section of the Messochora village. The procedure for the expropriation of estates in the wider area has been initiated starting with the estates that will be inundated by the reservoir and have not been already expropriated, as well as with those of the Sectors A, B and C of the Messochora village. Along with this, procedures for meeting the provisions introduced by the said Ministerial Decision as well as those for the preparation of Tender Call documents for the remaining construction works are under way. The operation of the Power Plant is estimated to begin in the year 2023. It is noted that due to necessary actions that are beyond PPC's responsibility such as submission and approval of development plans, urban studies, and the expropriation (Phase B) of the areas to be expanded, as well as the relocation of the settlement (for which the Municipality is responsible), there may be further delays to the expected time of operation.
  - **Ilarionas HEP (153 + 4,2 MW):**
    The Units' operation tests have been completed and the procedure for registering them in the IPTO Units Registry was completed in February, 2018. From the three basic contracts, two have been completed by 100% and the third by 99.65%.
  - **Metsovitiko HEP (29 MW):**
    The construction schedules have been affected by the expected issuance of building permits. The impact of these delays on the progress of the Project will be assessed after obtaining the necessary approvals. During 2019 construction and other Civil Engineering works along with installation of electromechanical equipment took place. Further installation and operation of delivered equipment is in progress. For the fiscal year 2019 the expenditure for the project amounted approximately to 2.5 million €.

- **Non-Interconnected Islands (Crete, Rhodes, Other):**
  - **New South Rhodes Station, of 115.4 MW net capacity, consisting of seven similar generating sets (G/S) with four – stroke Diesel engines:**
    Civil engineering and electromechanical equipment installation works had been completed. Commissioning of all Units has been completed. During 2019 the Commercial Operation phase was completed and the Contractor has submitted the request for the Project's Temporary Acceptance. The necessary Performance Testing complying with the Commercial Operation Acceptance Protocol terms were conducted. For the fiscal year 2019 expenditure for the project amounted approximately to 14.4 million €.
  - **Other NII**
    - Two new (2) G/S 1.3 MW each and one (1) 2.5 MW have been installed in Ikaria Local Power Station.
      The total investment expenditure for the NII for fiscal year 2019 amounted to 8 million €.

Environmental Management / Health and Security:

- During 2019, towards the improvement of the environmental behavior of the Power Generation Units of GDLG and GDTHG:
  - Environmental Management Systems (EMS) according to ISO 14001:2015 of twenty (20) PPCs' Steam and Hydro Electric Stations were re-certificated by independent Certification Bodies, after surveillance audits. Two (2) Steam Electric Stations (SES), namely SES Melitis and SES Megalopolis, are properties of PPC fully owned subsidiaries Lignitiki Melitis S.A. and Lignitiki Megalpolis S.A., respectively.
  - The process development and adaption of Environmental Management Systems (EMS) according to ISO

14001:2015 were completed for the Autonomous Power Stations of Chios, Kos, Karpathos, Samos and Lemnos; certification is expected in 2020.
  - A new EMS according to ISO 14001:2015 was developed and adapted for SES South Rhodes (SES Kattavia). The new SES South Rhodes system will merge with the existing Certified EMS of SES Soronis Rhodes and become an integral system.
- With regard to Health and Safety, during 2019:
  - Recertification of Health and Safety Management Systems, by Independent Certification Bodies and according to OHSAS 18001:2007, was successfully completed for all Thermoelectric Power Plants.

Supply Business Unit.
The investments of the Supply Division amounted to 1.9 million euros for 2019 mainly concern Branch configurations according to the united visual identity in order to convey a uniform image, which corresponds to the contemporary perception of the company with a customer centric orientation, in a pleasant and modern environment.

The actions of the General Supply Directorate on trade policy and debt management focus on the following:
- Adoption of a new settlement regulation, which provides lower down payments than previously envisaged and with an automated approval procedure.
- Targeted legal actions for debtors with high and long term overdues.
- Telephone notices to debtors through sales stores
- Sending newsletters to customers with more than two outstanding bills to settle their debts
- Actions to public sector customers in order to settle their debts
- Maintaining the consistency discount to customers with timely payment of bills at 5% from 01.09.2019. This discount was 10% from 01.04.2019 to 30.08.2019 and 15% from 01.01.2019 to 31.03.2019.
- Extra 2% discount from 01.01.2020 through the "Prepaid Bill" program to those who choose to prepay their one year bills. This discount was 4% until 31.12.2019.
- Continuing the volume discount policy on corporate customers with consumption above 10GWh.
- Cease of representation to clients who are strategically bad payers or with multiple settlement breaches and metering violations, resulting in continued debt swelling.
- Electronic Monthly Bill, instead of Bimonthly, to any customers who wish, in order to be able to better plan their monthly electricity costs.
- Continuing the collaboration with a specialist support services company, with the aim of more effective collections management through debtors and law firms.
- Intensifying the efforts to register customers to e-bill choosing the option of receiving electronic bill and in addition to giving them the opportunity to opt for a "Monthly Bill" online sending. In this way customer service is improved in terms of time and quality, saving human and financial resources and enhancing the environmental footprint of the company. As an incentive, a refund of € 1 for bi-monthly and € 0.5 for monthly customers is given to those who choose to receive an electronic bill by June 2020
- The General Supply Directorate harmonizes its customer business procedures with the new GDPR Policy.

Support Operations General Division
During 2019 the activities of the Support Operations Division are summarized in the following categories:
- Legal and regulatory compliance activities
  - Actions for GDPR Compliance
  - Network and Information Systems Security Officer appointment
  - Development of a system for the management of the port facility of the Keratea-Lavrion Power Station according to MTMSA / OCIFM
  - Conducting public bidding procedures exclusively online
- Activities to reduce expenditure and / or increase revenue
  - Update the real estate valuation study
  - Sub-chartering of timeshare tankers
  - Upgrading of IT infrastructure
  - New natural gas billing information system

The challenges for 2020 include:
- Legal and regulatory compliance activities
  - Providing technological infrastructure for the implementation of the Target model
  - Adaptation of procurement procedures to the new legal framework (L.4643 / 2019)
- Activities to reduce expenditure and / or increase revenue
  - Participation in funded European and National Research Programs
  - Expansion of the TRSC's activities by providing laboratory services to third parties in Greece and the Balkans
  - Commencement of work on the construction of the new Administration building
  - Actions for the development of PPC SA real estate

HEDNO S.A.

Development & Operation of Networks
In 2019, the length of distribution lines increased by 255 km in the medium voltage grids, by 609 km in the low-voltage grids, while an additional 331 Low/Medium transformers were installed and 2.600 relocations (displacements) were made.
Therefore, the Medium Voltage network extends to 112,550 km and the Low Voltage network extends to 127,550 km while transformers stand at 164,752.

Active users of the Distribution network totaled 7,576,827 of which 11,917 in the Medium Voltage.

The total investments in the Distribution Network, relating to projects completed in 2019 and invoiced by the Network Operator, HEDNO SA, to the Parent Company amounted to € 150 million. Of these, € 12 million related to significant branded projects.

Turnaround Times of New Connections
In 2019, the average time for the design and construction of basic power supplies was 34 days, while for supplies requiring network construction it was 79 days and 69 days for commutation requests.

Environmental Issues
2,160km of twisted cables have been installed at the Low Voltage network under the generalized use in place of stripline, with positive effects on the environment.

PPC Renewables

Generation
Electricity generation in the year 2019 was 259,428 MWh compared to 258,798 MWh in 2018. The average capacity factor of the Company in 2019 was 27.47% and per technology: 24.42% for the wind parks 31.15% of the Small Hydroelectric Stations (SHS) and 19.00% of Photovoltaics.

Investment activity
In 2019:
- The Hybrid Project in Ikaria, "Naeras" of 6.85 MW total capacity, which combines the utilization of two renewable energy sources, that of Wind and Hydroelectric energy, inaugurated on June 5, 2019.

- In 2019 they have been rebuilt and electrified 8 Wind Parks: Agios Ioannis of Karpathos, Perdiki of Ikaria, Pythagorio of Samos, Tigani of Mykonos, Marmari of Evia, Profet Elias of Psara, Potamia of Chios and Sigri of Lesvos. The completion of the Wind Park in Melanios Chios is expected in the first half of 2020 and that of Lemnos by the end of 2020, as it is in the licensing procedure. The dismantling of the old Wind Park at Toplou Monastery in Sitia, Crete, was completed. The contract for the Design, Supply, Transmission, Installation and

Commissioning of the new Wind Park is in progress and we are expected to sign the contract for infrastructure by March 2020. The construction of the Wind Park at the locations of "Aeras" of the Municipality of Mouzaki and "Afentiko" of the Municipality of Argithea and the GIS type High Voltage Substation 20/400kV, of 100 MVA power, at the location "Diaselo-Prophet Elias" of the Municipality of Mouzaki, Karditsa, has started in February 2019 and semi-commercial operation is expected to begin in autumn 2020. The Tenders for the Construction of the Wind Park of 9.2 MW total capacity at the location of Xerakia Dilinata of the Municipality of Kefalonia, region of Ionian Islands have been completed and works are expected to start within the first trimester of 2020.

- The Tender for the Repowering of the SHPP Vermio of 1.96 MW capacity and Euro 4.045 mil. budget is in progress and the Partnership of the companies “EVDROMOS TSA – GH CONSTRUCTIONS IKE” is the temporary contractor. The Tender for the Construction of the SHPP Smokovo II of 3.2 MW capacity and Euro 4.3 mil. budget was completed in July 2019 and the Partnership of the companies “EVDROMOS TSA – GH CONSTRUCTIONS IKE” was announced as contractor.

- As part of the PPC Group's focused shift to renewable energy sources and the extrovert character that the Group has declared, PPC Renewables has signed a Memorandum of Understanding (MoU) with MASDAR TAALERI GENERATION D.O.O. (MTG) and EDPR, a subsidiary of ENERGIAS DE PORTUGAL S.A. (EDP).

Significant events for the period January 1st 2019 – December 31st 2019

Significant events for the year 2019 are presented in detail in Note 3 of the Financial Statements.

COVID-19 Pandemic

On December 31st, 2019, the World Health Organization (WHO) was informed of limited cases of pneumonia, of unknown cause, detected in Wuhan, Hubei. On January 7th, 2020, the Chinese authorities identified a new type of coronavirus (COVID-19) as the cause. On January 23rd, 2020, the first COVID-19 cases have been confirmed in Hong Kong. As of December 31st, 2019, the development and spread of COVID-19 has led to the emergence of numerous related events. On March 11th, 2020, the WHO declared the COVID-19 a pandemic.
From mid-March, the Greek government started taking measures both to reduce the spread of COVID-19 (closure of educational institutions and businesses, extensive cessation of economic activity, ban on the movement of all citizens, cessation of the works in the worksite of the new Ptolemaida Unit V, etc.) and mitigate the economic impact of the COVID-19 pandemic on affected businesses and individuals (provision of extraordinary allowances and aids, protection of labor relations, extension of the deadline and suspension of tax and insurance debts collection, etc.).

Since, as at December 31st, 2019 it was not yet known how the situation was going to develop, the Management estimates (according to the provisions of IAS 10 - Events after the reporting period) that the COVID-19 pandemic does not constitute an adjusting event for the fiscal year ended December 31st, 2019 figures.

PPC S.A., already from the initial appearance of the new COVID-19 pandemic, implements a series of actions aiming to inform employees, raising their awareness on the prevention and protection measures, providing them with the appropriate Personal Protective Equipment (PPE), protecting both them and their families and at the same time ensuring its business continuity.
Indicatively:

- At the stage of the still mild condition, the Company:
  - Posted on PPC’s portal, informative material related to the new coronavirus. This material continues to be updated on the portal until today.
  - Sent to all employees an information document (printed and electronic) for COVID-19 with accompanying instructions from NATIONAL PUBLIC HEALTH ORGANIZATION (NPHO).
  - Started updating the existing Plan of Operations dated to the year 2009 (reffering to the influenza pandemic H1N1 virus), referring in the first phase to the stages of the mild and moderate condition.
- At the stage of the moderate condition, the Company:
  - Sent to all employees a new document (printed and via email) with instructions for their protection
  - Activated the following measures, in the context of the policy for dealing with a possible epidemic:
    - Intensive disinfection and cleaning in the workplace.
    - Cancellation of trips abroad, suspension of participation in conferences, postponement of educational programs and meetings, activation of teleconferences.
    - Extraordinary supplies of Personal Protective Equipment (PPE) and other materials related to the protection from the coronavirus (masks, gloves, antiseptics, cleaners, etc.).
    - Support of PPC’s employees through PPC’s IT Security Team and the Company’s resident doctors.
- At the stage of the pandemic, the Company:
  - Set up a Crisis Management Committee to deal with COVID-19.
  - Included in the Plan of Operations the stage of the pandemic and brought it in its final form entitled “Operational plan of PPC’s readiness to deal with pandemic from the new coronavirus COVID-19”.
  - Further strengthened measures already imposed at the previous stage.
  - Based on its Operational Plan, determined the critical minimum staff for the operation of the Company per sector of activity
  - Activated a telephone line to inform the staff about the coronavirus.
  - Suspended the operation of restaurants and canteens.
  - Is in constant communication with its business units sending Personal Protective Equipment (PPE) (gloves, masks, uniforms, etc.) according to their needs. The Company also proceeds to extraordinary supplies of additional quantities of PPE, in order to avoid the lack of them, especially in the critical staff groups.
  - Issues informative material and instructions for the provision of a special purpose day off and a special day off in case of a suspected, probable or confirmed case, for vulnerable groups to stay at home, for the disinfection, for the use of the PPE, for the out-of-office work, as well as for the monitoring of the incidents in the contractors’ staff.
  - Statistically monitors the evolution of the number of cases (probable, suspected or confirmed) concerning its employees, strictly protecting its employees' personal data.

The other subsidiaries of the Group take similar to the above measures.
PPC also took extraordinary measures in order to relief electricity consumers, amending its tariffs from March 26th, 2020 and for the duration of a quarter. These extraordinary measures are as follows:

- Abolition of the fixed charge in all Low Voltage tariffs.
- Abolition of the second consumption range of the electricity charge in tariffs Γ1 and Γ1N, for the consumption within the peak period (i.e. the second scale of the tariffs Γ1 and Γ1N equals the first scale for the consumption within the peak period).
- Abolition of the Euro 1 charge for every printed bill.
- Readjustment of the discount on each issued electronic bill, from Euro 1 for bimonthly bills and Euro 0.50 for monthly bills to Euro 5 for bimonthly bills and Euro 2.50 for monthly bills.
- For vulnerable customers which are included in the categories Β & Γ, the Company applies an 8% discount on the competitive component of their bill.
- Application of an 8% discount in all Business Tariffs for the consumption of more than 2,000kWh within the peak period.

From the above measures, it is estimated that there will be a reduction in revenues from electricity sales amounting to approximately Euro 40 mil.
Due to the fact that the majority of the impacts mainly comes from the measures, taken both worldwide and Greece since mid-March 2020 to reduce the spread of the pandemic and to mitigate the economic impact on businesses and individuals, it is likely that the Group’s and the Parent Company’s operation, financial position, operating results, cash flows and the implementation of their business and investment plans will be affected.
For this reason, the Group’s and the Parent Company’s Management daily monitors developments and measures taken regarding the rapid spread of COVID-19 and studies any adverse or positive impacts that may arise, making estimates for the following:

- The evolution of the electricity demand
- The availability of the Power Production Units
- The evolution of the expenditures (energy balance, payroll, other expenses etc.)
- The evolution of the revenues from electricity sale and other revenues (revenues from the use of Distribution Network)
- The evolution of the expected cash flows
- The possibility of breach of contracts by the suppliers (due to extraordinary events)
- The possibility of reduced electricity bills collection
- The possibility of changing the investment plan

For the impacts expected from the measures already taken, in order to limit the spread of COVID-19, Management reassessed the budgeted financial figures for 2020 and first half of 2021, making assumptions about the evolution of the main figures of the electricity market (liquid fuels and natural gas prices, CO_2 allowance prices, System Marginal Price, etc.), as well as for the expected evolution of electricity sales. The measures taken until now to avoid the spread of COVID-19 do not seem to have an adverse economic impact on the Group and the Parent company. On the contrary, there is an increase in operational profitability due to a significant reduction in energy balance expenditures, which exceeds revenue reduction, while at the same time the adverse impact from delayed electricity bills collection is offset.

In the context of the above reassessment, a sensitivity analysis was carried out on the basic assumptions (liquid fuels prices, CO_2 allowance prices, System Marginal Price and collection of electricity bills) resulting in the burdening of 2020 and first half of 2021 revised financial figures, due to COVID-19, which, however, does not affect the Management's assessment that the Group and the Parent Company may continue as a going concern.

It is noted that under the above conditions the Company is in compliance with financial covenants included in its loan agreements until June 30th, 2021.

MAJOR RISKS - UNCERTAINTIES

The Group's and the Parent Company's activities are subject to various risks. Any of the following risks could have a material adverse effect on the Group's and the Parent Company's business, financial position or operational results and liquidity. The risks described below are not the only ones that the Group and the Parent Company face. Additional risks and uncertainties not currently known to the Group and the Parent Company or that are currently deemed to be of minor importance may also have a materially adverse effect on the Group's and the Parent Company's financial position, business, operational results and liquidity.

Macroeconomic conditions in Greece

The Group's and Parent Company's operations, their operating results, their financial position and their prospects depend to a large extent on the macroeconomic and microeconomic environment in Greece, as virtually all their assets and activities are in Greece. Any negative change and development in the macro and micro-economic environment of the country that directly and to a significant extent affects consumer demand for electricity, the ability of customers to repay their debts, the ability of the company to pass on increases in its costs to invoices, or financing prospects from the domestic financial system, therefore affects the operating results, financial position and cash flows of the Group and the Parent Company.

Credit Risk

Despite the fact that, electricity sales are dispersed over a large number of customers with a wide range of operations, spreading credit risk, the Group's and the Parent Company's business activities, operational results and cash flows are dependent on their customers' ability to repay their debts. The wide and protracted recession of recent years have had a significant adverse impact on the Group's and the Parent Company's liquidity, mainly resulting from:

- Difficulties in payment by customers who continue to fail to meet their obligations.
- A sizeable number mainly of small and medium sized companies that cease their operations due to the economic conjecture, leaving their electricity bills unpaid.
- The inability (in accordance with regulatory framework) to transfer debts of the same customer between their various electricity bills for household use, which accounts for 70% of the customers.
- Incidents where customers (both household and commercial) with debts due to electricity consumption, attempt to change their electricity supplier under a different name (or a different Tax Identification Number) in order to avoid restrictions that the Electricity Code imposes.
- Significant increase in debts from customers with move out, arising from the loss of market share as well as the ceases of representation by PPC to long-term debt customers.
- The fact that some customers under the pretext of the current economic downturn do not fulfill their obligations or delay their payments, despite the fact that they afford to do so.
- In addition, some industrial customers have questioned some of the electricity supply charges. For the customers concerned, it cannot be guaranteed to repay the electricity consumption-related amounts invoiced.

Additionally, the Parent Company's collection enforcement mechanisms may be affected by legislation or other administrative acts, (for example by restricting disconnections for non-payment of electricity bills for certain categories of customers or in areas that are declared to be in an emergency state, where customers benefiting from such decisions stop paying their bills).

Cooperation with a company providing specialized support services continues, aiming at a more efficient management of overdue claims through legal offices and companies informing debtors.

Actions are implemented with scaling, consistency and continuity in order to ensure the effectiveness of the actions to reduce outstanding debts. However, credit risk persists, due to the financial difficulty of some of the customers to timely repay their obligations, and may adversely affect the Parent Company's operations, operating results, financial position and cash flows.

In addition, some industrial customers have questioned some of the electricity supply charges.

Finally, due to the emergence of the COVID-19 pandemic and its possible impact on the financial situation of customers of both the parent company's and other subsidiaries of the Group within 2020, the credit risk faced by the Group and the Company may increase, resulting in an increase in their overdue receivables.

Liquidity Risk

Liquidity risk is connected with the need to ensure adequate cash flows to finance the Group's and the Parent Company's operations, including working capital needs, capital expenditure, as well as servicing their debt.

The Group's and the Parent Company's working capital needs may increase due to a number of factors, including:

- The increased delays in the payment or even non-payment of electricity bills, especially from customers that do not have an active electricity supply contract.
- The obligation to pay Renewables levy (ETMEAR), Special Consumption Tax on electricity as well as VAT when due, irrespective of whether relevant amounts have been collected from the Group's and the Parent Company's customers.
- The burden associated with the collection of taxes and levies that are not related to the sale of electricity, such as municipal taxes and levies that are currently collected through electricity bills and the inability to pay for the electricity consumption amounts without paying in the same time amounts due to third parties.

- The continuous increase in the number of disadvantaged citizens included in the register of vulnerable customers, that based on decisions of the State enjoy special privileges regarding (a) a longer period for paying their bills (40 days from the date of issue); b) the settlement of their debts in many installments and free of interest; c) limited penalties in the case of non-payment of bills and installments, since the supply of electricity cannot be disconnected due to debt, in their residence, almost throughout the year.
- Regulatory measures on the operation of the wholesale market, which burden the cost of purchasing electricity for PPC as a Supplier.
- The potential increase of commercial losses (non-technical losses), due to the non-suppression of incidents of electricity theft and arbitrary reconnection of electricity supply in cases of electricity disconnection due to debt.

The above factors may have a material adverse impact on the Group's and the Parent Company's liquidity as well as their ability to finance new or ongoing projects. It should also be noted that the Group's and the Parent Company's borrowing costs to access and find liquidity (to refinance existing debt and / or new liquidity) on both domestic and international level are affected by the state of the Greek economy in recent years.

Risk from exposure to the Banking Sector

The Group and the Parent Company may be exposed to risks arising for the Greek banking sector (for example limitations effected by the Single Supervising Mechanism (SSM) of the ECB on loans for Public Entities).

It should be noted that as of December 31st 2019 the Group's and the Parent Company's debt obligations towards the Greek banking sector amounted to 37.5% of their total loan liabilities.

Interest rate risk and foreign currency risk

The Group's and the Parent Company's debt liabilities consist of bank loans, bonds and overdrafts. It is the Group's and the Parent Company's policy to have a balanced distribution in their loan portfolio between fixed and variable interest rates according to the prevailing conditions and to hedge on a case by case basis through derivatives, solely to mitigate risk, against the fluctuation of floating interest rates and/or foreign currency exchange rates affecting their debt portfolio. As of December 31st 2019 no derivative transactions exist for loans or debt hedging.

Furthermore, the fluctuation of the Euro against the U.S. dollar exchange rate may adversely impact the prices of the Parent Company's liquid fuel purchases (diesel and heavy fuel oil). As oil prices are expressed in U.S. dollars, the Parent Company is exposed to foreign currency risk in the event of an appreciation of the U.S. dollar against the euro. In order to mitigate the foreign currency risk arising from liquid fuel purchases, the Parent Company examines the possibility of undertaking, on a case-by-case basis and according to the prevailing market liquidity circumstances, hedging transactions for this risk. It should be noted that any undertaken hedging transactions may not provide full or adequate protection against these risks.

Credit Rating Risk

The Group's and the Parent Company's ability to access capital markets and other forms of financing (or refinancing), and the costs associated with such activities, depend in part on their credit rating which is closely related to that of the Greek State as well as to the Greek banking sector's credit rating.

Commodity price risk and risk from the Electricity Market

The Parent Company is exposed to the risk of an increase in prices of oil, natural gas, electricity purchased from the System and the Network, as well as electricity prices of direct PPC imports. The Parent Company has established a policy of oil hedging transactions, based on which specific hedging transactions are undertaken on a case by case basis and according to the prevailing circumstances. It should be noted that any undertaken hedging transactions, may not provide full or adequate protection against this risk. Currently no derivative transactions exist to hedge against oil, gas and electricity price volatility. Moreover, the Parent Company has not established a hedging policy against the risk arising from the volatility of natural gas prices.

In terms of the risk arising from increased electricity purchase prices, exposure is hedged less and less by the Parent Company's vertical integration (internal hedge), i.e. the gap between the retail and wholesale market share increases. It is noted that PPC's average share in the wholesale market (Interconnected System) as of December 2019 amounted to 54.2%, while at the same period, PPC Supply's average share in the retail market amounted to 74.4%.

Additionally, prices of the main materials (metals, etc.), besides fuel, used by the Group and the Parent Company for their operation and development are determined on the international commodity markets, resulting to the Group's and the Parent Company's exposure to the risk of fluctuation of the relevant prices as well as to foreign currency risk, since no policy has been implemented to manage this risk.

Moreover, it is noted that the emergence of the COVID-19 pandemic and the possible impacts on both the global and Greek economy may lead to increased uncertainty, resulting in exchange rate fluctuations, price fluctuations in international commodity markets, while, the Greek electricity market is expected to be affected also. However, it is not currently possible to reasonably assess impacts from measures taken to avoid COVID-19 spread.

CO_2 Emission Rights

In order to operate its bound thermal power plants, PPC is required to acquire and deliver CO_2 emission rights under the EU ETS (the "EU Allowances" or "EUAs") to cover CO_2 emissions.

The price of CO_2 emission allowances may be further affected by the probable adjustment of the European Union (EU) targets for pollutant emissions in 2030, which is part of its commitments under the Paris Agreement, the ongoing dialogue on the objectives of the EU's climate for 2050 as well as the proposed upgrading of the EU's renewable energy and energy efficiency targets for 2030 that have already been upgraded to 32% and 32.5% respectively.

The Parent Company systematically monitors markets and developments at European level and has adopted a market policy that partly offsets the risk of price change, while an automatic mechanism (clause) for passing on increases in the price of CO_2 emission allowances to Low, Medium and High Voltage tariffs. However, an important part of the indirect risk (System Marginal Price (SMT) increases, decrease of lignite units share in the Wholesale Market) is not offset and therefore any increase of emission allowances prices may (directly or indirectly) affect the Group's and the Parent Company's financial position, operating results and liquidity.

Risk of exposure in competition in the wholesale market

The Parent Company faces intense competition and share loss in the wholesale market, due to the increased penetration of Renewables units in the System and the Network, as well as due to increased electricity imports from the neighboring countries and intense competition by third-party independent electricity producers. In addition, due to CO_2 emission allowances rising prices and the rigid environmental regulatory framework, the competitiveness of lignite production is adversely affected.

Possible changes in the competitive environment, through the introduction of new laws and / or regulatory mechanisms in the electricity market that benefit the Group's competitors, may adversely affect its operating results and liquidity.

Since the forthcoming changes to the wholesale energy market model are not currently final, new regulatory decisions and other developments are expected, that may have an impact on PPC's activities and financial position, which at present cannot be determined.

Tariff risk for the competitive activities
With the exception of vulnerable customers, all end-user tariffs are fully liberalized.

However a number of factors affect the Parent Company's ability and freedom to formulate the competitive component of tariffs, such as the ability of customers to cope with new possibly increased tariffs, initiatives of the Authorities, decisions of RAE etc., especially in view of the current socioeconomic condition in Greece.

Therefore, the Parent Company may face difficulties incorporating a potentially increased commodity cost, as well as costs related to electricity and CO_2 emission allowances to electricity bills, through increased tariffs.

Risk from regulated rates of return on Network activities
Regulated rates of return on Network investments combined with the approved by the RAE asset base on which depreciation and returns are calculated, may have a negative impact on the Groups' profitability and value, if they do not provide for a reasonable return on the invested capital and an adequate additional incentive for future strategic investments.

As a result, any RAE Decision on regulated tariffs that does not provide a reasonable return may have a significant adverse effect on the Group's business, operating results and financial position, as well as making it difficult to raise capital (foreign or domestic) to finance its investment plans.

Finally, since recovery of regulated returns is based on unit charges for consumers, determined by decisions of the Regulatory Authority for Energy, there is a significant risk that part of the return may not be fully recoverable or be recovered with a delay of several years.

Regulatory Risk
The legislative and regulatory framework of European and national energy and environmental policies, affect the business choices as well as the financial position and operating results of the Group and the Parent Company.

The Greek electricity system and the Greek electricity market are in the midst of broader developments due to the ongoing changes at European level, which are related to promoting the integration of European electricity markets, enhancing competition in energy markets, developing RES, limiting the use of solid fossil fuels in electricity generation, providing consumers with viable alternatives and generally promoting sustainable energy investment.

Therefore, a long period of continuous adjustment of the regulatory framework of the Greek energy market to the decisions and regulations of the national and European institutions is expected.

Possible modifications and adjustments to the regulatory and legislative framework governing energy markets and the environment, which would restrict business activities or lead to inadequate market liberalization, could have a significant adverse effect on the Group's and the Parent Company's business, financial position and operating results.

Risk from providing Public Service Obligations (PSOs)
The PSOs for which the Parent Company and the other electricity providers are entitled to compensation relate to:

a. the supply of electricity to the Non-Interconnected Islands (NII) at the same tariffs as those in the Interconnected System,
b. the supply of electricity at a special tariff to families with more than three children,
c. the supply of electricity to the beneficiaries of the Social Residential Tariff ("SRT") which is currently provided to persons of low income, families with three or more children, long-term unemployed, people with special needs and people on life support and
d. the supply of electricity at special tariffs to public welfare entities.

PSO compensation is based on the relevant costs incurred by the Parent Company and other electricity suppliers providing PSOs and is calculated according to a methodology published by RAE's Decisions.

Possible changes in the compensation rights for existing PSOs provided by the Parent Company or changes in the methodology for calculating the compensation for the provision of PSOs that will not allow the Parent Company to recover all of its costs, or any partial compensation, as well as delays in the payment of previous years' PSOs, or any possible adoption of new PSOs for which the Parent Company will not be entitled to full compensation, will have an adverse impact on the Group's and the Parent Company's costs, financial position, operating results and cash flows.

Risk of a deficit in the Special Account for Renewables
The deficit of the DAPEEP RES Special Account as a result of the account's revenues being insufficient to cover payments for RES producers compensated at a regulated tariff has created for many years both uncertainty and market liquidity issues. The primary sources of income for this account are the amounts that electricity providers pay for electricity generated from Renewables, the Special Renewables levy paid by Customers (ETMEAR) -which as already mentioned limits their ability for the timely payment of their electricity bills- and various other smaller amounts according to the relevant legislation.

Due to the fact that a zero deficit was not achieved, despite regulatory interventions for the period 2012-2016 (special solidarity levy, reduction of RES sales prices, etc.) in 2016 a new charge was imposed on Load Representatives (electricity suppliers), in order for the deficit of the DAPEEP RES Special Account to be reduced to zero by the end of 2017.

The above charge significantly burdened the financial results and cash flows of the Parent Company and the Group throughout the years 2016, 2017 and 2018, while it has been already abolished as of January 1st 2019, since the increase in the marginal price and the CO_2 emission allowance prices (which affect the income of the Special Account) led to a surplus.

However, no assurance can be provided that this favorable momentum in the RES Special Account's revenues will be maintained, since the proportion of the special Renewables levy in electricity bills has been reduced, resulting in a future decrease in the RES Special Account's revenues, leading to a possible future increase of the cost of RES purchased electricity by the competent authorities, which may have a significant adverse effect on the Group's operating results and financial position.

Risk from the absence of Fixed Asset insurance
Currently, the Group and the Parent Company do not maintain insurance against the usual risks associated with their power plants, distribution assets, property and equipment. Only major information technology equipment is insured. Moreover, materials and spare parts as well as liabilities against third parties are not insured. This has been primarily due to the high costs associated with obtaining insurance against these risks compared to the cost for remediating the damage should any of these risks occur, and the dispersed network of power plants.

Additionally, the Group does not insure third party liabilities with respect to distribution networks. During construction, major assets (except for networks) are insured by EPC contractors for their construction period. Cash in offices and agencies or in transfer is insured against theft and transports of liquid fuels are also insured.

Any severe damage to key power plants, distribution assets or mining equipment could have a significant adverse impact on the Group's and the Parent Company's business, financial condition or results of operations.

Hydrologic Conditions
The evolution of hydrologic conditions is an unpredictable factor that affects the Group's and the Parent Company's profitability.

Risk from the dependence on the Transmission System
The transmission of electricity from the power plants to the distribution networks depends on the infrastructure of the electricity transmission system in Greece. Possible failures of the transmission system, including those due to natural disasters and inadequate maintenance or development, may hinder the distribution of electricity from the

plants to final consumers and adversely affect the business activity, operating results and the financial position of the Group and the Parent Company.

Risk associated with the operation and production capacity of the Non-Interconnected Islands Network (NII)
The needs of Non-Interconnected Islands (NII) are met by stand-alone power plants using oil as fuel, although to a certain extent these needs are also covered by renewable energy installations.

In order to meet the demand for electricity in the NII, especially during the summer months that there is an increase in the consumption of electricity due to tourists, the Group and the Parent Company may lease or transfer production capacity (via generating sets) from one island to another, when required.

The same process, of leasing or transferring production capacity is also followed when demand in an NII cannot be met due to an unexpected, major damage and only for the time it takes to restore it.

The Group and the Parent Company are not in a position to guarantee that there will be no future damages or operational weaknesses in the Non-Interconnected Islands Network or that they will be able to meet the demand for electricity in the event of such events occurring.

Any failure to operate or reduced production capacity on the Non-Interconnected Islands Network may have an adverse impact on the Group's and the Parent Company's business activity, financial condition and operating results, as well as on their reputation.

Also, due to the fact that the Independent Power Trasnmission Operator (IPTO SA) has announced a wide interconnection program for NII and Crete, the autonomous electricity production stations that are installed in the islands that will be interconnected may in the future become inactive or switch to reserve status without receiving any compensation, which will have a direct adverse impact on the Group's and the Parent Company's financial position and operating results.

EPC related risks
The Group and the Parent Company face risks relating to the construction of electricity generation units, including risks relating to the availability of equipment from reliable suppliers, availability of building materials and key components, availability of key personnel, delays in construction timetables and completion of the projects within budget and to required specifications. They may also encounter various setbacks such as pandemics, adverse weather conditions, difficulties in connecting to electricity transmission grids, construction defects, delivery failures by suppliers, unexpected delays in obtaining zoning and other permits and authorizations or legal actions brought by third parties.

Additionally, adverse macroeconomic developments, as well as financial or operating problems of main suppliers and contractors, may have an adverse impact on the Group's and the Parent Company's ability to purchase liquid fuels, spare parts and materials, as well as finding sufficiently competitive conditions in the domestic market and have engineering, procurement and construction ("EPC") contracts completed in a timely manner and may increase the Group's and the Parent Company's operating and maintenance costs as well as costs and planning times of construction projects.

It is noted that among the measures taken by the Greek Government to limit the pandemic of COVID-19, is the cessation of work on the site of the new Ptolemaida Unit V which is expected to delay the completion of the project for a time equal to the duration of the pause of work, as the Contractor's delay is provided for as a force majeure incident in the contract.

Relating to the supplies of material and liquid fuels, no requests for postponement or suspension of the delivery deadlines, nor information from foreign producers for the suspension of their production activity have been submitted due to the COVID-19 pandemic. As long as there are no new measures to limit economic activity, no particular change in the course of supplies will take place, beyond a shift of some deliveries by 2-3 months due to changes in needs and changes in the maintenance program.

Risk from Potential Undertaking of Social Security Liabilities
Despite the fact that under the current legislation the Group and the Parent Company do not have any obligation to cover in the future any deficit whatsoever between income and expenses (deficit) to PPC's personnel Social Security Funds, there can be no assurance that this regime will not change in the future.

Litigations Risk
The Group and the Parent Company are involved in several legal proceedings arising from their operations, and any adverse outcome against PPC or any other of the Group's companies may have a negative impact on their business, financial condition and reputation.

In addition, as a majority (ultimately) state owned utility, the Group is subject to laws, rules and regulations designed to protect the public interest, such as of public procurement or environmental protection. Violation of such legislation, entails, among others, criminal sanctions for the Board of Directors members and executive officers as well as the employees of the companies and utilities that are subject to those rules.

At the same time, PPC being one of the largest industrial groups in Greece, with wide and complex activity and operations throughout the country, in the ordinary course of business, from time to time, it is hit by competitors, suppliers, customers, landowners - the media, activists as well as ordinary citizens, who make complaints (even to prosecutors) about the activities and operations of the Group. Obviously the reason for these complaints is their belief (usually driven by modest springs) that the operations and activities of the Group cause or are likely to cause damage to their interests, their business or their properties. In this context, reports containing complaints and accusations of allegedly unlawful actions of executives against the Group usually entail further investigation by the Prosecuting Authorities in the so-called preliminary proceedings, which usually ends up in the dismissing of the investigated case due to lack of conclusive evidence.

These practices have intensified during the recent economic crisis, as public prosecutors and the general public have generally become more sensitive to similar allegations, especially against companies in which the Hellenic Republic is a major shareholder and are viewed as operating in the public interest.

As a result, the Group and the Parent Company, their Board of Directors members and directors, are at present and could be in the future, subject to various criminal or other investigations at various stages of procedural advancement on a variety of grounds arising in connection with their activities in the ordinary course of business. These investigations and legal proceedings may be disruptive to the Group's and the Parent Company's daily operations to the extent that the officers and directors involved need to spend time and resources in connection therewith. They may also adversely affect the Group's and the Parent Company's reputation, although to date, none of the proceedings initiated against the Group and the Group's officers or directors has resulted in any criminal convictions.

Risk from tax and other regulations
The tax regime in Greece is subject to frequent revisions and although a reduction in corporate tax rates is anticipated, the Group may in the future face possible tax or other burdens. Changing the interpretation and application of tax

provisions by the Tax Authorities may result in additional amounts payable by the Group and the Parent Company, which may have a significant adverse effect on their activities, operating results, financial position and financial position and liquidity.

The Parent Company paid a special levy for the development of areas where electricity is generated from lignite, equal to 0.5% of its annual turnover which from January 1st 2019 has been replaced by the special fee for lignite exploration and exploitation rights of 1.40 € / MWh of lignite energy produced.

Currently, the Group does not pay any royalty, concession fee or other fee for lignite extraction or for water used on its hydropower plants. The establishment of any new royalty regime may require the abolishment of the current regime and the Group cannot guarantee that any form of royalties, concession fees or other fees on its lignite or hydropower production will not be introduced by the Greek Government in the future.

Even if the effect of any new taxes, levies, etc. is passed onto the Group's and the Parent Company's customers, such taxes, levies, etc. may impact collection rates for PPC's electricity bills or result in a loss of market share due to competition. Conversely, if the Group and the Parent Company do not increase tariffs to match an increase in taxation and levies, a significant adverse impact on their financial results and liquidity may follow.

The Group and PPC are subject to certain laws and regulations generally applicable to companies of the broader public sector
As long as the Hellenic Republic, directly or indirectly, holds 51% of its share capital, the Parent Company shall, in some respects, continue to be considered a public sector company in Greece. Therefore, its operations shall continue to be subject to certain laws and regulations generally applicable to public sector, affecting thus specific procedures, including but not limited to personnel salaries, maximum level of salaries, recruitments of employees, as well as the procurement policies etc.

The aforementioned laws and regulations, particularly within the framework of the current financial conjecture and the relevant decisions of the Central Administration, which are not applicable to the Parent Company's current and future competitors, may limit the Parent Company's operational flexibility and therefore have significant negative impact on its financial results, cash flow and on business risk management.

It should be noted that the Group has not have for several years (until December 2019) the ability to recruit experienced personnel in the range of its business activities while, today's average personnel age is approximately 52 years. The Group's inability to recruit specialized personnel negatively affects the ability of the new PPC Group to elaborate and implement its strategy in the new competitive and financial environment, as well as to adequately staff basic supportive operations at the level of new subsidiaries. Finally, there is a risk of losing managers and experienced personnel to the competition mainly because of restrictions on remuneration policies.

The viability and development of PPC Group in the new business environment notably depend on the ability to attract and retain experienced and specialized personnel and executives. The statutory recruitment process in force until December 2019, caused difficulties to meet the immediate needs of the Company with human resources, created critical shortcomings in employees and executives and may have adverse effects on the Group's business.

Since August 8th 2016, L. 4412/08.08.2016 (Public Contracts concerning Works Supplies and Services) has come into force.This Law constitutes a transfer of the European Directives 2014/24 and 2014/25 to national law with the addition of many national regulations on public contracts. This Law applies, according to its specific provisions, to the bidding procedures and implementation of Works, Supplies and Services contracts.

According to L. 4643/2019, the award of PPC's works, supplies and services contracts above and under of the 2014/24 and 2014/25 financial thresholds for the public contracts, is ruled by the Parent Company's Works, Supplies and Services Regulation, derogating from the present Legislation regarding the Public Contracts without prejudice to the provisions of European Union Law. The force of the above begins with the body assembly of the Audit Committee, which will observe among others the proper application of the aforementioned Regulation and will suggest modifications and general improvement measures to the BoD. The Audit Committee has not yet been assembled, it is soon expected.

It is estimated that the above will offer greater flexibility to PPC's bidding procedures, mainly to the contracts under the EU Directive Thresholds. Since the new Regulation is not yet in force and no tender procedures have been implemented with the new settings we are not yet in position to know their consequences, which we estimate that will be favorable for PPC, HEDNO and PPC Renewables, the companies of the Group on which the above are proportionally implemented.

The Group may face strikes
Most of the Group's and the Parent Company's employees are members of labor unions. Extensive labor unrest may have a significant negative impact on the Group's business activity.

Health, Safety and Environmental Laws and Regulations
The Group's and the Parent Company's operations are subject to National as well as European laws and regulations regarding their employees and the subcontractors employees' health and safety as well as environmental issues.

The cost for complying with such legislation and regulations may require major investments and/or significant expenses for actions regarding the environmental compliance, upgrade and rehabilitation. Changes in the environmental legislation may increase the compliance cost and eventually, may have an impact on the Group's and the Parent Company's profitability as well as its cash flow program, although compliance cost for health and safety rules is relatively low.

Furthermore, due to the nature of their operations, the Group and the Parent Company are involved in a number of environmental proceedings that arise in the ordinary course of business. These proceedings may not involve financial penalties and therefore cannot be quantified. The Group is also involved in court cases raised from victims of serious work-related accidents or from the families of deceased persons. Future related costs as a result of enforcement actions and/or third party claims for environmental damage and/or insurance cost for environmental liability could have a material adverse effect on the Group's and the Parent Company's business, results of operations and financial position.

The Group and the Parent Company are also required to obtain environmental and safety permits for their operations from various governmental authorities. Certain permits require periodic renewal or review of their environmental terms as well as continuous monitoring and reporting of compliance with such terms.

The Group and the Parent Company cannot give any assurance that they will be able to renew environmental permits or that material changes to their permits requiring significant expenditures on its end will not be imposed.

Environmental, health and safety laws are complex, change frequently and tend to become more stringent over time. As a result, the Group and the Parent Company may not at all times be in full compliance with all such applicable laws and regulations.

Additionaly, due to the restructuring of PPC Group and the commitment undertaken by the Group and the Parent Company, due to the immediate decommission of lignite assets, for the dismantling and removal of the facilities and equipment of the electricity production units, as well as for the removal of the mining equipment and the restoration of the mines land, after the end of their productive activity, on December 31st, 2019 a provision has been established by the Management for the cost of dismantling and removal of facilities and equipment and for the restoration of mines land.

In the event that in the future the actual costs exceed the budgeted ones, the difference will affect the results of the Group and the Company.

Information Technology (IT) security

A large portion of the Group's and the Parent Company's operations are based on information systems; therefore they are exposed to the risk of non-availability, data integrity corruption and unauthorized access to these systems. In order to minimize these risks, the Group and the Parent Company take measures for the enhancement of their IT security.

The Group and the Parent Company believe that they currently have adequate security policies in place to cover risks associated with the operation and maintenance of their IT infrastructure and perform regular audits of their systems.

However, there can be no assurances that they will be able to prevent technology failures or IT security breaches in a timely manner or continue to have adequate insurance coverage to compensate for related losses (including litigation claims, liability and data loss), which could disrupt their operations or harm their reputation and have a materially adverse effect on their business.

In addition, with regard to the risk of cyber-attacks, the Group and the Parent Company take the appropriate measures that are constantly updated to avoid this risk, and so to this day there has not been anything wrong with their systems. However, it cannot be ruled out that a serious episode of cyber-attack will occur with adverse effects on the systems and operation of the Group and the Parent Company.

Risk of non-compliance with the European Union's General Data Protection Regulation ("GDPR")

The new GDPR has entered into force in the European Union on May 24th 2018. GDPR sets stricter operational requirements for the processing and management of personal data, including, for example, expanded disclosures on how to use personal information, restrictions on information retention, mandatory discloses in case of data breaches and higher standards for data controllers to be able to demonstrate that they have received valid consent for certain data processing activities. Although the Group and the Parent Company have taken all necessary steps to comply with the above guidelines, they are active in a sector where the processing of a significant amount of personal data is necessary and therefore inevitably are more exposed to the risk of being imposed with penalties for non-compliance with the above Regulation. Failure to comply with the applicable data collection and privacy provisions or other applicable data security standards may result in fines, penalties, limitations, and legal disputes.

Any failure to adequately address privacy concerns (even unfounded) or non-compliance with applicable laws, regulations and privacy policies or personal data may lead to additional costs and civil liability, damage to reputation and to negatively affect the business activities of the Group and the Parent Company.

Extraordinary events

Unexpected events, including natural disasters, fires, war, terrorist activities, strikes, etc., may lead to a breakdown or the interruption of the operation of the Group's and the Parent Company's mines, the generation function and electricity transmission and distribution. Additionally, adverse macroeconomic developments, as well as financial and operating problems of basic suppliers, service providers and contractors may have a negative impact on the Group's and the Parent Company's ability to purchase liquid fuels, spare parts and materials and may increase their operating costs.

The Group's and the Parent Company's operations are susceptible to industrial accidents, and employees or third parties may suffer bodily injury or death as a result of such accidents. In particular, while the Group and the Parent Company believe that their equipment has been well designed and manufactured and is subject to rigorous quality control tests, quality assurance tests, and is in compliance with applicable health and safety standards and regulation, the design and manufacturing process is ultimately controlled by their equipment suppliers or manufacturers or EPC contractors rather than by them, and there can be no assurance that accidents will not result during the installation or operation of this equipment. Furthermore, the consequences of these events may create significant and long-lasting environmental or health hazards and pollution and may be harmful or a nuisance to neighboring residents. The Group and the Parent Company may be required to pay damages or fines, clean up environmental damage or dismantle power plants in order to comply with environmental or health and safety regulations.

The Group and the Parent Company may also face civil liabilities or fines in the ordinary course of their business as a result of damages to third parties caused by the natural and man-made disasters mentioned above. These liabilities may result in the Group and the Parent Company being required to make indemnification payments in accordance with applicable laws.

Licensing Risk

The procedures for obtaining and renewing authorizations and permits for the Group's and the Parent Company's activities can be protracted and complex. Obtaining these authorizations is not routine and the conditions attached to obtaining them are subject to change and may not be predictable. As a result, the Group and the Parent Company may incur significant expenses in order to comply with the requirements associated with obtaining or renewing these authorizations. Failure to obtain or renew the necessary licenses and permits might result in interruptions to some of the Group's and the Parent Company's operations, including also the ability to obtain funding for their activities.

Any failure to obtain, maintain, renew or extend all the administrative authorizations and licenses necessary for the operation of their business and execution of their strategy, could have a material adverse effect on the Group's and the Parent Company's business, strategic and financial planning, results of operations, financial position and liquidity.

Risk management

The Group has defined the risk as a set of uncertain and unpredictable conditions that may have an overall adverse effect on its activities, business performance, economic performance, and the implementation of the strategy and the achievement of its objectives.

The Risk Management Division is organizationally provided in the Parent Company's organization chart but has not yet been staffed due to a reduction in recruitment and other negative factors mentioned in the previous section. To date, executives are involved in the process of identifying and prioritizing risk, as appropriate, in order to advise the Board of Directors on the design and adoption of specific Risk Management processes and policies. The Group and the Parent Company are not in a position to guarantee that these procedures and policies provide full protection against the risks they face.

Balances and Transactions With Related Parties

PPC balances with its subsidiaries as of December 31st, 2019 and December 31st, 2018 are as follows:

	December 31, 2019 Amounts in '000€		December 31, 2018 Amounts in '000€	
	Receivables	**(Payables)**	**Receivables**	**(Payables)**
Subsidiaries				
PPC Renewables S.A.	1,420	-	886	-
HEDNO S.A.	309,426	(562,819)	770,720	(1,044,145)
LIGNITIKI MEGALOPOLIS S.A.	69,226	(1,309)	27,481	(343)
LIGNITIKI MELITIS S.A.	39,000	-	18,023	-
PPC Finance Plc.	-	(57)	-	(3,259)
PPC Elektrik	645	-	-	(62)
PPC Bulgaria JSCO	2	(1,808)	-	(1,863)
PPC Albania	230	(20)	160	-
EDS DOO Skopje	386	-	1,230	(131)
	420,335	**(566,013)**	**818,500**	**(1,049,803)**

The above mentioned balances of receivables and payables with the subsidiary PPC Finance Plc relate to its management costs which eventually burden the Parent Company.

Corporate transformation of the subsidiary Energy Delivery Solutions EDS Doo (EDS)
In July 2019, the Parent Company's Board of Directors approved the corporate transformation of the subsidiary EDS DOOEL Skopje from Single-Member LTD to a Société Anonyme (JSC).
It also approved the payment of € 1,800,000 as initial capital in order to cover the company's negative equity for the year 2018, to pay the amount required by the Law of Northern Macedonia for the transformation of the company into a Societe Anonyme and to create positive equity for the commencement of its operation as S.A.
The above payment took place on 07.08.2019.

On December 31st, 2019, the Parent Company recognized a provision of expected credit loss on receivables for the subsidiaries "Lignitiki Megalopolis S.A." and "Lignitiki Melitis S.A." of € 65.6 mil. and € 38.8 mil.

PPC's transactions with its subsidiaries for the period ended December 31st, 2019 and December 31st, 2018, respectively, are as follows:

	December 31, 2019 Amounts in '000€		December 31, 2018 Amounts in '000€	
	Invoiced to	**Invoiced from**	**Invoiced to**	**Invoiced from**
Subsidiaries				
PPC Renewables S.A.	2,106	-	2,387	(1)
HEDNO S.A.	1,891,133	(2,135,018)	1,689,607	(2,057,736)
LIGNITIKI MEGALOPOLIS S.A.	112,372	(779)	56,171	(277)
LIGNITIKI MELITIS S.A.	45,526	-	27,305	-
PPC Finance Plc	-	(6,473)	-	(22,606)
PPC Elektrik	-	(3,119)	2	(4,981)
PPC Bulgaria JSCO	115	(44,449)	113	(44,024)
PPC Albania	-	(62)	-	(210)
EDS DOO Skopje	1,076	(3,056)	260	(954)
	2,052,328	**(2,192,956)**	**1,775,845**	**(2,130,789)**

The above mentioned amounts of invoices from the subsidiary PPC Finance Plc relate to its management costs which eventually burden the Parent Company.

Guarantee in favor of the subsidiary PPC Renewables S.A.
As of December 31st, 2019, the Parent Company has provided a guarantee for a total credit line of up to € 8 mil., through overdraft facilities, out of which PPC Renewables S.A. has used an amount of 465 thousands of Euro relating to letters of guarantee.

Guarantee in favor of the subsidiary Energy Delivery Solutions EDS Doo (EDS)
As of December 31st, 2019 the Parent Company has provided a guarantee, for a total credit line for EDS Group's loans up to the amount of € 22 mil. concerning working capital. As of December 31st, 2019 EDS has used from the above mentioned credit line an amount of € 19 mil. approximately, concerning disbursed loan amounts.

Guarantee in favor of the subsidiary Energy Delivery Solutions EDS Doo (EDS), to Electricity Suppliers
As of December 31st, 2019 the Parent Company has provided a guarantee for EDS's credit lines with the Electricity Suppliers, Energy Financing Team AG and Petrol D.D. up to an amount of € 3 mil.

Transactions and balances with other companies into which the Greek State participates
The following table presents transactions and balances with companies Hellenic Petroleum ("ELPE") and National Gas Company ("DEPA"), which are PPC's liquid fuel and natural gas suppliers, respectively, and into which the Greek State participates. Additionally, transactions and balances with DAPEEP S.A. (former EMO S.A.), HEnEx S.A., IPTO S.A., LARCO S.A. are presented.

	1.1.2019 – 31.12.2019 Amounts in '000€		1.1.2018 – 31.12.2018 Amounts in '000€	
	Invoiced to	Invoiced from	Invoiced to	Invoiced from
ELPE	50,066	(159,346)	41,399	(187,381)
DEPA	330	(378,467)	337	(357,518)
DAPEEP S.A. (former EMO S.A.)	230,830	(309,685)	836,427	(1,211,599)
HEnEx S.A.	1,104,976	(2,459,270)	730,293	(1,507,581)
IPTO S.A.	169,703	(528,379)	144,737	(888,753)
LARCO S.A.	61,149	(2,929)	47,856	(8,501)

	December 31, 2019 Amounts in '000€		December 31, 2018 Amounts in '000€	
	Receivables	(Payables)	Receivables	(Payables)
ELPE	15,968	(24,996)	11,998	(27,700)
DEPA	-	(19,603)	-	(77,068)
DAPEEP S.A. (former EMO S.A.)	64,954	(382,174)	155,477	(133,144)
HEnEx S.A.	20,313	(61,197)	16,325	(70,034)
IPTO S.A.	208,774	(388,194)	126,919	(658,645)
LARCO S.A.	353,336	-	313,395	-

PPC's total receivables from LARCO S.A., relating to electricity bills, are fully covered by a provision.

In addition to the above mentioned transactions, PPC enters into commercial transactions with many state-owned entities, both profit and non for profit, within its normal course of business (sale of electricity, services received, etc.). All transactions with state-owned entities are performed at arm's length terms and are not disclosed, with the exception of transactions that the Group and the Parent Company enter into with the Hellenic Corporation of Assets and Participations S.A. (HCAP S.A.) and the companies in which HCAP S.A. participates. The balances and transactions for the year 2019 with HCAP S.A. and the companies, in which HCAP S.A. participates, are presented below:

	GROUP December 31, 2019 Amounts in '000€		PARENT COMPANY December 31, 2019 Amounts in '000€	
	Receivables	(Payables)	Receivables	(Payables)
ATHENS INTERNATIONAL AIRPORT S.A.	1,962	(54)	1,962	(31)
ELTA S.A.	6,538	(4,682)	-	(3,939)
ELTA COURIER S.A.	-	(192)	-	(166)
EYDAP S.A.	3,523	(14)	3,523	(3)
ETVA INDUSTRIAL PARKS S.A.	214	(33)	214	(28)
ODIKES SYNGKOINONIES S.A.	3,951	(3)	3,951	-
PUBLIC PROPERTIES COMPANY S.A.	4,491	-	4,491	-
URBAN RAIL TRANSPORT S.A.	24,441	-	24,441	-
C.M.F.O. S.A.	60	-	60	-
O.A.S.A. S.A.	2	-	2	-
E.Y.A.TH. S.A.	2,559	-	2,558	-
HELLENIC SALTWORKS S.A.	19	-	19	-
TOTAL	47,760	(4,978)	41,221	(4,167)

	GROUP 1.1.2019 – 31.12.2019 Amounts in '000€		PARENT COMPANY 1.1.2019 – 31.12.2019 Amounts in '000€	
	Invoiced to	Invoiced from	Invoiced to	Invoiced from
HCAP S.A.	13	-	13	-
ATHENS INTERNATIONAL AIRPORT S.A.	5,295	(192)	5,095	(192)
ELTA S.A.	21,435	(22,456)	170	(16,395)
ELTA COURIER S.A.	8	(217)	8	(131)
EYDAP S.A.	16,284	(161)	16,155	(119)
ETVA INDUSTRIAL PARKS S.A.	1,031	(40)	889	(36)
THESSALONIKI INTERNATIONAL FAIR S.A.	823	(84)	823	(81)
ODIKES SYNGKOINONIES S.A.	2,952	(11)	2,951	-
PUBLIC PROPERTIES COMPANY S.A.	1,938	(1)	1,938	(1)
URBAN RAIL TRANSPORT S.A.	17,318	(369)	17,318	(368)
C.M.F.O. S.A.	968	-	968	-
O.A.S.A. S.A.	21	-	21	-
CENTRAL MARKET OF THESSALONIKI S.A.	229	-	229	-
HELLENIC CASINO OF PARNITHA S.A.	263	-	263	-
E.Y.A.TH. S.A.	10,957	(5)	10,924	-
HELLENIC SALTWORKS S.A.	198	-	198	-
MANAGEMENT OF INDUSTRIAL PARK OF KASTORIA	3	-	3	-
GAIAOSE S.A.	1	-	1	-
A.E.DI.K	14	-	14	-
TOTAL	79,751	(23,536)	57,981	(17,323)

	GROUP Amounts in '000€		PARENT COMPANY Amounts in '000€	
	December 31, 2018		December 31, 2018	
	Receivables	(Payables)	Receivables	(Payables)
HCAP S.A.	1	-	1	-
ATHENS INTERNATIONAL AIRPORT S.A.	11,105	(39)	11,061	(39)
ELTA S.A.	7,337	(7,584)	0	(6,355)
ELTA COURIER S.A.	1	(96)	1	(80)
EYDAP S.A.	3,240	(7)	3,240	(2)
ETVA INDUSTRIAL PARKS S.A.	209	(221)	209	(24)
THESSALONIKI INTERNATIONAL FAIR S.A.	11	-	11	-
ODIKES SYNGKOINONIES S.A.	2,559	(1)	2,555	-
PUBLIC PROPERTIES COMPANY S.A.	4,039	-	4,035	-
URBAN RAIL TRANSPORT S.A.	22,422	-	22,422	-
C.M.F.O. S.A.	24	-	24	-
O.A.S.A. S.A.	-	(4)	-	(4)
CENTRAL MARKET OF THESSALONIKI S.A.	-	-	-	-
HELLENIC CASINO OF PARNITHA S.A.	-	-	-	-
E.Y.A.TH. S.A.	3,325	(3)	3,325	-
HELLENIC SALTWORKS S.A.	-	-	-	-
MANAGEMENT OF INDUSTRIAL PARK OF KASTORIA	-	-	-	-
GAIAOSE S.A.	-	-	-	-
A.E.DI.K	3	-	3	-
HRADF	2	-	2	-
MARINA ZEAS	1	-	1	-
PPC RENEWABLES-TERNA ENERGIAKI S.A.	-	-	-	-
TOTAL	**54,279**	**(7,955)**	**46,890**	**(6,504)**

	GROUP Amounts in '000€		PARENT COMPANY Amounts in '000€	
	1.1.2018 – 31.12.2018		1.1.2018 – 31.12.2018	
	Invoiced to	Invoiced from	Invoiced to	Invoiced from
HCAP S.A.	-	-	-	-
ATHENS INTERNATIONAL AIRPORT S.A.	4,527	(198)	4,312	(198)
ELTA S.A.	18,741	(23,628)	34	(19,192)
ELTA COURIER S.A.	5	(211)	5	(171)
EYDAP S.A.	15,837	(197)	15,202	(132)
ETVA INDUSTRIAL PARKS S.A.	941	(39)	941	(35)
THESSALONIKI INTERNATIONAL FAIR S.A.	633	(130)	633	(130)
ODIKES SYNGKOINONIES S.A.	2,694	(3)	2,691	-
PUBLIC PROPERTIES COMPANY S.A.	1,693	(1)	1,693	-
URBAN RAIL TRANSPORT S.A.	15,601	(1)	15,601	-
C.M.F.O. S.A.	873	-	873	-
O.A.S.A. S.A.	15	-	15	-
CENTRAL MARKET OF THESSALONIKI S.A.	203	-	203	-
HELLENIC CASINO OF PARNITHA S.A.	930	-	930	-
E.Y.A.TH. S.A.	10,223	(29)	10,223	-
HELLENIC SALTWORKS S.A.	173	-	173	-
MANAGEMENT OF INDUSTRIAL PARK OF KASTORIA	3	-	3	-
GAIAOSE S.A.	1	-	1	-
A.E.DI.K	14	-	14	-
HRADF	-	-	-	-
MARINA ZEAS	-	-	-	-
PPC RENEWABLES-TERNA ENERGIAKI S.A.	1	-	1	-
TOTAL	73,108	(24,437)	53,548	(19,858)

For the collection of electricity bills, PPC cooperates with the Hellenic Post (ELTA S.A.), which possesses the license required by law.

The balance of the amounts collected from electricity bills that ELTA S.A. had not timely paid to PPC until December 31st, 2018 amounted to € 15,686. The above amount includes all charges included in the electricity bills issued by PPC. At the beginning of 2019, PPC received part of the above amount and the remaining amount was offset with Parent Company's debts relating to the provision of Postal Services for the collection, sorting, transport and distribution of PPC's postal items throughout the Hellenic Territory by ELTA S.A. As of December 31st, 2019, there is no claim on the part of PPC for the above reason.

Management remuneration

Management Members remuneration (Board of Directors and General Managers) for the twelve month period ended on December 31st, 2019 and December 31st, 2018 is as follows:

	Group Amounts in '000€		Company Amounts in '000€	
	2019	**2018**	**2019**	**2018**
Remuneration of Board of Directors' members				
- Remuneration of executive members	433	292	80	57
- Remuneration of non-executive members	227	177	-	-
- Compensation / Extraordinary fees	290	-	65	-
- Employer's Social Contributions	200	149	49	37
- Other Benefits	150	132	94	104
	1,300	**750**	**288**	**198**
Remuneration of Deputy Managing Directors and General Managers				
- Regular remuneration	681	622	514	456
- Employer's Social Contributions	180	173	136	127
- Compensation / Extraordinary fees	4	4	4	4
	865	**799**	**654**	**587**
Total	**2,165**	**1,549**	**942**	**785**

Remuneration to members of the Board of Directors does not include standard salaries and employer's social contribution, relating to the representatives of employees that participate in the Parent Company's Board of Directors. Also, it does not include the benefit of the electricity supply based on the PPC personnel tariff to the executive members of the Board of Directors, the Deputy Chief Executive Officers and the General Managers.

Business Model

PPC was established in 1950 as a public sector enterprise, tasked with the responsibility of providing electricity to the entirety of the country. Since its transition to an S.A. and the listing of its shares in the Stock Exchange, its operation has been governed by the law on public limited companies. However, the influence of the State on PPC remains significant, especially regarding its public service obligations.

As a result, PPC is subject to various laws and regulations that apply to businesses in the wider public sector. For as long as the Greek State holds, even if indirectly, 51% of its share capital, PPC will continue to be regarded as a Greek Public Sector Company. Consequently, its activities will continue to be subject to laws and regulations that apply to companies in the Greek public sector and affect specific procedures.

PPC is transforming from a vertically integrated company of Basic Business Units, as it was in the early 2000s (Mines, Generation, Transmission, Distribution, Supply), into a Group of Companies, with PPC at its core, which will operate in the generation of energy from conventional forms of energy (lignite, natural gas) and emphasize in increasing renewable energy generation. PPC Renewables, PPC's 100% subsidiary, will be responsible for the implementation of the latter.

PPC is currently facing significant changes both in the business environment in which it primarily operates in and in the regulatory framework governing the liberalized electricity market.

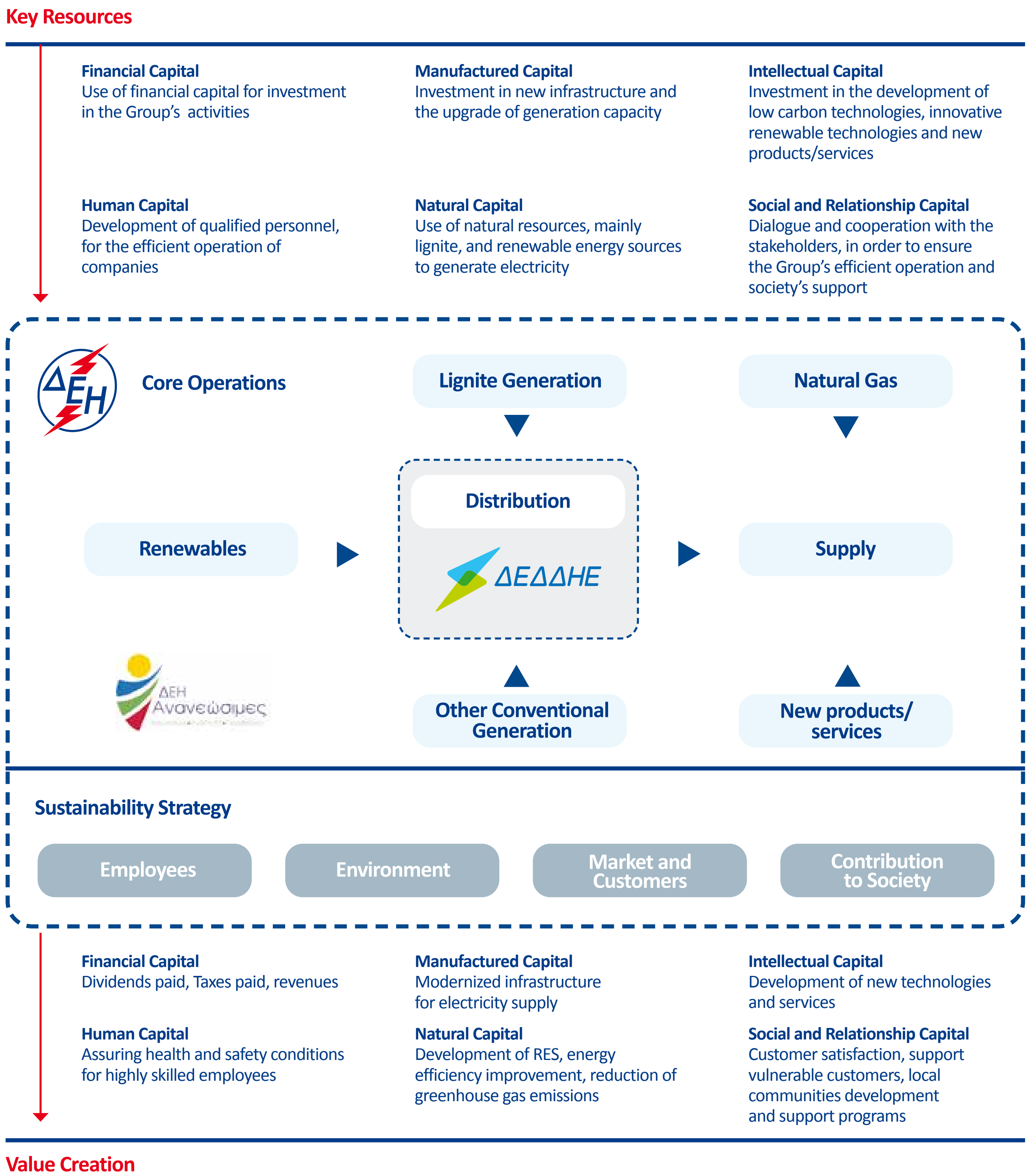
In this context, PPC believes that it will safeguard its sustainable development, in order to achieve its goal of maximizing its value, while always taking into account its civil role in the National Economy.

At the same time, the Company will place great emphasis on its customers, developing and operating in new energy markets, with the medium/long-term goal of providing a wide range of products that will meet all of the customers' needs and requirements.

More specifically, PPC's new business model outlines the Company's medium-term goals and is based on three pillars:

- Implementation of the EU "Green deal" in power generation, by accelerating the decommissioning of lignite units and respective mines and emphasizing in the uptake of RES as the new primary power generation technology.
- Digitization and operational efficiency for the achievement of cost-reduction and revenue-saving synergies, by applying new technologies across sectors.
- Expansion in new value-added activities and products with a customer-centric approach, both in the retail electricity market and in new business sectors, such as electromobility.

The Company's organizational structure, which is expected to be finalized in the first half of 2020, will meet the aforementioned priorities.



PPC'S Approach-Policies and Results

The strategic objective of PPC is to ensure its sustainable operation and development, while satisfying the requirements of all stakeholders, in a balanced manner, providing innovative and high quality services to its customers, excellent workplace for employees, relationships of mutual benefit to suppliers and partners, economic value to its shareholders, respect and protection of the environment, economic growth and prosperity to society.

In order to achieve its strategic objective, PPC is committed to the continuous effort to improve its economic, environmental and social performance.

With this purpose PPC seeks to strengthen its economic value in the long-term through good corporate governance, acting with transparency in all procedures and actions of its institutions. The Management of the Company participates in the identification of the risks and material issues of sustainable development, aiming to deal with them in time and efficiently. The Corporate Affairs and Communications Department is responsible for the design, the coordination, monitoring and disclosure of the Company's sustainable development actions.

PPC's Board of Directors has entrusted two of its members to oversee with the management of its corporate social responsibility issues. In addition, PPC has set up a Corporate Social Responsibility Section, which is part of the Corporate Affairs and Communications Department. Its mission is to establish, develop and implement a Corporate Social Responsibility strategy that aims at meeting the needs of stakeholders in a balanced manner, while highlighting the actions and practices that showcase the Company's social profile.

The Company has Codes, Policies and procedures in place for managing corporate risks, compliance and sustainability issues. Furthermore, PPC has developed quality, health and safety, and environmental management systems, which have been certified respectively according to ISO 9001, OHSAS 18001 and ISO 14001 standards, aiming at its optimal operation.

Environment

PPC's environmental strategy has been in line with the European Union's and Greece's ambitious medium and long-term objectives for climate neutrality by 2050. To this end, PPC's new operational plan promotes, among others, the direct implementation of the "Green deal" in power generation by:

- Accelerating the decommissioning of lignite units and respective mines.
- Expanding RES as the new dominant energy generation technology.
- Taking a leading role in the development of electromobility in Greece.

Integrated in the Company's design is also the protection of Biodiversity in the areas of its growing operations, contributing to the EU's efforts to halt the depletion of biodiversity and restore ecosystems.

In particular in 2019:

- Efforts continued for the modernization of the Company's generation capacity. Specifically:
  - The operation of the lignite Units I and II (300 MW each) of the Kardia TPP was permanently terminated, while some lignite Units (Units I and II of Amyntaio TPP and Units III and IV of Kardia TPP) of 1200 MW total capacity limited their operation exclusively for district heating schemes and the peak load coverage, up until their final decommissioning in 2020 and 2021.
  - The construction of the new modern lignite Unit V of the Ptolemaida TPP was continued; the operation of whichwill allow the decommissioning of old high capacity Units and ensure the district heating of the city of Ptolemaida.
- A partnership with the European Bank for Reconstruction and Development was established for the "Development of an Information Disclosure Plan according to the guidelines outlined by the Task Force on Climate-related Financial Disclosures (TCFD)".
- Work continued on the construction and operation of new hydropower plants.
- Investments for the environmental upgrade of the Agios Demetrios TPP were continued, aiming at the adoption of Best Available Techniques and the reduction of nitrogen oxide, sulfur dioxide and dust emissions.
- Implementation of soil rehabilitation projects, which included tree plantings and agricultural crops, at the lignite mining areas was continued.
- Energy-saving actions were implemented, such as:
  - Development of the "My Energy" platform for monitoring consumption and informing customers of Medium Voltage.
  - Funding received from PPC S.A. for the completion of a modern and innovative irrigation project, which is developed by the Local Organization for Land Improvements (TOEV) HERAS, aiming at the digital management of data from producers-farms-meteorological stations and other data and the necessary digital infrastructures.
  - Energy audits on industrial business customers of PPC S.A. The companies in which energy audits were completed in 2019, are the following: (a) Air Liquide HELLAS S.A. and (b) FEIDAS S.A.

- Educational programs for students on energy saving in Kindergardens and Primary Schools of the Municipalities of Peristeri, Egaleo, Agia Varvara, Ilion, Petroupoli and Chaidari. In 2019, a total of 103 schools and 20,518 pupils participated in the relevant educational programs.
- Delivery of informational brochure on energy-saving to all Low Voltage and Medium Voltage customers, including Energy Vulnerable Consumers.
- Improvement of energy performance of PPC's buildings: Buildings in Pratinou in Pangrati, Arapaki in Kallithea, 3rd of September in Athens were certified according to ISO 50001 Energy Management standard.

• Efforts have been strengthened to develop and certify the environmental management systems in the Company's generation activities. Specifically PPC:
  - Had the Environmental Management Systems of the Thermal Power Plants and Hydroelectric Plants, as well as the activities of PPC's Western Macedonia Lignite Centre successfully inspected by Independent Certified Bodies according to ISO 14001:2015.
  - Completed the development and implementation of the Environmental Management System according to the ISO 14001:2015 standard at the Samos, Limnos, Chios, Karpathos and Kos Autonomous Power Plants, which are expected to be certified in 2020.
  - Started the development and implementation of the Environmental Management System in accordance to the ISO 14001:2015 standard at New South Rhodes Thermal Power Plant (Katavia TPP).
  - Had the Western Macedonia Lignite Centre certified in accordance to the ISO 50001 Energy Management standard.

Labor issues

PPC recognizes that its human capital is the most valuable asset to the Company, as its employees are responsible for delivering results and developing the Company's core competencies and competitive advantages.

Responsible human resources management practices are applied, ensuring a modern workplace of equal opportunities. PPC is committed to safeguarding the health and safety of its employees through the implementation of appropriate Occupational Health and Safety Management Systems and relevant training programs.

PPC's Staff Regulations govern, among others, employees' rights and responsibilities, employment contract clauses, working relationships and disciplinary procedures.

The Company's **recruitment policy** covers: objective and point-based criteria, minimum working age at 18 years of age, endorsing residents affected by the Company's activities in the recruitment of regular and temporary staff, recruitment of relatives of deceased workers (work-related fatalities), coverage of open work positions by employees with 4 children or more, people with disabilities and their relatives.

- During the three-year period 2017-2019, there were 5 recruitments of relatives, of deceased workers in work-related accidents
- As of 31/12/2019, the number of employees with disabilities, employees with large families and the relatives of the employees with disabilities hired was 201, 241 and 95 respectively.

In accordance with L. 4643/2019, the Company established a **recruitment process** (at the level of Assistant Directors or Sector Directors and above).

PPC has a **Training Management System** for identifying and evaluating its educational needs, designing training courses, selecting trainees and instructors as well as organizing, implementing and evaluating training programs (training cycle).

Members of the Board of Directors, its Committees as well as Company Executives are remunerated based on a relevant Company **Remuneration Policy** (which is posted on the Company's website).

The Company implements a new **evaluation system** which includes bar scales, weighting criteria, links between assessed behaviors and the Company's strategy and discloses to employees their evaluation assessment outcomes.

Based on the Company's **reward policy**, a monetary reward was administered to 20% of each Unit's staff, who received the highest grade among the Unit's employees in the previous year. The reward is attributed monthly to the beneficiaries as a subsidy, taking into account the salary increase due to promotion to the next wage scale. According to the Company's data, in 2019, 920 employees were entitled to a reward.

In addition, the Company provides additional benefits to employees, such as a group health/life insurance, a subsidy for nursery care costs and a subsidy for educational purposes (e.g. pursuit of postgraduate qualification).

PPC S.A. recognizes the health and safety of its employees of utmost importance. PPC's **Occupational Health and Safety Policy** (posted on the Company's website) aims at outlining all necessary measures and providing accessibility to all the means and resources necessary to safeguard the physical and mental health of its employees. The Occupational Health and Safety Department, which is responsible for managing these issues, has been awarded the ELOT EN ISO 9001 certification for its Quality Management System. In addition, it holds a license as an External Protection and Prevention Service Provider, with the ability to provide protection and prevention services to customers inside and outside the PPC Group.

The Company employs a significant number of occupational physicians, safety technicians, nursing staff and medical examiners. Its priority is to cultivate mindset focused on safety at work. Indicatively, it is reported, that staff emergency preparedness training, safety training programs, measurement of harmful factors in the workplace and occupational risk assessment studies are conducted regularly at Company workplaces.

The Company provides psychological and social services to its employees and is particularly responsive to the timely information and action in the event of epidemic viruses. Specifically, PPC endorsed the preventive vaccination of its employees in PPC Sales Offices for the seasonal influenza 2019-2020 and immediately responded with the provision of information and instructions about COVID 19 in early 2020, following its outbreak in China.

In addition, the Company's policy towards contractors / subcontractors of PPC S.A. outlines their mandatory compliance with contractor / subcontractor agreements, general and specific obligations, such as keeping a list of personnel records, obligations for the contractor / subcontractor to provide its staff with all appropriate personal protective equipment depending on the work performed, and compliance with labor and insurance legislation, etc. PPC reserves the right to send a copy of the Contract, as well as the details of the contractor's / subcontractor's staff, to the Hellenic Labor Inspectorate and to the Single Social Security Body (EFKA), in order to verify the adherence to the Labor and Insurance legislation.

Respecting Human rights

PPC respects the protection of human rights and strictly condemns child labor, forced and compulsory labor, as well as all forms of discrimination. The respect and protection of human rights in the workplace primarily concerns:

- Providing equal opportunities in the recruitment process (PPC Staff Regulations, L. 2190/94, as amended, L. 2779/99, L. 3229/04 etc.), placement, training, remuneration and promotion within the Company (Code of Conduct § 1 and 2).
- Ensuring the health and safety of its employees (PPC Health and Safety at Work Policy and Code of Conduct § 3) and its contractors' employees (Management Decisions).
- Compliance with applicable legislation on remuneration, working hours, overtime and allowances for PPC's management, executives and staff (Remuneration Policy of Board Members and its Committees, and the Recruitment and Remuneration Policy of Corporate Executives, PPC Staff Regulations, PPC enterprise-specific collective labor agreement, etc.).
- Freedom of association and collective bargaining (collective labor agreements, etc.).
- Refraining from the employment of individuals below 18 years of age.
- Condemning discrimination, harassment, offensive or inappropriate behavior, unfair treatment or reprisals of all kinds (PPC Staff Regulations, Chapter D article 19, article 26 (3), Code of Conduct: § 13).
- Ensuring a work-life balance for its employees (PPC Staff Regulations, Collective Labor Agreements, Management Decisions, etc.).
- Providing incentives to stimulate enhanced employee performance, increase productivity and reduce absenteeism (CEO Decision).

With regards to the **absence of discrimination** in human resources development, it is noted that:

- In 2014, the share of women in the staff of the Company was 29%, in 2019 it was 36%, showing a 22% increase.
- In 2014, women accounted for 31.5% of middle management staff, while in 2019 the figure was around 40%.
- In 2014, 82% of men graduates were in administrative positions, while women accounted for 62%. In 2019, 61% of women graduates are in administrative positions while men account for 57%.
- In 2014, women held 17% of the Company's management positions while in 2019 they accounted for 24%, i.e. an increase of 40% in these positions.
- The percentage of women out of the total graduates from which the management of the Company is derived is about 35%.

The employees participate in various labor unions with which there is a two-way communication with the Management of the Company. Basic human resources arrangements are the primary concern of consultations between the Company's Management and the unions. Within the Company there are two Federations (General Federation of PPC Electricity Sector Personnel and Electricity Industry Workers' Federation) and 30 other trade unions.

- The union-workers are protected under relevant legislation (with regards to transfers and dismissals).
- Labor union actions are facilitated through appropriate granted permits, in compliance with the relevant legislation and the enterprise-specific collective labor agreement.
- Enterprise-specific collective labor agreements are signed, usually with a 3-year duration, following collective bargaining.

Fighting corruption and bribery

It is crucial for the Company to comply with the law and respect the principles of the PPC Staff Regulations and the PPC Code of Conduct. In order to ensure control and compliance of the above, PPC has established internal procedures and organizational structures such as the Internal Audit Department and the Compliance Division.

All cases of corruption which come to PPC's attention, either as a result of complaints or through inspections carried out by a Supervisor/Department and/or the Internal Audit Department, are fully investigated and subsequently disciplinary measures are taken against the employees, in accordance with Chapter VI of the PPC's Staff Regulations. In most cases, given the significance of the disciplinary offences imposed on employees involved in such cases, the aforementioned disciplinary cases are forwarded from the CEO at the First Instance Disciplinary Board, which can impose any of the sanctions specified in articles 26 and 32 of the PPC Staff Regulations. Cases of misconduct which constitute criminal offenses are referred to the appropriate judicial authorities.

- The Company takes all appropriate measures, in accordance with the provisions of L. 4557/2018, currently in force, with regards to the prevention and suppression of money laundering and terrorist financing. To this end, it has introduced in its institutional framework (Code of Conduct, Standards of Contract Documents, etc.) and applies, provisions concerning:
- Transparency (Code of Conduct: § 9).
- Corruption (Code of Conduct: § 10; PPC Staff Regulations: articles 26 and 32).
- Fraud (Code of Conduct: § 12).
- Conflict of interest. It is typical practice by the Board of Directors at the beginning of each meeting to submit a statement stating no-conflict of interest (PPC Rules of Operation: article 6).
- Exclusion from partnerships with economic entities who have either been convicted of an offense of corruption, bribery, involvement in a criminal organization, committing terrorist offenses, child labor, money laundering and fraud, or have been penalized for labor law violations (PPC BoD Decision 5/17.01.2019: "Approval of Documentation Standards for the Contracting of Works, Supplies and Services, in accordance with L. 4412/2016, and relevant settings").

Social Contibution

For the Company, contribution to local communities is inextricably linked to its business activities. To this end, it implements significant programs and actions targeted towards the societies in which it operates and the wider community. Its valuable social work includes a series of activities developed over time that relate to sports, culture, health and education. Detailed information on the programs and activities that are part of the Company's social contribution are included in the Annual Corporate Social Responsibility and Sustainability Report, which is available on the Company's website.

Customer-centric approach – Protection of vulnerable customers

In recent years, PPC has set as one of the main objectives of its commercial policy a customer-centric approach, the optimal and quality customer service and the protection of social vulnerable groups. In 2019, it developed new online customer service systems, streamlined its processes, developed document digitization systems, introduced the new natural gas product, and developed special favorable adjustment programs and special invoices for vulnerable groups.

As part of its responsibility to its customers and the commitments it has made at the European and domestic level, PPC is undertaking organizational changes to transform its commercial policy and develops a new, modern network of PPC Sales Offices. It offers new value-added, high-quality services designed to help customers optimally manage their energy consumption, provide better quality customer service through digital and personalized information, and protect personal data.

Materiality Analysis

PPC monitors international trends on how sustainable development is being managed and strives to improve its own performance, to ensure greater transparency in procedures and to ensure accountability. With that in mind, given that the core of the GRI Guidelines is that each company must identify and evaluate its material aspects, at the end of 2018 – beginning of 2019, PPC's Senior Management and Stakeholders carried out a sustainability materiality analysis for the fourth time.

Material topics identified by Management

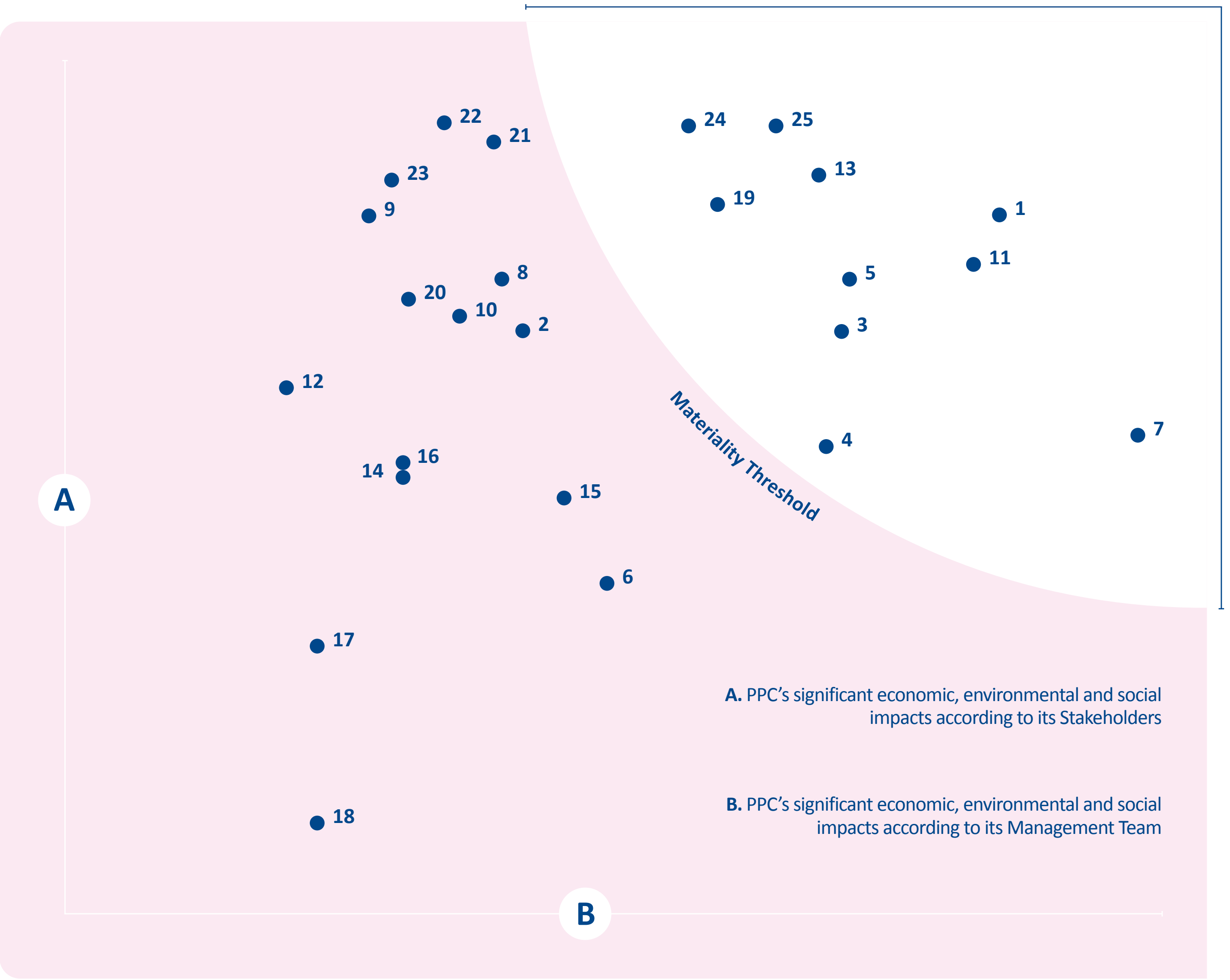
PPC has developed a sustainability materiality analysis process as part of its risk identification and assessment process. In this case, however, sustainability risks / impacts are identified instead of operational or financial risks.

From this process, materiality heatmaps were developed to show the estimated impacts / risks and the likelihood of occurrence. The heatmaps, the corresponding findings and conclusions and the dynamic tool used to formulate and capture the results of the process are thereafter evaluated by the Company's Management team to devise policies and make decisions.

Material topics identified by stakeholders

PPC acknowledges that its business operations and decisions affect as well as are affected by different groups of stakeholders. PPC engaged its stakeholders using an online questionnaire, asking them to evaluate and score what in their opinion were PPC's sustainability material topics. After a period of around 1 month of the questionnaire being open, PPC had collected 1,706 responses from all stakeholder groups from all regions of Greece.

PPC Sustainability Material Issues



Economy

1 Financial position/performance
2 Procurement and logistics management
3 New markets and investments
4 Regulatory issues
5 Risk/crisis management
6 Supervising and managing relations with subsidiaries
7 New energy market conditions

Society

8 Corporate governance, ethics and values
9 Employee and third party health and safety
10 Staff training and development
11 Staffing the Company
12 Equal opportunities, labour and human rights
13 Customer service, information and satisfaction
14 Relationship/dialogue with local communities
15 Corporate communication and engagement in public policy in Greece on energy issues
16 Contractor/supplier management
17 Sponsorship
18 Volunteerism among PPC staff

Environment

19 Climate change and greenhouse gas / particle emissions
20 Dust, noise and visual/aesthetic nuisance
21 Waste
22 Raw materials/fuel/water
23 Ecosystems/biodiversity
24 Energy efficiency/new technologies
25 Promotion of renewable energy sources

PPC's approach to material topics

Material topic: 1. Financial position / performance

PPC's financial performance was indicated as a material topic primarily by management, partners and suppliers, employees and competitors. It is a key priority for Management. The Company's financial data is available in this Financial Report.

Material topic: 3. New markets and investments

Both PPC and stakeholders have identified and agreed that key material topics for the Company's sustainable development are the investments made and expansion into new markets. Generally speaking, PPC's strategic goal (which it is working on intensively) is to offset domestic losses due to the market liberalization measures imposed on it, by expanding into new markets and capitalizing on business partnerships.

Material topic: 4. Regulatory issues

Management and Company competitors have recognized PPC's involvement in managing regulatory issues as a material topic of its operations. Further market deregulation has created uncertainties and challenges for PPC, and the Company considers that the need to generate results when it comes to regulatory issues will intensify.

Material topic: 5. Risk/crisis management

Risk/crisis management was primarily selected as a material topic by Company Management, employees, shareholders and investors, partners and suppliers, competitors, and by non-governmental/ non-profit organizations. PPC's Management has made concerted efforts to recognize, prevent and manage risks and crises in good time. PPC's Board of Directors then examines the key risks PPC faces and refers to them in detail in the Board of Directors' Annual Financial Report.

Material topic: 7. New energy market conditions

Management, shareholders and investors at PPC identify managing new energy market conditions as a material topic. Rapid developments in the Greek energy market, coupled with the country's commitments to MoUs that are changing the country's energy landscape, hold an interest for Management and employees regarding the role the Company will play in the emerging energy and economic environment. PPC's goal continues to be ensuring a competitive environment, where the key concern is benefit for customers.

Material topic: 11. Staffing the Company

Staffing the Company was indicated as a material topic primarily by Management, employees and by non-governmental/ non-profit organizations. An ageing staff coupled with restrictions on new recruitments because of legal provisions applicable to companies in the Greek public sector, are factors of this topic which have a direct impact on the Company's operations.

Material topic: 13. Customer service, information and satisfaction

Both PPC and stakeholders have identified customer service, information and satisfaction as a material topic. The Company constantly strives to improve the way it provides services to its customers to maintain high levels of customer satisfaction. Efforts are being made to strengthen our customer-focused approach, carry out research and examine complaints, taking into account consumer needs. PPC's main objective is to ensure quality customer service and to handle customer requests in the best possible way. It designs specific and uniform procedures to ensure rapid and effective handling of customer requests and complaints. Moreover, providing information to the public and raising awareness about energy savings and protecting the health and safety of consumers and users of electricity is a key concern for PPC.

Material topic: 19. Climate change and greenhouse gas / particle emissions

Climate change is a global environmental problem and its impacts affect all aspects of human life (the environment, health, the food chain, infrastructure, the economy and politics). According to the 5th IPCC assessment report, it is extremely likely that man-made GHG emissions (CO_2, methane, nitrogen oxide and fluoride gases) are the main cause of climate change. When generating electricity from fossil fuels, GHGs and atmospheric pollutants are released into the air. In this regard, climate change and gas / particle emissions have been recognized as material matters by the Company's management team, shareholders and investors, partners and suppliers, the State, regulatory authorities and public bodies, regions, local authorities and local communities, as well as by non-governmental and non-profit organizations. Keeping the rise in the average global temperature sufficiently below 2°C and the attempt to bring it even lower, to 1.5°C compared to pre-industrial age levels (targets which were agreed at the 21st Conference of Parties to the United Nations Framework Convention on Climate Change in Paris) require measures to be taken to curtail GHGs in the power generation sector.

Material topics: 24. Energy efficiency / new technologies and 25. Promotion of renewable energy sources

Investments in new technologies to improve energy efficiency as well as the promotion of renewable energy sources are identified as material topics by the Company management as well as by all stakeholders. Improving energy efficiency makes a positive contribution to the Company's financial results, while further promoting RES reduces the Company's exposure to fluctuations in carbon prices in the EU's ETS. At the same time PPC recognizes its own responsibility for GHG emissions resulting from its operations and helps effectively limit such emissions and thereby combat climate change.

Significant risks

Significant risks are further analysed in the "Main Risks – Uncertainties" section of within the Executive Summary of the Board of Directors of this report.

Indices	PPC Group[1]	PPC S.A.
Total no. of employees (number of employees 31 December 2019)	15,109	8,107[2]
Female employees (%)	24%	25%
No. of employees with a collective labor agreement (%)	97%	100%
Total no. of accidents[3] (number of employees)	77	43
Total no. of fatal accidents[4] (number of employees)	-	-
Court convictions on incidents of human rights violations in the workplace (number of incidents)	-	-[5]
Employees subject to disciplinary penalties by the Company for incidents of human rights violations in the workplace (number of employees)	1	1
Criminal court convictions on matters falling within the criminal offenses of corruption, abuse of power, embezzlement, theft, infidelity, corruption, bribery, fraud, forgery, false testimony or falsification of documents, use of false testimonies and official secrecy violation (number of court decisions)	3	3[6]
Employees subject to disciplinary penalties by the Company for offenses of corruption, abuse of power, embezzlement, theft, infidelity, corruption, bribery, fraud, forgery, false testimony or falsification of documents, use of false testimonies and official secrecy violation (number of employees)	8	3
Social contribution (donations and sponsorships[7], support of local communities and institutions / organizations etc.) (€ '000)	2,680	2,532
Total amount of lignite levy payable to local communities (€ '000)	#	#
Power outage frequency (SAIFI) (number of power outages per customer)	2	-
Average time of power outage duration (SAIDI) (annual power outage duration in minutes per customer)	140	-
Number of Power Plants (lignite centers, thermal power generation units, hydroelectric units, etc.) with certified Environmental Management Systems	21	19
CO_2 emissions from electricity generation[8] (in thousands of tons)	23,096	17,524
Greenhouse gas (CO_2) trading rights (mil. €)	546	412

1. Data refer to the companies PPC, HEDNO, PPC Renewables, Lignitiki Megalopolis and Lignitiki Melitis.
2. Full time employees – this includes PPC employees working at PPC Renewables.
3. The methodology taken into account to calculate the indicators is the "European statistics on accidents at work (ESAW) - Methodology - 2001 edition", which is also followed by the European Agency for Safety and Health at Work (EU-OSHA) and EURELECTRIC. The number of accidents includes all accidents occurring during employment of the permanent and seasonal/temporary staff, which caused absence from work for more than 3 calendar days. Accidents occurring while travelling to and from work or cases of sickness, which are analyzed separately (from a statistical viewpoint), are not included.
4. Total number of worker fatalities in consonance with the «European statistics on accidents at work (ESAW) - Methodology - 2001 edition».
5. Final judgements of civil and criminal courts. The indicator relates to employees of PPC S.A., in the context of exercising their duties by virtue of their status as employees of the Company. The indicator relates to full-time, temporary or seasonal employees excluding seconded employees, contractors and their staff.
6. Final criminal court convictions. The indicator relates to employees of PPC S.A., in the context of exercising their duties by virtue of their status as employees of the Company. The indicator relates to full-time, temporary or seasonal employees excluding seconded employees, contractors and their staff.
7. The amount of donations/sponsorships concerns already account for amounts from January 1 to December 31 2019.
8. Emissions from facilities participating in the European Union Emissions Trading Scheme.

Performance 2019
Selective indices for the Company's and Group's 2019 performance are presented in the following table. The indicators have been selected in accordance with the GRI guidelines. Detailed data as well as further PPC performance indicators are presented in PPC's Corporate Social Responsibility and Sustainability Report 2019.

Statement of Corporate Governance

1. INTRODUCTION
Corporate Governance is a system of management and control of the societes anonymes. It is a set of structures, principles, rules, procedures and practices based on which the continuous improvement of the Company's efficient operation for the sake of its shareholders and all parties having legitimate interest in its operation, the enhancement of the long-term value of the Company and in general the safeguarding of corporate interests are pursued.

The implementation and the observance of the best practices of corporate governance constitutes an essential commitment and priority of "Public Power Corporation S.A." (herein "PPC S.A." or "the Company") due to its important role in the Greek economy and the public interest services it provides.

It is noted that specific laws and regulations applicable to the corporations of the wider public sector govern the Company. Consequently, its operations continue to be subject to restrictions provided for in special laws applicable to the companies of the Greek public sector such as, by way of illustration, supply and works, remuneration, and recruitment policy. The said laws and regulations to which the current competitors of the Company are not expected to be subject, are likely to limit its operational flexibility and the implementation of the relevant "best practices" of corporate governance. It should be pointed out that the recent L. 4643/20129 has introduced regulations that facilitate a more flexible operation for the Company in critical fields of its activity (see below sub-section 6.11).

With regard to the shareholder structure of the Company, it should be noted that the Hellenic Corporation of Assets and Participations S.A. (HCAP) in which the Hellenic Republic holds 100% of its shares and voting rights participates directly with 34.123% in PPC's share capital. Moreover, the Hellenic Republic Asset Development Fund (HRADF), which is a subsidiary of HCAP, participates directly with 17% in PPC's share capital. Based on the above, the total percentage of the Hellenic Republic remains indirectly at 51.123%. In addition, based on number 15 of the decision of the Government Council for Economic Policy No 33/20.5.2016 (NOG vol. B issue 1472/25.5.2016) on the approval of the HRADF Business Plan, HRADF should offer for sale its participation in the share capital of the Company of 17%, through a process to be decided by the Board of Directors. Finally, it is clarified that the percentage (3.93%) of the EFKA (Single Social Security Entity) and the TAYTEKO/TEAPAP-DEI (PPC Insurance fund) shall not be counted in the percentage of the Hellenic Republic's indirect participation in the share capital of the Company.
In 2019 PPC harmonized its Articles of Incorporation with the provisions of L. 4548/2018 (NOG 104/13.06.2018), which was put into effect on 1.1.2019 (article 190).

2. Code and Practices of Corporate Governance
PPC prepares the current statement of Corporate Governance pursuant to the provisions of par. 1 article 152 of L. 4548/2018.

More in particular, PPC has drawn up by virtue of article 152 par. 1 item (a) sub-item (bb) of L. 4548/2018 and implements its own Code of Corporate Governance, which is posted on the Company's website (www.dei.gr). The Company is currently in the process of reviewing its Code of Corporate Governance taking into consideration the most recent best practices of Corporate Governance as well as the provisions of the draft law on Corporate Governance currently under consultation.

Moreover, in accordance with the requirements article 152 par. 1 item (a) sub-item (cc) of L. 4548/2018, as applicable, we declare that the rules and practices applied by PPC, apart from those provided for or required by the standing legislation governing listed corporations of the wider public sector (L. 4548/2018, L. 3016/2002, L. 4449/2017, L. 3429/2005 chapter B) are the following:

1. The powers and the competences of the Chief Executive Officer, who is the highest-ranking executive officer of the Company, are directly provided for in the Articles of Incorporation (article 15, par. 2 and 3 of the Articles of Incorporation and sub- section 6.7 below).
2. The prohibition applied to the members of the Board of Directors (BoD) concerning the conduct of competitive acts is valid for a period of two years following termination for any reason whatsoever of the term of office of the Board member or his retirement from the BoD (article 13 par.2 of the Articles of Incorporation "Prohibition of competition – Participation in the Board of Directors of subsidiary companies").
3. The nominations for membership on the Board of Directors, along with the curriculum vitae of the nominees, shall be submitted to the Company at least three (3) working days prior to the convocation date of the General Meeting called for their election, in order to be examined with regard to any impediments or incompatibilities, as well as to the criteria of their independence (especially in the case of appointment of independent members) by the Nomination Committee (article 9 par.5 of the Articles of Incorporation "Composition and Term of Office of the Board of Directors" as well as section 6.11 below).
4. The Board of Directors or the General Meeting of the Shareholders of the Companyelects the Chairman of the Board of Directors as well as the Deputy Chairman (article 14 of the Articles of Incorporation "Chairman and Deputy Chairman of the Board of Directors). The positions of Chairman and Chief Executive Officer may coincide to the same person. Nevertheless, the Chief Executive Officer is elected by the General Meeting of Shareholders of the Company.
5. Apart from the BoD and the CEO, the Governing Bodies of the Company include the Executive Committee (article 8 of Articles of Incorporation, article 3 of Operation Regulation). Its composition and competences are described in par. 6.8 below "Executive Committee".
6. There are Deputy CEOs reporting to the CEO (article 15a of Articles of Incorporation "Deputy Chief Executive Officers").
7. A Remuneration Committee has been established having the competences and the function provided for in article 5 of L. 4643/2019 and consisting of three (3) non-executive members of the Board of Directors of the Company, independent within the meaning of the provisions of L. 3026/2002 as applicable (article 17 of Articles of Incorporation "Remuneration and Compensation of Members - Remuneration and Recruitment Committee").
8. A special Contract is signed between PPC and the CEO (article 16 of Articles of Incorporation "CEO Contract and follow-up of its implementation").
9. The Articles of Incorporation of the Company provide on one hand that the BoD may meet by way of teleconference (article 11 par.2) and on the other that the Shareholders are entitled to participate in the voting of the General Meeting via distance voting, registered mail or through electronic means (artice22 par. 4 and sub-section 5.4 below).
10. At the start of each meeting of the BoD, the Members of the Board declare any potential conflicts of interest as per the agenda items of the respective meeting.

3. Internal audit, regulatory compliance and risk management systems in relation to the procedure of financial statements' preparation

3.1 Safeguards at corporate level
The corporate safeguards concern the internal audit and the regulatory compliance.

1. The internal audit, in accordance with L.3016/2002 as applicable, article 4 of L. 3429/2005 and article 44 of L. 4449/2017 constitutes an independent, objective, safeguard and advisory activity, designed to add value and improve the operations of the Company, enabling it to fulfill its objectives through the adoption of a systematic and professional approach with regard to the evaluation and improvement of the effectiveness of the risk management procedures, of the internal audit systems and of the corporate governance. The Internal Audit of the Company is performed by a special Service, the Internal Audit Department (IAD), which is established by decision of the Board of Directors and supervised by the Audit Committee (AC) of the Board of Directors.

The IAD aims at the efficient and valid audit of the Company in order to protect the interests of the shareholders, in accordance with the Legislation in force, the Corporate Governance principles and the best practices of Internal Audit, in order to ensure that:
- Risks are identified thus ensuring adequate management by the competent Units.
- The personnel acts in accordance with PPC policies and procedures, Regulations and the Legislation in force.
- PPC resources are acquired and used in an efficient and cost efficient manner.
- PPC assets are adequately protected.
- Financial information is reliable.

The mission of the IAD, its organization, staffing, competencies and relations with the Supervisory Authorities, as well as the competencies of its Director, the rules of its Operation and its Code of Conduct are detailed in its Rules of Procedure, which constitute an integral part of the Operation Regulation of the Company.

The annual audit plan of the IAD is elaborated based on the determination, updating and assessment of the corporate risks of the Group and taking into consideration the strategic goals of the Company and all developments concerning the Group and its business environment. The audit plan is submitted for approval to the BoD through the Audit Committee.

2. The Company, acknowledging the need to adapt to a new business environment, constantly evolving worldwide through the issuance of new necessary regulations and codes of corporate governance, proceeded in 2017 to the establishment of the Compliance Department. The objective of the said department is to monitor the observance of all the above within the framework of the operation of the Company and at the same time to enhance the development of this corporate culture, that is the culture of compliance with the law.

In order to attain this objective the Company through the Compliance Department has already launch the "Code of Conduct" which is posted on the Company's website and proceeds with the elaboration of the "Business Ethics & Compliance Program" in accordance with the best international practices, principles and rules. Moreover it plans to set up communication procedures in matters of Compliance and Business Ethics, as well to create and manage a suitable channel for the submission of complaints and in general of non-compliance reports.

The Company by means of operating within this framework highlights its commitment to the establishment of a business environment, which not only respects and comply with the law but enhances the Company's value as well, thus safeguarding its good repute and credibility.

3. The Audit Committee of the BoD, in its current form and composition (see below in detail sub-section 6.11 herein), supervises the IAD, submits to the BoD the six-month activity reports, the annual reports and other reports on issues falling within the competence of the Compliance Department and, in general, constitutes the highest safeguard of the Company.

3.2 Safeguards for information systems

The Company has developed a Framework of Information Systems Security (FISS) within which the policies concerning Information Systems Security are defined in regard with information classification, security in matters of personal data, physical and environmental security, management of communications and information systems operations, access control, development and maintenance of information systems, coping with vulnerabilities and risks, protection against malicious software, business continuity management and in general compliance with the obligations deriving from the regulatory-legislative framework.

The roles and competencies concerning the information systems security are defined in the FISS.
Moreover, the Company has set up the role of Responsible for Information and Network Security (RINS), in accordance with L. 4577/2018 (NOG A' 199) and the Ministerial Decision 1027/2019, as applicable each time, with the following responsibilities:

- Constitutes the contact point and works with the National Cybersecurity Authority and the competent CSIRT.
- Coordinates and monitors the Company in respect of its obligations arising from the aforementioned legislation and other provisions of the EU or the National Cybersecurity Authority concerning the Information and Network Systems Security.
- Supervises: a) the implementation of the Single Security Policy (currently the FISS), elaborated based on the security requirements as defined each time by the National Cybersecurity Authority, b) the satisfaction of the main security requirements, c) the training and increase of personnel awareness in matters of information and network security, and d) the drawing up of the self-evaluation report of the Company to be sent to the National Cybersecurity Authority.
- Assists to the audits performed by the Audit Inspection Team, as this is defined by the National Cybersecurity Authority and provides to the said Team all adequate means to facilitate its work.

3.3. Safeguards for the procedure of preparation financial statements and reports

The basic areas where safeguards concerning the preparation of the Company's financial statements and reports are implemented are the following:

Allocation of Competencies
The executives involved have clearly defined roles and areas of responsibility, reinforcing, thus, the performance of the Internal Audit System.

Procedures for accounting monitoring and preparation of financial statements

a. Accounting principles and policies for the operation of the Accounting Services of the Group.
b. Procedures in relation to the issuing of financial statements and their consolidation at Group level.
c. Regular follow-up of the International Financial Reporting Standards, as these are adopted by the European Union, and corresponding compliance of the accounting principles and policies of the Group, as required.
d. A special approval by the top executives of the Company is required for the performance of accounting entries, which concern specialized, non-recurrent accounting events.
e. Audits are being carried out by the Information Technology Department on the information subsystems' data, before being integrated into the General Accounting.
f. Regular communication of the executives of the Finance Division with the Top Management and the Audit Committee for the ratification and recording of important events that affect the financial statements.
g. Regular communication of the statutory Auditors with the Top Management and the Audit Committee with regard to the progress and the results of the Company's compulsory audit.

Procedures for property safekeeping
Implementation of safeguards for the information systems in place for managing fixed assets, reserves, cash and cash equivalents and customers. By way of illustration, the existence of analytical procedures and audit mechanisms for carrying out the annual materials inventory.

Transaction approval limits
The operation of the Services, at all management levels, as well as of the Company Bodies is governed by the Financial and Administrative Jurisdictions System by which the jurisdictions in matters of approvals by the Management Bodies and the executives of the Company are defined.

4. Information required in accordance with article 10 par. 1 items cases c), d), f), g) and h) of Directive 2004/25/EC of the European Parliament and of the Council, dated April 21st, 2004 concerning Takeover Bids - EXPLANATORY REPORT OF BOARD OF DIRECTORS (Article 4, paragraphs 7 & 8 of L. 3556/2007)

4.1 Share Capital Structure

Until 16 January 2017, the Company's share capital amounted to € 1,067,200,000 divided into 232,000,000 common registered shares corresponding to 232,000,000 voting rights with a nominal value of € 4.60 each.

By resolution of the Shareholders' Extraordinary General Meeting on 17 January 2017, the Company's share capital was decreased by four hundred ninety-one million eight hundred forty thousand euros (€ 491,840,000) along with a decrease of the nominal value of the share by two euros and twelve cents (€ 2.12) each and distribution in kind rather than in cash of one (1) share of the societe anonyme with Company name "HOLDING COMPANY ENERGIAKI S.A." and the distinctive title "ENERGIAKI HOLDING S.A." (currently "ADMIE HOLDING S.A.") of a nominal value of two euros and twelve cents (€ 2.12) for each share held in the Company.

Following the aforementioned decrease, the share capital of the Company currently amounts to five hundred seventy-five million three hundred sixty thousand euros (€ 575,360,000), divided into two hundred thirty-two million (232,000,000) common registered shares of a nominal value of two euros and forty-eight cents (€2.48) each.

4.2 Restrictions in transferring Company shares

Article 8 of PPC's Articles of Incorporation which provided that the percentage of the Hellenic Republic in the PPC's share capital could not be less than 51% of the shares with voting rights of the Company following any increase of the share capital, was abolished by virtue of article 8 of PPC Articles of Incorporation, pursuant to the Act of Legislative Content dated 7 September 2012 (which was ratified by article 2 of L. 4092/2012).

4.3 Significant direct or indirect participations within the meaning of articles 9 to 11 of L. 3556/2007

As of 31 December 2019, the Hellenic Corporation of Assets and Participations S.A. (HCAP), Hellenic Republic Asset Development Fund (HRADF) and Silchester International Investors LLP have a significant participation (over 5%).

11/12/2019	"Silchester International Investors LLP acting as investment manager for the following clients: - Silchester International Investors International Value Equity Trust, - Silchester International Investors International Value Equity Taxable Trust, - Silchester International Investors International Value Equity Group Trust, - Silchester International Investors Tobacco Free International Value Equity Trust, - The Calleva Trust.	**9.92%**
20/3/2018	"Hellenic Corporation of Assets and Participations S.A." (HCAP)[1]	**34.12%**
11/4/2014	"Hellenic Republic Asset Development Fund (HRADF)[1]	**17.00%**

1. On 8 April 2014, the Greek Joint Ministerial Committee for Restructurings and Privatizations decided the transfer, without consideration, of 39,440,000 ordinary shares with voting rights (corresponding to 17% of the existing share capital of PPC S.A) by the Hellenic Republic to the HRADF, pursuant to the provisions of L. 3986/2011. On 9 April 2014, the transfer of said shares by the Hellenic Republic to the HRADF was effected, following execution of an over-the-counter transaction and was announced on April 11, 2014. A transfer of 79,165,114 PPC shares (namely 34.123%) by the Greek State to the HCAP (in which the Hellenic Republic holds 100% of the shares and voting rights) was completed on 20 March 2018, by law and without consideration, according to par. 20, article 380 of L. 4512/2018, as par. 1 of article 197 of L. 4389/2016 was amended. Taking into consideration that the HRADF is HCAP's subsidiary, the total percentage of the Hellenic Republic remains indirectly at 51.123%.

4.4 Shares with special control rights

There are no shares granting special control rights, stricto sensu.

4.5 Voting rights restrictions

There are no restrictions on voting rights.

4.6 Agreements between Company's shareholders

The Company has no knowledge of agreements existing between its shareholders.

4.7 Regulations on appointing and replacing members of the Board of Directors

According to article 9 of the Company's Articles of Incorporation, the Company's Board of Directors consists of eleven (11) members, divided into executive and non-executive members (independent and non-independent) for a three-year term of office, out of which:

a. Nine (9) members, including the Chief Executive Officer, elected by the General Meeting of shareholders of the Company. The Board of Directors shall elect from among the said members its Chairman and Vice Chairman, pursuant to article 14 of the Articles of Incorporation.

b. Two (2) members representing the employees of the Company. These members shall be elected by direct, general ballot and by means of the proportional representation system within a time period of two (2) months from the relevant notification to the most representative trade union (ASOP). The election of the representatives of the employees to the Board of Directors shall be conducted by an election committee appointed by the most representative trade union of the Company, in which (committee) at least one representative from the remaining trade unions of the Company shall participate.

The procedure of the said election, the appointment of the local election committees, the time and the details of the polling, as well as the counting of the votes and the announcement of the results thereof, shall be the job of said committee, which shall be presided over by a judicial functionary pursuant to the provision of article 11 of L. 1264/1982 concerning "Democratization of the Trade-union Movement – The Rights of the Unions" (Official Gazette, volume A, issue no 79). The same procedure shall also apply to the appointment of the substitute members in replacement of the members of the Board elected in accordance with the procedure set forth in paragraph herein. In case the substitute member resigns or leaves his office vacant, for any reason whatsoever, his position shall be occupied by the substitute member who follows next in order.

In the event of non-election or non-prompt filling of any vacancy or non-substitution of the members of the Board, for any reason whatsoever, this shall not impede the constitution and functioning of the Board of Directors without these members, provided that the remaining members are not less than six (6).

4.8 Duties of the Board of Directors with regard to the issuance of new or the purchase of own shares

According to article 6 par.2 cases a) and b) of the Company's Articles of Incorporation, for a period not exceeding five years for each renewal granted, the General Meeting upon its resolution, may renew the relevant power granted to the Board of Directors so that the Board of Directors, by its decision taken in accordance with the increased majority of article 24, L. 4548/2018 as applicable, may a) increase the share capital through the issuance of new shares. The amount of the increase may not exceed triple the share capital, which shall have been paid up on the date of the decision-making by the General Meeting on the renewal of the relevant power of the Board of Directors and b) issue bonded loan converted into shares by its decision or otherwise by resolution of the General Meeting taken in accordance with the simple quorum and majority requirements, for an amount that cannot be more than triple the share capital, which shall have been paid up on the date of decision-making by the General Meeting on the renewal of the relevant power of the Board of Directors. In this case, the provisions of article 24 L. 4548/2018 as currently in force shall apply. It is noted that the provisions of par. 2 article 6 of PPC Articles of Incorporation, as mentioned above, have not been implemented to date.

The provisions of articles 49 to 51 of L. 4548/2018, as amended and currently in force, provide for the Company's right to purchase own shares, under the responsibility of the Board of Directors, following approval by the General Meeting of Shareholders and pursuant to the requirements specified in the above articles.

There is no special provision in the Company's Articles of Incorporation, concerning the competence of the Board of Directors or the General Meeting to purchase own shares.

4.9 Significant agreements that become effective, are amended or are terminated in the event of change in control

A significant part of PPC loan agreements provide that in case the Hellenic Republic's participation in the share capital of the Company falls below 34% or 51%, or in case the Hellenic Republic ceases to control the Company, this may lead to Mandatory Prepayment of these loans or may constitute an Event of Default.

In addition, any change in PPC shareholder structure, which may lead to a change in control over the Company, gives rise to an "Accelerated Put/Call Event" according to the Shareholders Agreement between PPC S.A. and TERNA ENERGY relating to WASTE SYCLO S.A. This event entitles the non-defaulting party to exercise his right whether to purchase all the shares of the defaulting shareholder or to proceed to the disposal of its shares to the defaulting party, based on the procedure set forth in the Shareholders Agreement. With regard to the shareholders agreement with ALPIQ, based on which the subsidiary company under the trade name PPC Bulgaria was established in Bulgaria, in the event of any change in the shareholder structure of one out of the two shareholders which leads in a change of control over the company, the other shareholder may exercise his right to sell his shares to the first shareholder, within 30 working days, pursuant to the procedure provided for in the shareholders agreement.

4.10 Agreements with members of the Board of Directors or Company Personnel.

There are no share distribution plans to the members of the Board of Directors and/or employees of the Company.

PPC had signed a Contract for the provision of Independent Services with the (ex) Chairman and Chief Executive Officer Mr. E. Panagiotakis, which was terminated on 22.8.2019. On the said date, the Company signed a Mandate Contract with the current Chairman and CEO, Mr. Georgios Stassis. Moreover, the Company had signed Mandate Contracts with the Deputy CEOs Mr. D. Tzanninis and Mr. G. Kostakis, which were terminated on 15.9.2019 at midnight and on 31.8.2019 at midnight respectively. Finally, the Company has signed Contracts for the provision of Services with the Deputy CEOs Mr. I. Kopanakis on 24.9.2019 and G. Karakoussis on 19.11.2019.

5. Information on the functioning of the General Meeting of the shareholders and its main powers, as well as description of the shareholders' rights and of their exercise

5.1 Shareholders' General Meeting competence 0

The General Meeting is the supreme authority of the Company and shall have the right to adopt resolutions on all matters concerning the Company, unless otherwise stipulated in the Articles of Incorporation (article 19 of the Articles of Incorporation).

Any holder of fully paid- up voting shares shall participate in the General Meeting of shareholders of the Company only to the extent of the number of shares which he/she holds.

5.2 Convocation of the General Meeting

The Shareholders' General Meeting of the Company shall be convened by the Board of Directors (article 20 of the Articles of Incorporation) and shall meet at the seat of the Company and/or at any other place outside such seat, in accordance with the provisions of articles 119 and 120 of L. 4548/2018, at least once a year, no later than the tenth (10th) calendar date of the ninth month following the termination of the fiscal year in order to adopt resolutions on the approval of the annual financial statements and the election of auditors (Ordinary General Meeting). The Board of Directors may convene an Extraordinary Shareholders' General Meeting, whenever this is prescribed by special provisions or whenever the Board considers it appropriate.

5.3 Invitation to the General Meeting

The Shareholders of the Company are invited to the General Meeting and meet (article 20 of the Articles of Incorporation) pursuant to the relevant provisions of L. 4548/2018.

5.4 Participation in the General Meeting

The participation and voting rights are provided for in article 22 of the Articles of Incorporation do not deviate from the relevant provisions of L. 4548/2018. More specifically:

Any shareholder who holds and proves his shareholder capacity on the date of the General Meeting shall be entitled to participate in the General Meeting. In particular, any person holding the shareholder capacity on the commencement of the fifth (5th) date prior to the date of the initial date of the General Meeting (Record Date) shall be entitled to participate in the General Meeting. The above Record Date shall apply even in the event of a postponed or repeat meeting on condition that the postponed or repeat meeting is not held later than thirty (30) days from the Record Date. If that is not the case or if, in the event of a repeat General Meeting, a new Invitation is published in accordance with those provided for in article 130 of L. 4548/2018, any person having the shareholder capacity on the commencement of the third (3rd) day prior to the date of the postponed or repeat General Meeting shall be entitled to participate in the General Meeting. The shareholder capacity shall be evidenced by any legal means and in any case based on the information received by the Company from the Central Securities Depository, on condition that the latter provides registry related services.
Shareholders shall participate in the General Meeting either in person or by proxy. Each shareholder may appoint up to three (3) proxy holders. Any proxy holder holding proxies by several shareholders may cast votes differently for each shareholder. The appointment, revocation or substitution of any proxy holder shall be made in writing or by mail and shall be notified to the Company in accordance with the same procedure as above at least forty eight (48) hours prior to the date set for such General Meeting. Legal entities shall participate in the General Meeting by their representatives. Each shareholder, for each item on the agenda, which allows for open vote, shall be entitled to participate in the General Meeting via distance voting, registered mail or through electronic means, with the voting being held prior to the General Meeting, subject to the conditions set out in article 126 of L. 4548/2018.

5.5 Ordinary Quorum and Majority

A quorum of the General Meeting shall be deemed to be achieved (article 23 of the Articles of Incorporation) for the proper discussion of the items on the agenda, when shareholders representing at least one fifth (1/5) of the paid-up share capital are present or represented thereat.

If the quorum referred to in the preceding paragraph is not obtained, the General Meeting shall be held again within twenty (20) days from the date of the postponed meeting, following invitation being notified at least ten (10) days prior to the meeting date. At such repeat meeting, a quorum shall be deemed to be obtained in order to duly discuss the items set out on the original agenda, regardless of the proportion of the paid-up share capital represented thereat.
A new notice of invitation is not required, in the event that the original notice of invitation states the venue and date of the repeat meetings provided for by the law, in case a quorum has not been reached, on condition that there is a lapse of at least five (5) days between the postponed meeting and the repeat one.

The resolutions of the General Meeting shall be adopted by absolute majority of the votes represented thereat.

5.6 Extraordinary Quorum and Majority (Articles of incorporation - article 24)

As an exception, for resolutions involving matters specified in article 24 of the Articles of Incorporation, the Meeting has quorum and legally meets on the items set out in the agenda, when shareholders representing one half (1/2) of the paid-up share capital are present or represented thereat.

If the said quorum is not obtained, a repeat General Meeting shall be convened in accordance with the provisions of par. 2, article 23 of the Articles of Incorporation, a quorum of which shall be obtained for the proper transaction of the business set out in the initial agenda, when at least one fifth (1/5) of the paid-up share capital is present or represented thereat.
A new notice of invitation is not required on condition that the venue and time of the repeat meetings, as provided for by law, are set in the initial invitation, and that at least five (5) days intervene between each postponed meeting and each repeat one.

The resolutions stipulated in section 1 of article 24 of the Articles of Incorporation shall be made by a two-third (2/3) majority of the votes represented thereat.

5.7 Approval of the overall management and discharge form liability of the auditors

Following the approval of the annual financial statements, the General Meeting shall decide by open vote on the approval of the overall management for the respective year subject to the conditions set out in article 108 of L. 4548/2018 (article 27 of the Articles of Incorporation). The members of the Board of Directors may participate in the vote for the approval of the overall management only with shares they hold or as representatives of other shareholders, on condition that they have received the relevant authorization with explicit and specific vote instructions. The same applies to employees of the Company.
Following the approval of the annual financial statements, the General Meeting shall decide by open vote on the discharge of the auditors from any liability.

5.8 Minority Rights

The minority rights of the Company's Shareholders are detailed in article 28 of the Articles of Incorporation of the Company and do not deviate from those specified in the relevant provisions of L. 4548/2018.

6. Composition and operation of the Governing Bodies

6.1. Governing Bodies (article 8 of the Articles of Incorporation)

The Governing Bodies of the Company shall be:

- **a.** the Board of Directors,
- **b.** the Chief Executive Officer and
- **c.** the Executive Committee.

Composition and Term of Office of the Board of Directors (article 9 of the Articles of Incorporation)

1. **a.** The Board of Directors (or "BoD") shall consist of eleven (11) members divided into executive and non-executive members and elected for a three-year term of office, at least five (5) of whom shall be independent non-executive members. In order to ensure continuity in the administration of the corporate affairs and the representation of the Company, the term of office of each member may be extended ipso jure until the first Ordinary General Meeting to be held after the expiration of its term.
   b. The members of the Board of Directors may in any case be re-elected and may at any time be revoked by the General Meeting of the Shareholders. Especially, with regard to the members of the Board who are elected according to the procedure of par. 2 item (b) herein, a reasoned decision by the Board of Directors, for reasons pertaining to the fulfilment of their duties as members of the Board, is required for their revocation. At least five (5) of the eleven (11) members shall be independent non-executive members.
   c. The participation of independent non-executive members to the Board of Directors shall not exceed three consecutive terms, namely nine (9) years in total.
   d. The number of the non-executive members of the Board linked by any type of employment relation to the Company or to any of its associated companies cannot exceed three (3) out of the total number of its members.

2. The Board of Directors shall consist of:
   a. Nine (9) members, including the Chief Executive Officer, elected by the General Meeting of the shareholders

of the Company. The Board of Directors shall elect from among the said members its Chairman and Vice Chairman, pursuant to article 14 of the Articles of Incorporation.

b. Two (2) members representing the employees of the Company. These members shall be elected by direct, general ballot and by means of the proportional representation system within a period of two (2) months from the relevant notification to the most representative trade union (ASOP).
The same procedure shall also apply to the appointment of the substitute members in replacement of the members of the Board elected in accordance with the procedure set forth in the paragraph herein. In case the substitute member resigns or leaves his office vacant, for any reason whatsoever, his position shall be occupied by the substitute member who follows next in order.

3. In the event of non-election or non-prompt filling of any vacancy or non-substitution of the members of the Board, for any reason whatsoever, this shall not impede the constitution and functioning of the Board of Directors without these members, provided that the remaining members are not less than six (6).

4. a. In the event that for any reason whatsoever there shall be a vacancy in the office of a Board Member elected in accordance with the procedure set forth in paragraph 2a herein, the remaining members of the Board shall elect another member for the remaining term of the member in the office of whom a vacancy has occurred, and such election shall be posted on the websites of the Company and the General Electronic Commercial Registry (GECR or G.E.M.I.) and shall be announced by the Board of Directors at the next meeting of the General Meeting.

b. In the event of a vacancy in the office of the Chief Executive Officer for any reason whatsoever, the Chairman of the Board of Directors shall temporarily act as Chief Executive Officer; if the positions of Chairman of the Board of Directors and of Chief Executive Officer coincide to the same person, the Vice Chairman of the Board of Directors, appointed pursuant to article 14 par. 1 of the Articles of Incorporation, or, if there is no Vice Chairman, a person designated by the Board of Directors among its members and by priority among its executives members, who have been elected by the General Meeting in accordance with article 9, par. 2 item (a) of the Articles of Incorporation, shall temporarily act as Chief Executive Officer. In such cases, the Board of Directors shall call the General Meeting of shareholders in the shortest possible time for the election of the new Chief Executive Officer.

c. In the event of a vacancy in the office of the Chairman of the Board of Directors for any reason whatsoever, the Chief Executive Officer of the Company shall temporarily act as Chairman or if the posts of Chairman of the Board of Directors and of Chief Executive Officer coincide to the same person, the Vice Chairman of the Board of Directors, appointed pursuant to article 14 par. 1 of the Articles of Incorporation, shall act as Chairman. In the event of a vacancy in the office of both the Chairman and the Chief Executive Officer, and should no Vice Chairman of the Board of Directors have been elected, the Chairman shall be substituted by the senior member of the Board of Directors, from among the members elected by the General Meeting pursuant to article 9, par. 2 item (a) of the Articles of Incorporation.

d. In the event that the Chief Executive Officer or the Chairman are absent or temporarily unable to perform their duties, the Vice Chairman and, if there is no Vice Chairman, a person designated by the Board of Directors among its members who have been elected by the General Meeting in accordance with article 9 par. 2 a) of the Articles of Incorporation, and by priority among its executive members, shall substitute for them.

5. For the examination of the nomination for membership on the Board of directors, the Company has set up a Nomination Committee by decision of the Board of Directors, which consists of at least three (3) members, independent members of the Board in their majority. The Nominations Committee examines, by way of illustration, any impediments or incompatibilities as well as the independence criteria of the Board Members (especially in case of appointment of independent members) pursuant to L. 3016/2002 and L. 4548/2018, as applicable, and evaluates periodically the size and the composition of the Board of Directors, including the submission of proposals on the diversity policy to be adopted by the Board and, in general, the implementation of the provisions of legislation as applicable each time.
The nominations for membership on the Board of Directors, along with the curriculum vitae of the nominees, shall be submitted to the Company at least three (3) working days prior to the convocation date of the General Meeting called for their election.

6.2 Competence of the Board of Directors

1. The Board of Directors (article 10 of the Articles of Incorporation) is the supreme governing body of the Company, which shall formulate primarily its development strategy and policy, as well as supervise and exercise control over the management of its property. The Board of Directors shall approve, upon recommendation of the Chief Executive Officer: a) the Strategic Plan, which determines the strategic goals for the attainment of the purpose of the Company, b) the Business Plan of the Company of a duration of three (3) to five (5) years, which specifies the goals of the Strategic Plan for each year of its duration, c) the methods for the implementation of the Strategic Plan and the Business Plan for each year of their duration. The Board of Directors shall also follow up the implementation of both the Strategic and the Business Plan.

2. The Board of Directors shall represent the Company and shall be vested with unlimited authority to decide on any act and to exercise full power concerning the management of the Company, the management of its property and in general the fulfillment of its object, with the exception of those issues which either by law or by the present Articles of Incorporation, expressly fall within the jurisdiction of the General Meeting.

3. The Board of Directors shall, upon recommendation of the Chief Executive Officer, approve the annual budget of the Company, prepare, approve and submit to the General Meeting for approval the annual financial statements of the Company and prepare and submit to the General Meeting the annual report. Moreover, the Board of Directors, upon recommendation of the Remuneration and Recruitment Committee, approves the recruitment policy of the Company, pursuant to the relevant legislation as applicable each time.

4. The Board of Directors shall upon the recommendation of the Chief Executive Officer decide on: a) the necessity of creating positions of Deputy Chief Executive Officers, as well as on their number and competences thereof, b) the basic organization of the Company divided into Divisions and Business Units, which constitute the highest administrative level of its organizational structure, c) the creation of positions of Chief Officers and their competences.

5. The Board of Directors may, upon recommendation of the Chief Executive Officer, delegate part of its administration and representation competences, except for those which, pursuant to the Law and the present Articles of Incorporation require collective action or fall within the exclusive jurisdiction of the Chief Executive Officer in accordance with Article 15 of the Articles of Incorporation, as well as the administration or supervision of the affairs or the representation of the Company to the Chairman, to the Chief Executive Officer, to the Deputy Chief Executive Officers, to one or more of the Board Members, to the Executive Committee, to the Chief Officers, to the Directors or to employees of the Company. The aforementioned persons to whom the competences described above are delegated and who do not have the capacity of Board Member carry the same responsibility towards the Company as the members of the Board of Directors, pursuant to article 102 of L. 4548/2018 as applicable and to article 12 of the Company's Articles of Incorporation.

6.3 Convocation and Functioning of the Board of Directors

The Board of Directors (article 11 of the Articles of Incorporation) shall meet at the seat of the Company and/or outside its seat at the facilities of PPC at Kozani, Megalopoli and Aliveri, upon the call of the Chairman or his substitute on such day and hour as determined by him, whenever required following the needs of the Company.
The Board of Directors may lawfully meet by way of teleconference with some or all Board members, upon invitation to the Board members, which shall include all necessary information and technical instructions with respect to their participation in the meeting. In any case, any Board member may request the holding of meeting by way of teleconference if he resides in a country other than the one where the meeting is to be held or if there is any other serious reason, especially illness or disability.
The General Counsel may attend the meetings of the Board of Directors, unless otherwise decided by the Board of Directors, without having the right to vote.
The drawing up and the signing of the minutes by all the members of the Board of Directors or their representatives is equal to a resolution of the Board of Directors, even if no meeting has proceeded. The above section shall also apply if all Board members or their representatives agree to record their majority decision in the minutes, without holding a meeting. The relevant minutes shall be signed by all members and shall be entered in the minute's book in accordance with article 93 of L. 4548/2018.
The signatures of the Board Members or their representatives may be substituted with the exchange of messages via email or other electronic communication devices.

6.4 Liability of the Board Members

Each Board Member shall be liable (article 12 of the Articles of Incorporation) vis-a-vis the Company, in accordance with articles 96 to 102 of L. 4548/2018, for any fault committed, due to an action or omission during the performance of their duties, which constitute violation of their duties in accordance with the Law and the Articles of incorporation, as applicable. In particular, Board Members and third parties to whom duties may have been assigned by the Board of Directors, shall be obliged to disclose to the Board of Directors, promptly and sufficiently, any conflict of interests which may arise during the performance of their duties between themselves or other persons with whom they have close relations and the Company or the companies of its Group. The aforementioned persons shall be obliged to refrain from any action related to corporate actions, which may give rise to such conflict of interests until the date on which the Company will examine the conflict of interest declaration.

The Board Members shall be bound, inter alia, to handle the corporate affairs with a view to promoting corporate interest, to monitor the execution of the resolutions of the Board of Directors and of the General Meeting, as well as to brief the other Board Members on any corporate affairs.

The Board Members and any third party to whom the Board of Directors has assigned any of its competences shall be bound to keep absolute secrecy with regard to all confidential information in respect of the affairs of the Company coming to their knowledge in their capacity as Board Members.

The provisions of articles 99 to 101 of L. 4548/2018, which include regulations concerning transactions with related parties shall also apply to Chief Officers and Directors of the Company.

6.5 Prohibition of competition - Participation in the Board of Directors of subsidiary companies

The members of the Board of Directors, who participate in any way whatsoever in the management of the Company, the Deputy Chief Executive Officers, the Chief Officers, as well as the Directors shall not be allowed (article 13 of the Articles of Incorporation) to perform on occasion or by profession, without the authorization of the General Meeting of the Company's shareholders, either on their own behalf or on behalf of third parties, acts falling within the object of the Company or be members of Boards of Directors, executives, employees or representatives of companies pursuing aims similar to those of the Company, as well as participate as general partners or single shareholders or partners in companies or joint ventures or be members of investment committees which pursue aims similar to those of the Company. The subsidiary companies of the Company or the companies in the capital of which the Company participates shall not be subject to the abovementioned prohibition.

The prohibition referred to above shall be valid for a period of two years following expiry for any reason whatsoever of the term of office of the Board Member or following his/her retirement from the Board or following retirement from the Company of an officer or employee, who participated in the Executive Committee of the Company.

6.6 Chairman and Vice Chairman of the Board of Directors

The Board of Directors or the General Meeting of the Company's shareholders shall elect its Chairman (article 14 of the Articles of Incorporation), as well as its Vice Chairman. The capacity of the Chairman of the Board of Directors may coincide with that of the Chief Executive Officer. The Board of Directors may substitute the Chairman and the Vice Chairman at any time. In the event that the abovementioned persons have been appointed by the General Meeting, their substitution by the Board of Directors shall be effected by a two thirds (2/3) majority of the totality of its members. The Chairman shall represent the Company and monitor the implementation of the resolutions of the Board of Directors. He/She shall convene the Board, preside at the meetings thereof, determine the items on the agenda, conduct the meetings and put said items under vote.

6.7 Chief Executive Officer

The Chief Executive Officer of the Company (article 15 of the Articles of Incorporation) shall be elected by the General Meeting of shareholders for a three-year term of office.

The Chief Executive Officer shall be the highest-ranking executive officer of the Company, he/she shall be at the head of all the services thereof, conduct their activities, decide on the further organization of the Company within the scope of the present Articles of Incorporation and the relevant resolutions of the Board of Directors, make the necessary decisions pursuant to the provisions governing the operation of the Company, the approved plans and budgets, the Strategic Plan (S.P.), the Business Plan (B.P.) and the terms of the Management Contract he/she has entered into with the Company pursuant to Article 16 of the Articles of Incorporation. The Chief Executive Officer shall represent the Company within the limits of his duties subject to the present Articles of Incorporation or the resolutions of the Board of Directors and may authorize or empower other persons, members of the Board or low-ranking or high-ranking executives of the Company, as well as any kind of PPC employees, to represent him/her.

The Chief Executive Officer shall have the following duties, delegated by the Articles of Incorporation of the Company, as well as any other duties, which shall be delegated to him/her upon resolution of the Board of Directors. He/She shall:

a. Submit to the Board of Directors of the Company the proposals and recommendations required for the attainment of the Company's objects, as specified in the Strategic Plan and the Business Plan.

b. Make decisions on the awarding of contracts of a value to be determined on each occasion by resolution of the Board of Directors.

6.8 Executive Commitee

An Executive Committee (EC) (article 18a of the Articles of Incorporation) shall be formed within the Company. The EC shall be composed of the Chief Executive Officer who acts as its Chairman, the Deputy Chief Executive Officers, if any, and the Chief Officers.

The EC shall operate in conformity with the decisions of the Board of Directors, ensuring the necessary collective handling of administrative and operational issues of the Company, as well as the consistency in its operation. Within this framework, the EC shall be responsible for important matters concerning inter alia the productivity, the performance of the Company units, the organization and operation of activities of the Company, as well as for the budget and the Strategic and the Business Planning.

Moreover, the EC shall decide on the awarding of contracts concerning supplies, provision of services and, in general, any kind of financial contract up to an amount fixed as per case by the Board of Directors.

The EC shall operate in accordance with its Rules of Procedure, as approved by the Board of Directors upon recommendation by the Chief Executive Officer.

6.9 Deputy Chief Executive Officers

The Deputy Chief Executive Officers (article 15a of the Articles of Incorporation) shall report to the Chief Executive Officer and shall be at the head of wider business activities structured into Divisions and Business Units. They may be Members of the Board of Directors among those elected by the General Meeting of the shareholders of the Company.

The number and duties of the Deputy Chief Executive Officers shall be determined by the Board of Directors upon recommendation of the Chief Executive Officer.

The Deputy Chief Executive Officers shall be selected through public call and appointed, pursuant to the law, by decision of the Company's Chief Executive Officer with whom they shall sign fixed-term contracts with a maximum term of three (3) years, which may be renewed only once. The Deputy Chief Executive Officers, in case they are also members of the Board of Directors elected by the Shareholders' General Meeting, shall be appointed by decision of the Board of Directors and upon recommendation by the Chief Executive Officer. The procedure for their recruitment and the policy for their remuneration shall be approved by the General Meeting following recommendation of the Remuneration and Recruitment Committee of article 17 of the Articles of Incorporation. The recruitment criteria, the contract period and the remaining terms of the relevant contracts, which shall refer among others to their evaluation as provided for by the Company's Operation Regulation, shall be established by decision of the Chief Executive Officer. Personnel of the Company and candidates from outside the Company may participate in the recruitment procedure.

The Chief Officers (article 18 of the Articles of Incorporation) shall be high-ranking executives of the Company at the head of independent sectors of the Company's business activities. They shall report to the Chief Executive Officer or/ and to the Deputy Executive Officers. In the event that there is a vacancy in the office of a Chief Officer or the latter is temporarily unable to execute his duties or is absent for any reason whatsoever, he shall be temporarily substituted by another Chief Officer or Director of the Company upon decision of the Chief Executive Officer.

The number and duties of the Chief Officers, as well as of the Divisions and Business Units shall be determined by the Board of Directors upon recommendation of the Chief Executive Officer. The Chief Officers shall be selected through public call and shall be appointed, pursuant to par. 1 of article 4 of L. 4643/2019, by decision of the Chief Executive Officer of the Company, with whom they shall sign fixed-term contracts with a maximum term of three (3) years, which may be renewed only once. The procedure for their recruitment and the policy for their remuneration shall be approved by the General Meeting following recommendation of the Remuneration and Recruitment Committee of article 17 of the Articles of Incorporation. Personnel of the Company and candidates from outside the Company may participate in the recruitment procedure.

The recruitment criteria, the contract period and the remaining terms of the relevant contracts, which shall refer among others to their remuneration, any other benefits, as well as to their evaluation as more specifically provided for by the Company's Operation Regulation, shall be established by decision of the Chief Executive Officer.

6.10 Remuneration and Compensation of Board Members – Remuneration and Recruitment Committee

1. The Company shall establish a remuneration policy (article 17 of the Articles of Incorporation) and shall draw up a remuneration report, pursuant to articles 110 to 112 of L. 4548/2018, article 5 of L. 3016/2002, as well as to articles 4. par. 1 and 2 and 5 of L. 4643/2019 as applicable, for the members of the Board of Directors, the Deputy Chief Executive Officers, the Chief Officers, the Directors and the Assistant Directors/ Head of Units of the Company, following relevant recommendation of the Remuneration and Recruitment Committee to the Board of Directors of the Company to be approved by the General Meeting.
2. The Remuneration and Recruitment Committee of the Company shall have the competences and the functioning specified in article 5 of L. 4643/2019 and shall consist of three (3) non-executive Board Members of the Company, independent within the meaning of L. 3016/2002 as in force. The term of office of the members shall be three (3) years and may be renewed only once; it may be extended ipso jure pursuant to article 85 par. 1 item (c) of L. 4548/2018 until relevant decision-making by the first Ordinary General Meeting to be held after its expiration and shall be terminated when losing the capacity as Board Member in any way whatsoever.

6.11 Board of Directors Commitees

The Company aiming at constantly adopting and implementing the best practices of corporate government has set up the following committees whether provided for by law (L. 3016/2002, L. 3693/2008, L. 4449/2017, L. 4643/2019) or not. In compliance with the applicable legislation for Corporate Governance as well as in line with the best practices of corporate governance, the Board of Directors of the Company has set up the following Committees:

- Audit Committee
- Nominations Committee
- Remuneration and Recruitment Committee

More specifically:

6.11.1 Audit Committee

The Internal Audit System (IAS) ensures the continuous implementation of the business strategy through the efficient use of the available resources, the identification of all risks assumed, as well as the completeness and reliability of the data and information required for the accurate and timely determination of the financial situation of the Company and the preparation of reliable financial statements.

Moreover, it ensures the compliance with the applicable legal framework, the internal regulations and the ethics rules, the prevention and avoidance of wrong actions that may compromise the repute and the interests of the Company as well as the efficient operation of the information systems for the safe circulation, processing and storage of critical business information.
In the context of the IAS and based on the regulatory framework, the Company has established the Internal Audit Department, the Risk Management Department and the Compliance Department.

Pursuant to article 44 of L. 4449/2017 (NOG vol. A issue 7/24.01.2017) on the new form and composition of the Audit Committee, it is provided for that the latter shall consist of at least three members, Non-Executive Members of the Board of Directors and nonmembers of the Board of Directors, to be elected by the General Meeting of the Company. The members shall be elected for a three-year term of office, which may be renewed only once, while the term of office of the members of the Board of Directors shall be terminated when losing in any way whatsoever the capacity of member of the Board of Directors of the Company.
Currently, pursuant to the new provisions of article 9 of L. 4643/2019 the Audit Committee consists of five members elected by the General Meeting as follows:

a. Three (3) members at least, by virtue of article 44 of L. 4449/2017, which can be members or non-members of the Board. In general, any combination can be accepted, provided that there is at least one Board member. These members shall be in their totality non-executive members of the Board and in their majority independent of the Company within the meaning of the provisions of L. 3016/2002 (NOG A' 110), while at least one (1) shall be chartered auditor-accountant, inactive or retired, or shall have sufficient knowledge of accountancy and auditing.

b. Two (2) more members, by virtue of article 9 L. 4643/2019, elected from a list of persons with proven experience in the field of works, supplies and services contracts, which shall be independent of the Company within the meaning of the provisions of L. 3016/2002 (NOG A'110).

The members of the Audit Committee shall meet the eligibility criteria, as these are described in the applicable legal and regulatory framework, while the number of its members and their total combined knowledge must reflect the business model and the financial situation of the Company.

The Chairman of the Audit Committee shall come from the members appointed by virtue of article 44 of L. 4449/2017, cannot be the Chairman of the Board of Directors, shall be appointed by the Committee itself or elected by the General Meeting and shall be independent of the Company within the meaning of the provisions of L. 3016/2002 (NOG A'110).

The members of the Audit Committee, without altering or restricting their obligations as members of the Board of Directors, shall undertake the obligations provided for by the legislation on corporate governance as applicable each time and by L. 4643/2019, which include:

- The follow-up of the financial information procedure and the submission of recommendations or proposals for ensuring its integrity.
- The follow-up of the efficient operation of the internal audit system, the quality assurance system and the risk management system, as well as the follow-up of the proper operation of the Internal Audit Department, in particular with regard to the Company's financial information, while preserving its independence.
- The follow-up of the process of compulsory audit of stand-alone and consolidated financial statements and the process of informing the Board of Directors on its results, by means of explaining its contribution to the quality and integrity of the financial information and the role of the Audit Committee in the said process.
- The review and follow-up of issues related to the objectivity and independence of chartered auditors- accountants or the audit firms, particularly with regard to other non-audit services they provide to the Company and its subsidiaries.
- The responsibility for the selection process of chartered auditors-accountants or audit firms.
- The audit and the monitoring of the proper implementation of the Works, Supplies and Services Regulation of the Company on a random basis.
- The submission of an annual report to the Board of Directors on the efficiency of the awarding ofworks, supplies and services contracts, based on specific indices, aiming to enhance efficiency, reduce relative risks and link the Purchasing function with corporate strategy and policies.
- The recommendation to the Board of Directors for amendments to the Works, Supplies and Services Regulation and in general for measures to improve the efficiency of the Purchasing function.

The recommendation of the Board of Directors to the General Meeting for the appointment of chartered auditors-accountant or audit firms shall be submitted following proposal of the Audit Committee.
The chartered auditors-accountants shall be obliged to report to the Audit Committee any issue regarding the process and results of the compulsory audit, as well as to submit a separate additional report on the weaknesses of the internal audit system, and in particular the weaknesses in the procedures concerning financial information and the preparation of financial statements.

In order to perform their duties, the members of the Audit Committee shall have the right to take cognizance of the relevant files, documents or data of the Company.

The Audit Committee operates pursuant to its Rules of Procedure, which are approved by the Board of Directors following its proposal. It shall meet on a regular basis as well as on a non-regular basis whenever circumstances so require. In any case, minutes shall be kept recording its actions and the results thereof with regard to the performance of its duties. It may invite, when deemed appropriate, managers participating in the administration of the Company, including the Chief Executive Officer, the Chief Financial Officer and the Director of the Internal Audit Department, in order to attend specific meetings or specific items on the agenda of its meetings.
With regard to the Audit's Committee structure and composition within 2018, we should note that at the Company's Annual Ordinary General Meeting held on 7 June 2018, the members of the Audit Committee increased by one member, totaling four members. Mr. Nikolaos Frangos, Professor of Actuarial Science at the Athens University of Economics and Business was selected for this position.

During the Extraordinary General Meeting on 17 December 2018, Mr. G. Venieris, Professor of Accounting in the Department of Accounting and Finance at the Athens University of Economics and Business was elected as Independent

Member of the Board of Directors and as member of the Audit Committee, due to the expiration of the term of office of the Independent Non-Executive Member of the Board of Directors, Mr. P. Alexakis, on December 17, 2018. Therefore, until 27 June 2019, the Audit Committee consisted of Mr. G. Andriotis (Vice Chairman of the BoD - Independent – Non-Executive Member of the BoD), Mr. Ch. Papageorgiou (Independent – Non-Executive Member of the BoD), Mr. N. Frangos (Independent, non member of the BoD) and Mr. G. Venieris (Independent – Non-Executive Member of the BoD).

At the Ordinary General Meeting held on 27.6.2019 a new three-member committee was elected pursuant to article 44 of L. 4449/2017.

The Audit Committee consisted of independent, within the meaning of L.3016/2002, members of the Company's Board of Directors.

- The structure and the composition of the Audit Committee was as follows : Georgios Venieris, Independent – Non-Executive Member of the BoD, Chairman of the Audit Committee
- Christos Papageorgiou, Independent – Non-Executive Member of the BoD, and
- Despina Doxaki, Independent – Non-Executive Member of the BoD.

At the Extraordinary General Meeting held on 22.8.2019, Mr. Stefanos Kardamakis was elected as Independent Member of the BoD of the Company and member of the Audit Committee to replace the resigned member Mr. Christos Papageorgiou.

Therefore, on December 31, 2019 the Audit Committee consisted of:

- Georgios Venieris, Independent – Non-Executive Member of the BoD, Chairman of the Audit Committee for a 3-year term of office, namely from 27.06.2019 until 26.6.2022.
- Despina Doxaki, Independent – Non-Executive Member of the BoD for a three-year term of office, namely from 27.06.2019 until 26.6.2022, and
- Stefanos Kardamakis, Independent Non-Executive Member of the BoD for a three-year term of office, namely from 22.8.2019 until 21.8.2022.

In 2019, the Audit Committee, within the framework of its competencies, met twenty-five (25) times.
Those meeting pertained to:

- The follow-up of the financial information procedure and the follow-up of the process of compulsory audit of the stand-alone and consolidated financial statements of the Company for the year 2018.
- The review of the stand-alone and consolidated financial statements of the Company for the first half of 2019 by its Chartered Auditors-Accountants
- Meetings with the Chartered Auditors-Accountants for issues that arose during the audit of the stand-alone and consolidated financial statements of the Company.
- The internally prepared the First Quarter 2019 and the Nine Month 2019 stand-alone and consolidated financial statements of the Company, as well as the key financial results published for the respective periods.
- The update of the Audit Committee regarding the amount of the letters of guarantee issued and in effect for the second half of 2018 and the first half of 2019.
- The findings of the audits conducted by the Internal Audit Department.
- Issues arising from the operation of the Internal Audit Department.

During 2019, Mr. G. Andriotis participated in 15 meetings, Mr. Ch. Papageorgiou in 18 meetings, Mr. N. Frangos in 11 meetings, Mr. G. Venieris in 25 meetings, Mr. S. Kardamakis in 7 meetings and Ms. D. Doxaki in 9 meetings.

Within the context of implementation of article 9 L. 4643/2019 (NOG vol. A, issue 193/3.12.2019) the Company within the time limits specified by the law convened an Extraordinary General Meeting of the Shareholders on 23.12.2019, in order to elect and add two (2) more members to the Audit Committee from the list of persons with proven experience in the field of works, supplies and services contracts and who are independent of the Company within the meaning of L. 3016/2002 (NOG A'110).

The Chairman and Chief Executive Officer of PPC S.A. proposed the postponement of the decision-making on the said issue, given that the procedure for the election of members to the Audit Committee was not yet completed and the Meeting approved this proposal.

6.11.2 A Remuneration Committee operated in the Company until 23.12.2019 consisting of three (3) non-executive members of the Board of Directors, out of which at least two (2) were independent. The Committee was responsible for the study and submission of proposals to the Board of Directors on the determination of any remuneration and emolument whatsoever: a) of the members of the Board of Directors and b) of the officers of the Company in cooperation in this particular case with the Chief Executive Officer.

Since 23.12.2019, the date of amendment of the Company's Articles of Incorporation and of integration of the provisions of L. 4643/2019, the Remuneration Committee was transformed to a Remuneration and Recruitment Committee consisting of three (3) non-executive members of the Board, within the meaning of L. 3016/2002 (NOG A'110), as applicable. The term of office of its members is three years and may be renewed only once. Moreover, it may be extended ipso jure pursuant to article 85 par. 1 item (c) of L. 4548/2018, until decision-making by the first Ordinary General Meeting to be held following its expiration, and terminates when losing in any way whatsoever the capacity of Board Member.

The duties of the Committee, in particular pursuant to L. 4643/2019, are the following:

a. recommendation to the Board of Directors on the determination of the recruitment policy for open-ended contracts within the framework of the Business Plan.
b. recommendation to the Board of Directors on the determination of the recruitment process for Deputy CEOs, Chief Officers, Directors, Assistant Directors/Heads of Units, to be approved by the General Meeting.
c. recommendation to the Board of Directors on the remuneration policy under articles 110-112 of L. 4548/2018 (NOG A' 104), to be approved by the General Meeting:
i. for the Board Members and
ii. for the Deputy CEOs, Chief Officers, Directors, Assistant Directors/Heads of Units.

The Remuneration and Recruitment Committee operates pursuant to its Rules of Procedure, which are approved by the Board of Directors following its proposal. It shall meet on a regular basis as well as on a non-regular basis whenever circumstances so require. In any case, minutes shall be kept recording the relevant discussions and its proposals. It may invite, when deemed appropriate, managers participating in the administration of the Company, in order to attend the discussions and express their views in matters falling within their competence or even to submit in writing and support their reports-proposals.

On 31 December 2019, the Committee consisted of Mr. P. Papadimitriou (Vice-Chairman, Non-Executive Member of the BoD), Ms. D. Doxaki (Independent – Non-Executive Member of the BoD) and Mr. S. Kardamakis (Independent – Non-Executive Member of the BoD).

The aforementioned members of the Committee were appointed on 22.8.2019 to replace Mr. G. Venieris. Mr. F. Topalis and Ms. M. Founti who were appointed on 14.5.2019. Mr. F. Topalis had replaced Mr. D. Vassilakis.

As already mentioned, the Company is subject to specific laws and regulations, which apply to the wider public sector companies. As long as the Hellenic Republic holds even indirectly 51% of its share capital, PPC shall continue to be considered as a Public Sector Company in certain areas. Consequently, its business shall continue to be subject to the laws and provisions, which are applicable to the Greek Public Sector companies and shall affect specific procedures.

By virtue of L. 3833/2010, L. 3845/2010, 4092/2012 and 4354/2015, the remuneration of the collective governing bodies and of the members of the Board of Directors were reduced by 50% per meeting. In parallel, the remuneration of the executives may in no case exceed the ceiling set forth by the said laws.

By virtue of L. 4354/2015 (article 28), since 01.01.2016, the remuneration of the Chairmen, Vice-Chairmen, Chief Executive Officers and Members of the Board of Directors of the legal entities as specified in Chapter B' of L. 3429/2005, are exempted from the above mentioned ceiling. Under L. 4643/2019 the remunerations of the members of the BoD were excluded from any restriction and are since determined by the General Meeting pursuant to articles 110-112 of L. 4548/2018. The Company has set, in accordance with the aforementioned articles, a Remuneration Policy, which was approved by the General Meeting held on 23.12.2019 and was posted on the Company's website. The Remuneration Report concerning the Board Members for the year 2018 was approved by the General Meeting held on 27 June 2019, pursuant to article 112 of L.4548/2018, as applicable.

6.11.3 Until 22 December 2019, a Committee for the Examination of Nominations to the Board of Directors operated in the Company upon decision of the Board of Directors, for the examination of the nominations for membership on the Board of Directors. The said Committee examined any impediments or incompatibilities as well as the criteria of independence of the Board members (especially in the event of appointment of Independent Members) pursuant to L. 3016/2002 and L. 4548/2018, as applicable.
On 22 December 2019, the Committee for the Examination of Nominations to the Board of Directors consisted of Mr. G. Venieris (Independent - Non Executive Member of the BoD) and Mr. A. Economou (General Counsel, Chief Legal Affairs and Corporate Governance Officer), while Mr. D. Tzanninis, who was appointed as member of the Committee on 14.5.2019, resigned from the position of Board Member and consequently from the Committee on 15.9.2019.
Since 23.12.2019, date of amendment of the Articles of Incorporation of the Company, the Committee for the Examination of Nominations to the Board of Directors was renamed to Nominations Committee and thereafter consists of three (3) members, independent members of the Board in their majority.
Pursuant to par. 5 article 9 of the Articles of Incorporation, the Committee examines any impediments or incompatibilities as well as the criteria of independence (especially in case of appointment of Independent Members) for all nominations for membership on the Board of Directors of the Company submitted in accordance with L. 3016/2002 and L. 4548/2018, as applicable. Specifically, the said Committee examines on one hand for all new members the existence of any conflict of interest, which may not be lifted and on the other for the Independent Members, all evidence provided for in the applicable legislation of corporate governance and leading to a dependency relationship with the Company or with persons associated with the Company. Moreover, the Committee evaluates periodically the size and the composition of the Board of Directors and submits proposals on the diversity policy to be adopted by the Board of Directors and in general on the implementation of the provisions of the relevant legislation, as applicable each time.

6.11.4 Finally, it is noted that the Board of Directors revoked its previous decisions on the establishment of a committee consisting of its members and having the following duties: a) monitoring of the implementation of its decisions on the strategy of greenhouse gas emission allowance trading and the observance of the established procedures, b) the functional policy of greenhouse gas emission allowance trading, and c) the information to the BoD on the transactions performed. In parallel, the Board of Directors authorized the Chief Executive Officer to appoint the members of the Committee and determine their respective duties. By decision of the Chief Executive Officer, three Chief Officers of the Company were appointed as members of this Committee.

6.12 Composition (Members) PPC S.A. BOARD OF DIRECTORS

PPC S.A. BOARD OF DIRECTORS (31/12/2019)

STASSIS Georgios	Chairman of the BoD & Chief Executive Officer Executive Member	Term of office starting on: 22. 08. 2019	Term of office ending on: 21.08.2022
PAPADIMITRIOU Pyrros	Vice Chairman of the BoD Non-Executive Member	Term of office Starting on: 22.08.2019	Term of office ending on: 21.08.2022
KARAKOUSIS Georgios	Deputy Chief Executive Officer-Executive Member	Term of office Starting on: 19.11.2019	Term of office ending on: 16.12.2021
MEMBERS			
VENIERIS Georgios	Independent-Non Executive Member	Term of office starting on: 17.12.2018	Term of office ending on: 16.12.2021
VLASSOPOULOS Anastasios	Independent-Non Executive Member	Term of office starting on: 22.08.2019	Term of office ending on: 21.08.2022
DOXAKI Despina	Independent Non- Executive Member	Term of office starting on: 27.06.2019	Term of office ending on: 26.06.2022
THEODORIDIS Stefanos	Independent-Non Executive Member	Term of office starting on: 22.08.2019	Term of office ending on: 21.08.2022
KARDAMAKIS Stefanos	Independent Non- Executive Member	Term of office starting on: 22.08.2019	Term of office ending on: 21.08.2022
PATERAKIS Alexandros	Non-Executive Member	Term of office starting on: 22.08.2019	Term of office ending on: 21.08.2022
KARALEFTHERIS Pantelis	Non- Executive Member/ Representative of Employees	Term of office starting on: 07.06.2019	Term of office ending on: 06.06.2022
FOTOPOULOS Nikolaos	Non- Executive Member/ Representative of Employees	Term of office starting on: 07.06.2019	Term of office ending on: 06.06.2022

In its meeting held on 7 June 2019, PPC S.A. Board of Directors was formed into a Body following the election on 14 and 15 May 2019 of Mr. Pantelis Karalefteris and Mr. Nikolaos Fotopoulos as Members of PPC S.A. Board of Directors, Representatives of Employees. Their term of office started on 7.6.2019, date of notification of their election to PPC S.A., and is for three years, namely until 6.6.2022. The aforementioned members were appointed as Non-Executive Members of PPC S.A. Board of Directors.

In its meeting held on 28.6.2019, PPC S.A. Board of Directors was formed into a Body following the election, pursuant to article 9, paragraph 2, item (a) of the Articles of Incorporation and article 78, paragraph 1 of Law 4548/2018, by the Ordinary General Meeting held on 27 June 2019 of Mrs. Despina Doxaki (appointed as Independent Member) for a three-year term of office, namely from 27.6.2019 until 26.6.2022, following the resignation of the Mr. Dimitrios Vasilakis. Mrs. D. Doxaki was appointed as Non-Executive Member of PPC S.A. Board of Directors.

The Extraordinary General Meeting of the Company held on 22 August 2019 elected Mr. Georgios Stassis to the position of Chief Executive Officer and Mr. Anastasios Vlassopoulos (as Independent Member), Mr. Stefanos Theodoridis (as Independent Member), Mr. Stefanos Kardamakis (as Independent Member), Mr. Pyrros Papadimitriou, and Mr. Alexandros Paterakis as Members of the Board of Directors, for a three-year term of office (from 22.8.2019 until 21.08.2022).

During the same meeting, the Board of Directors was formed into a body as follows:
Georgios Stassis, Chairman of the Board of Directors and Chief Executive Member, Executive Member, Pyrros Papadimitriou, Vice Chairman of the Board of Directors, Non-Executive Member, Georgios Venieris, Member, Independent Non-Executive Member, Anastasios Vlassopoulos, Member, Independent Non-Executive Member, Despina Doxaki, Member, Independent Non-Executive Member, Stefanos Theodoridis, Member, Independent Non-Executive Member, Pantelis Karalefteris, Member, Non-Executive Member, Stefanos Kardamakis, Member, Independent Non-Executive Member, Alexandros Paterakis, Member, Non-Executive Member, Dimitrios Tzanninis, Member, Executive Member, Nikolaos Fotopoulos, Member, Non-Executive Member.
Following the resignation of Mr. Dimitrios Tzanninis from the position of Board Member (Executive Member), the Board of Directors in its meeting held on 19.11.2019 decided the election of the Deputy Chief Executive Officer, Mr. Georgios Karakousis, as Board Member for the remaining term of office of the aforementioned resigned Member, namely until 16.12.2021. Due to his capacity as Deputy Chief Executive Officer, Mr. Georgios Karakousis was appointed as Executive Member of PPC S.A. Board of Directors.

The total number of meetings of the Board of Directors during the year 2019 was 21.

The participation frequency of each member at the BoD meetings is as follows:

S/N	MEMBERS	BoD Meetings in 2019
1	PANAGIOTAKIS EMMANOUIL	13
2	ANDRIOTIS GEORGIOS	13
3	TZANNINIS DIMITRIOS	15
4	VASSILAKIS DIMITRIOS	8
5	VENIERIS GEORGIOS	20
6	KARALEFTHERIS PANTELIS	21
7	PAPAGEORGIOU CHRISTOS	13
8	STATHAKIS LAZAROS	12
9	TOPALIS FRANGKISKOS	11
10	FOUNTI MARIA	11
11	FOTOPOULOS NIKOLAOS	19
12	STASSIS GEORGIOS	8
13	PAPADIMITRIOU PYRROS	8
14	VLASSOPOULOS ANASTASIOS	8
15	DOXAKI DESPINA	9
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CVs of the Board Members

Georgios Stassis, Chairman & CEO

Mr. Georgios Stassis worked for many years for ENEL SpA, the Italian multinational energy company where among others he held the position of the Head of Enel Green Power, responsible for the countries of Eastern Europe and Middle East until 2015.
From 2016 until 2019 he was the President & CEO of Enel Romania SrL., the largest energy company in Romania. He has more than 13 years of experience in the energy market and has held important positions in various organizations and associations of the energy sector in Greece and abroad.
Mr. Stassis holds a bachelor's degree in Civil Engineering and a master's degree in Management in Construction and Structural Design from Kingston University, UK. Moreover, he attended Executive Courses at Harvard Business School (US) and at Elis Academy (Italy).

Pyrros Papadimitriou, Vice Chairman

Mr. Pyrros Papadimitriou is a lawyer- economist and associate professor of International Economic Relations at the University of Peloponnese. He holds a Degree in Political Science & Public Administration from the University of Athens and a Law Degree from Athens Law School (1989). He is also holder of a Post-Graduate Degree in Economics from Sussex University (1987), a Master's Degree in Economics (1988) and a Ph.D. Degree in Economics (1992) both from Kent University, UK.
In the past, he worked as financial analyst at Gerald & National Inter Commodities in London (1989-1990) and continued as researcher at the Foundation for Economic & Industrial Research in Athens (1994-1995), manager in the Sectoral Research & Analysis Department of Alpha Bank (1995-1996), advisor to the European Parliament (1996-1998) and director of Consulting Services at ICAP S.A. (1999-2000). In 1996 he founded HEADWAY Economic Consultants Ltd and remains the main shareholder of the company. From 2006 until 2015, as a co-founder, he cooperated with the Four Assist Development Consulting Ltd, which mainly undertakes projects in the field of Public Financial Management and Economic Development in developing countries. In the period 2007-2009, as Chairman and Chief Executive Officer, he ran the privatization project of Olympic Airlines, Olympic Airways–Services and Olympic Aviation. In 2012, he had been appointed as Coordinator of the Privatization of the Greek Regional Airports, a project that has also been concluded successfully with the acquisition of the airports from Fraport S.A. During the last years, apart from his involvement with HEADWAY Economic Consultants Ltd, he carries out various consulting projects for governments in the developing countries in the field of public financial management and employment.

Georgios Karakousis, Deputy Chief Executive Officer

Mr. George Karakousis is a commercial executive with significant experience in building innovative products and services with a customer-first approach. He has successfully designed and implemented the commercial strategy for large corporations in Greece and the UK and has led significant commercial transformation projects.
Over the past fifteen years he has held commercial roles of increasing responsibility in companies such as Forthnet and Wind Hellas, successfully introducing new products and services. In the UK he was responsible for Talk Talk's product portfolio re-design, while in British Telecoms (BT) he was at the helm of the biggest service transformation project for over nine million customers. In addition, he has undertaken consulting work on product and proposition design for technology start-ups.
He holds an Electrical & Computer Engineering degree from the National Technical University of Athens, a master's degree (MSc) from Imperial College London and an MBA from ALBA Graduate Business School.

Georgios Venieris, Member

Mr. Georgios Venieris was born in Ermoupolis, Syros, in 1947. He is Professor of Accounting at the Accounting and Finance Department of the Athens University of Economics and Business. He studied Economic and Business Sciences at the Athens University of Economics and Business (1970). He carried out postgraduate studies at the Department of Accounting of Birmingham University in England where he obtained his Master of Commerce (1971) and his Doctorate (Ph. D., 1975) Degrees. During his studies, he was awarded a number of grants and other distinctions. He worked as Research Associate at the University of Birmingham (1973-1974). He was elected Special Scientist in Accounting (1977), Associate Professor of Accounting (1982) and Professor of Accounting (since 1991) at the Athens University of Economics and Business. He was Visiting Professor at York University in Toronto, Canada (1988). He served as Dean of the Business Administration Department of the Athens University of Economics and Business and as Member of the Senate of the same University (1985-1987 and 1998-1999). He is Responsible for the Accounting Applications Laboratory of the Accounting and Finance Department of the University (since 2000). He was elected as Vice-Rector of the Athens University of Economics and Business and Member of the Senate (1998-2001). Then, he was elected as Rector of the Athens University of Economics and Business (2001-2007) and as Dean of the Accounting and Finance Department of the Athens University of Economics and Business (2007 to 2009).
He has been Chairman of the Board of Directors of the Hellenic Accounting and Auditing Standards Oversite Board. He also worked as Advisor to the Deputy Minister of Finance for the reorganisation of the Public Sector Accounting System. He was Head for Accounting and Costing issues in the Team of Experts that had been appointed by the National Telecommunications Commission of Greece (NTC) to examine and provide recommendations regarding costing of interconnection and interconnection charges for the telecommunications networks in Greece. He has

published a considerable number of monographs and articles in Greek and International Scientific Journals and has made presentations at several International Scientific Conferences. He is the author of ten books on Cost and Management Accounting. He worked as financial and management consultant with a large number of Greek commercial and industrial companies. He was auditor of the Bank of Greece and member of the Books and Accounts Committee at the Ministry of Finance. He was the Chairman of the Committee that revised the Books and Documents Code for taxation purposes (1990–1991). He has been instructor at a large number of seminars. He is Member of the Executive Committee and President of the European Accounting Association and Scientific Coordinator of the programme of the Chartered Institute of Management Accountants (CIMA) in Greece. He has been project leader in many European Union and Greek research projects. He has issued a number of Opinions for disputes at the Greek Courts of Justice.

Pantelis Karaleftheris, Representative of the Employees

Mr. Pantelis Karaleftheris was born in 1962, in Ardassa of Ptolemaida. He is a qualified electrical foreman and works for PPC SA Mines. From 1984 to 1987 he worked as electrical technician at the project construction companies PPC ASPATE –ALSTHOM and BIOKAT. In 1987, he was hired by PPC and worked at the Main Field Mine as electrician of fixed equipment maintenance and failure restoration. He served as President of the Coordination Body of Students of the Democritos and of the Professional and Technical School of Thessaloniki (KETE). He is interested in folklore and has made many research trips in Asia Minor, Pontus and the Black Sea. He was founding member of the 1st administration of Pontian Youth of Greece and is member to the Board of Directors of the International Confederation of Pontian Greeks of Greece. Since 1994, he has been a senior member of PPC trade union and has participated in many European and Word Conferences on carbon, energy and environment.
For six years, he has served as General Secretary of the SPARTAKOS trade union, while he had been Deputy Secretary of GENOP/PPC for six years (2008-2013). Later he was elected representative of the employees to the Board of Directors of PPC S.A. He graduated from the Development Center for Education Policy (KANEP) of the General Confederation of Greek Workers (GSEE) and trains trainers in lifelong learning. He is married and has two children.

Tasos (Anastasios) Vlassopoulos, Member

Tassos Vlassopoulos is a senior executive of large corporations with a total of 29 years of experience in the energy and hydrocarbons sector. He currently works as an independent advisor, focusing on elements of the supply chain in oil & gas and energy. During his career, he has held C-level positions such as Chief Marketing Officer (CMO) of GE Oil & Gas, driving product management excellence, market & portfolio strategy and growth initiatives. He has also been responsible for the business strategy in Europe, Russia and North Africa of GE Energy, acquiring extensive experience in Fossil and Renewable Power Generation. Previously, he held the position of Head of Oil & Gas Research at the Boston Consulting Group and several commercial development roles with leading oil & gas majors, driving M&A and investment appraisals. Recently, he held the position of Director of Global Marketing (Management) at IMI Critical Engineering. Mr. Vlassopoulos has cooperated with various Regulatory Authorities and has also published articles. He holds an MSc in Operations Research from The London School of Economics and a BSc in Economics (1st class) from the University of Piraeus.

Despina Doxaki, Member

Mrs. Despina Doxaki was born in 1968. She is a graduate of the Faculty of Law of the National and Kapodistrian University of Athens and holder of an LLM in European Law from the Institute of European Studies of the Free University in Brussels. She has an accumulated professional experience of over 26 years in the area of international cross border transactions primarily advising and representing commercial, institutional, development and supranational banks and credit institutions. She specializes in structuring and negotiations of complex financings and funding such as (i) structured finance (EMTN, bond and note issuances, senior sub. secured and unsecured, securitizations, treasury transactions (IRS, SWAP) etc.), (ii) project finance & privatizations (in all industry sectors such as energy RES, thermal, energy efficiency, waste management, Oil & Gas (upstream/downstream), mining, infra (ports, roads, airports, bridges, marinas), utilities (hospitals, schools, police premises), real estate (shopping malls), leisure (hotels)) either in private projects or via PPP/PFI, (iii) corporate finance, debt and equity raising (IPO and capital market transactions) (iv) debt restructurings and refinancing. During her career, she has worked with the EU Commission, KPMG, Alpha Bank AE, CIS, and the last 15 years in legal private practice with KG Law Firm, in Brussels with Stanbrook&Hooper (McDermont&Ellis) Law Firm and international law firms in the London Chadbourne/NRF, Shearman and Milbank. She currently holds the position of Chief Legal Counsel of the Hellenic Financial Stability Fund. She has been working in Athens, London and Brussels, and she is Greek native speaker and fluent in English and French.

Stephanos Theodoridis, Member

Mr. Stefanos Theodoridis has served for more than 35 years as Senior Officer of business groups in Greece and abroad, out of which 25 years as Chief Executive Officer. From 1989 to 2006, Mr. Theodoridis had served as CEO at DIAGEO S.A., initially for Greece and during the last years for Southern & Eastern Europe, covering 18 markets. In this capacity, he was also member of the European Executive Committee of the company. From 2006 to 2011, he had served as CEO of HYATT/REGENCY SA, a leading Company in Tourism & Leisure. Since 2012, he holds the position of Chief Executive Officer of TEMES S.A., a leading investor, developer and operator in the high-end tourism and real estate sector in Greece. Along with his current position, he serves as Vice Chairman of PREZIOSI Group in Greece & Turkey, as Member to the BoD and to the ExCo of IOBE, as well as Member to the General Council of the Hellenic Federation of Enterprises (SEV).

Stefanos Kardamakis, Member

Born in Athens in 1967. He graduated from the Department of Mechanical Engineering from the National Technical University of Athens in 1991. He obtained an MSc in Shipping, Trade & Finance from the City University, Cass Business School in London. He started his professional career in 1993 from the technical department of Adelphia Shipping Enterprises, a Greek Shipping company. In 1994 he was hired from ABN AMRO Bank as Relationship Officer in the Greek Shipping Unit of the Bank where he was promoted to a Vice President of the Shipping Unit. In 2004 he assumed the position of the Head of Shipping in Egnatia Bank, to establish a shipping portfolio at that time. During his 14 years' career in the banking sector he dealt with the evaluation of new credit proposals, corporate finance transactions and treasury products, structuring and selling of syndicated facilities for large Greek shipping companies. Moreover, he focused on the improvement of the procedures and introduction of new processes ensuring the smooth operation, monitoring and improvement of the credit & operational risks, and also the restructuring of non-performing loans. In 2008, he assumed the position of the CFO of Conbulk Shipping S.A. a fast- developing container vessel operator and since 2019, he has served also as COO of the newly established company Conbulk Shipmanagement Corporation, manager of 14 vessels, being responsible for all operational, technical and financial matters.

Alexandros Paterakis, Member

Mr. Alexandros Paterakis holds a BSc Degree in Computer Engineering and Mathematics from the University of La Verne. He began his career as a Network Engineer and subsequently held a series of senior IT positions, such as Head of Consulting Division in MicroAge, Management Consultant in Arthur Andersen (now Accenture) in the UK, as well as in Greece. In 2003, he served as Information Technology Director at Tellas, a fixed & broadband Greek operator. In 2008, he joined Vodafone where he was promoted to CIO. Later on, he moved in Etihad Etisalat (Mobily), where he was appointed as Chairman of Infotech Mobily India Pvt Ltd and completed his career as CIO in Saudi Arabia driving the ICT transformation. Since 2016, he provides business-consulting services focusing on digital strategy. Since 2018, he holds the position of CIO in AXIATA Celcom, a telecommunication provider in Malaysia.

Nikos Fotopoulos, Employees' Representative

Mr. Nikos Fotopoulos was born in Agnata at the Prefecture of Ilia in 1962. He is Electrical Technician (Technical School of PPC). From the age of 16 he has been involved in politics and community affairs. For 10 years, he served as Secretary of the Energy Domain Committee of the Socialist Party (PASOK). In 1998, he was elected to the Board of Directors of the Association of PPC's Technicians and served as Press Officer. From 2007 until July 2013, he was president of the General Federation of Employees at PPC (GENOP/DEI) and member of the Executive

Committee of EMCF. Since 2010, he is member of the Administration of the Greek General Confederation of Greek Workers (GSEE) and since April 2013 he is member of the Executive Committee.

Economou Argiris, General Counsel - Chief Legal Officer for Legal Affairs and Corporate Governance

Mr. Argiris Econonou has been the General Counsel of the Company since February 1, 2005. Before that, he was managing partner at "Stratigis & Associates" Law Firm and had served as legal counsel in various companies of both private and public sector. Along with his capacity as General Counsel, since 2005 he had also served as Director of the Legal Department. Since 24.9.2019, he has been appointed as Chief Legal Officer of the Legal Affairs and Corporate Governance Division. He has been alternate member on the Hellenic Competition Commission, Chairman of Eurelectric's Legal Affairs Working Group, Member of the Boards of Directors of TAYTEKO (Insurance Fund of Bank and Public Utilities Employees) and "Egnatia Odos S.A.". Since 2014, he is Secretary General of the Hellenic Association of Energy Law.
He has been member of various law-drafting committees for law on listed Societes Anonymes and has published various articles and studies on Corporate Governance, Compliance and Energy Law issues.

6.13 Other Professional Engagements of the Members of the Board of Directors (2019)

When submitting their nominations, Board members shall declare any other professional engagement they may have, based on which it is established whether there are any impediments or incompatibilities for their election, and whether they meet the criteria of independence. Moreover, it is assessed whether there are any conflicts of interest with the interests of the Company. Subsequently and following their election, at each meeting of the Board of Directors, Board members shall declare that there are no own interests or conflicts of own interest with the interests of the Company, in respect of the items on the agenda. In case of existence (on occasion) of any such interest, it is common practice for the said Board member to abstain from the entire procedure of decision-making on the specific item on the agenda.

NAME	PROFESSION	Participation as member of the BoD of other companies and non-profit Organizations (in any capacity e.g. Independent member, Executive member, Independent Non-Executive member, etc.)
GEORGIOS STASSIS	Civil Engineer	Member of the Board of Directors of the following companies: - PPC Renewables S.A. - Arkadikos Ilios Ena S.A. - Arkadikos Ilios Dio S.A. - Iliako Velos Ena S.A. - Amalthia Energiaki S.A. - SOLARLAB A.E. - Iliaka Parka Ditikis Makedonias Ena S.A. - Iliaka Parka Ditikis Makedonias Dio S.A. A.E. - PHOIBE ENERGIAKH S.A. - Geothermikos Stochos S.A. - WINDARROW MOUZAKI ENERGY A.E. - EEN BOIOTIA S.A. - PPC RENEWABLES- EDF EN GREECE - PPC RENEWABLES- - TEPNA ENERGY S.A. - PPC RENEWABLES - ΡΟΚΑΣ A.S. - GITANI S.A. - VORINO PELLIS S.A. - MYHS SMIXIWTIKOY S.A. - OROS ENERGIAKI S.A. - GREENESCO ENERGIAKI S.A. - SOLAR PARK KILIZA S.A. - SOLAR PARK AG. ONOYFRIOS S.A. - SOLAR PARK MPAMPO BIGLIES S.A. - SOLAR PARK LOYKO S.A. - SOLAR PARK LEYKIVARI S.A. - VOLTERRA LYKOVOUNI S.A. - VOLTERRA K-R S.A. - Eurelectric – the European Union of the Electricity Industry Until his election as Chairman and CEO of PPC S.A., Mr. G. Stassis participated in the Board of Directors of the following companies and associations (these participations no longer exist): Enel Energie Muntenia E-Distributie Muntenia E-Distributie Banat E-Distributie Dobrogea Enel Romania Enel Green Power Romania GV Energie Rigenerabili Ital-RO S.R.L. Elcomex Solar Energy S.R.L. De Rock Int'L S.R.L Enel Green Power Turkey Enerji Yatırımları A.Ş. Aspen Institute Romania ACUE, Federation of Energy Utility Companies CRE, Center of Romanian Energy FIC, Foreign Investors Council Romania
EMMANOUIL PANAGIOTAKIS	Mechanical Electrical Engineer	Chairman of the BoD & Chief Executive Officer of PPC Renewables S.A. until 9.9.2019
GEORGIOS ANDRIOTIS	Civil Engineer - PPC pensioner	-
GEORGIOS KARAKOUSIS	Engineer	-
DIMITRIOS VASILAKIS	Mechanical Engineer	Member to the Board of the School Committee for Secondary Education of the Halandri Municipality
LAZAROS STATHAKIS	Chemical Engineer	-
DIMITRIOS TZANNINIS	Economist	Attica Bank Non-executive Member of the BoD. Alliance Hellas Insurance S.A. Independent Member of the Audit Committee
GEORGIOS VENIERIS	Professor at the Athens University of Economics and Business	-
NIKOLAOS FOTOPOULOS	PPC S.A. Technician	-
PANTELIS KARALEFTERIS	PPC S.A. Employee	-
CHRISTOS PAPAGEORGIOU	Mining engineer - Metallurgical Engineer from the NTUA- PPC pensioner	-
FRANGKISKOS TOPALIS	Mechanical – Electrical Engineer Professor at the Technical University of Athens	Institute of Communication and Computer Systems (ICCS) Independent Non-executive Member of the BoD
MARIA FOUNTI	Professor at the Technical University of Athens -School of Mechanical Engineering	-
ANASTASIOS VLASOPOULOS	Economist	-
STEFANOS KARDAMAKIS	Mechanical Engineer Manager of the CONBLUK SHIP MANAGEMENT CORPORATION	-
PYRROS PAPADIMITRIOU	Attorney-at-law, Economist	-
DESPINA DOXAKI	Attorney-at-law	-
STEFANOS THEODORIDIS	Senior executive officer	- AMPELWNES, Chairman - GREKA ICONS, Chairman - PHILOMEL PROPERTIES DEVELOPMENT MANAGEMENT & EXPLOITATION OF REAL ESTATE, Chairman & CEO - AZOV PROPERTIES DEVELOPMENT MANAGEMENT & EXPLOITATION OF REAL ESTATE, Chairman & CEO - ARMIDE PROPERTIES DEVELOPMENT MANAGEMENT & EXPLOITATION OF REAL ESTATE, Chairman & CEO - ASIA PROPERTIES DEVELOPMENT MANAGEMENT & EXPLOITETION OF REAL ESTATE, Chairman & CEO - ATHENS BEACH CLUB MANAGEMENT OF REAL ESTATE, Member
ALEXANDROS PATERAKIS	IT Consultant	Strategic consultant, Lumia Capital 2014 Management

6.14 Contracts with Members of the Board of Directors

Following the conversion of PPC to societe anonyme (PD 333/2000) provision had been made for a system for the determination of the remuneration of the executive members of the BoD and the Chief Officers consisting of the fixed and the variable remuneration (bonus) which was related to the achievement of business goals. Following the introduction of the restrictive laws on the medium-term stability programmes 2010-2019, ceilings were

set on contractual remunerations, equal to the remuneration of General Secretary of Ministry. By virtue of L. 4354/2015 (article 28) that took effect on 1.1.2016, the executive Board members could receive remunerations exceeding that ceiling. Moreover, they received compensation for their participation in committees and meetings of the BoD of the Company. Following the enactment of L. 4643/2019, the General Meeting of the Shareholders is the sole responsible for the determination of the remuneration of Board members, officers and senior officers of the Company, within the limits set out by articles 4 and 5 of L. 4643/2019 and pursuant to the provisions of articles 110-111 of L. 4548/2018. The remuneration policy of the Company as approved by the General Meeting held on 23.12.2019 consists in determining the remuneration of Executive Board Members, officers and senior officers of the Company as follows: a) fixed part (basic remuneration-salary) and b) variable performance-related part (variable remuneration).
There is no provision for the granting of shares, call options on the Company's stocks or other similar securities to the members of the Board of Directors. Nevertheless, there are other contractual provisions concerning expenses during the execution of their duties (travel expenses, mobile phone, etc.) which are submitted for approval, in accordance with the remuneration policy of the Company as approved by the General Meeting (see par.6.11.2).

6.15 Diversity applied to the managerial, administrative and supervisory bodies of the company

As already mentioned in paragraph 6.1 herein, nine (9) out of the eleven (11) members of the BoD of the Company are elected by the General Meeting of Shareholders and two (2) members representing the employees of the Company are elected by direct, general ballot.

For the selection of the members of the managerial, administrative and supervisory bodies of the Company, their qualifications such as academic credentials and professional experience are taken into consideration, whereas age or other personality characteristics, which could be considered as sensitive personal data, do not constitute criteria for selection.

The Shareholders of the Company, which is considered to be a public interest entity, take into consideration any requirement derived from the law concerning the selection of the BoD members who are nominated at the Shareholders' General Meeting.
Particular reference is made to the fact that according to article 197, par. 4 in conjunction with par. 6 of L. 4389/2016 (see Internal Regulation-Coordination Mechanism of the Hellenic Corporation of Assets and Participations SA), as applicable, the HCAP, as shareholder of the company, conforms to the procedure provided for by law in order to nominate at the General Meeting of Shareholders the members of the Company's Board of Directors to be selected by the GM, pursuant to paragraph 2(a) of article 9 of the company's Articles of Incorporation.

In particular:
a. Diversity policy implemented by the company in relation to the composition of the Board of Directors and of its senior executives (Deputy CEOs and Chief Officers).
More specifically, with regard to Board Members 82% hold a higher education degree while 18% are secondary education graduates. 91% of the Board members belong to the age group from 40 to 60 years old, while 9% are aged over 60. All Deputy CEOs hold a higher education degree and belong to the age group of 40-60 years old. All Chief Officers hold a higher education degree, 71.4% belong to the age group of 40-60 years old, while 28.6% belong to the age group of 60+.

b. Diversity policy implemented by the company in relation to gender representation. More specifically for Board members, the percentage of men arises to 91% compared to that of women which arises to 9%.
All Deputy CEOs are male while with regard to Chief Officers, 71.4% are men and 28.6% are women.
To conclude, the Company is continuously working towards the direction of adapting to the principles of corporate governance, as stipulated by the new provisions of the Greek legislation.

6.16 Information on the Deputy CEOs and the Chief Officers

On December 31st 2019, the Deputy CEOs and Chief Officers of PPC S.A. were as follows:

Kopanakis Ioannis,
Deputy CEO supervising the Mines Business Unit, the Generation Business Unit and the Development Division - Engineer

Karakousis Georgios,
Deputy CEO supervising the Supply Business Unit, as well as the activities of marketing, tariff policy and promotion of products and services of the commercial activity - Electrical and Computer Engineer

Aravantinos Nikolaos,
Chief Support Operations Officer - Electrical Engineer

Damaskos Georgios,
Chief Human Resources and Organization Officer, Electrical Engineer - Economist

Konida Alexandra,
Chief Financial Officer - Electrical Engineer.
In January 17th 2020 **Mr Alexandridis Konstantinos** – Economist, has been assigned as the new Chief Financial Officer

Metikanis Dimitrios,
Chief Lignite Generation Officer, also acting as Deputy Chief Thermal and Hydro Generation Officer - Chemical Engineer

Bali Efthymia,
Chief Commercial Officer - Graduate from the Department of Political Science & Public Administration

Oikonomou Anargyros,
Legal Counsel and Chief Legal Affairs and Corporate Governance Officer - Attorney-at-law

Hadjimichael Sotiris,
Chief Strategy & Transformation Officer - Electrical Engineer

APPENDIX

Definitions and reconciliations of Alternative Performance Measures ("APMs")

ALTERNATIVE PERFORMANCE MEASURES ("APMs")
The Group and the Parent Company use Alternative Performance Measures («APMs") in taking decisions concerning the financial, operational and strategic planning, as well as for the evaluation and publication of their performance. These APMs serve to better understand the financial and operating results of the Group and the Parent Company, their financial position and cash flows. Alternative indicators (APMs) should always be read in conjunction with the financial results that have been prepared in accordance with IFRS and in no way replace them.

Alternative Performance Measures ("APMs")
In discussing the Group's and the Parent Company's performance, "adjusted" measures are used such as: EBITDA Recurring without one off effects and EBITDA Recurring margin % without one off effects as well as Profit / (Loss) without one-off effects. These adjusted measures are calculated by deducting from performance measures directly derived from amounts of the annual Financial Statement the effect and costs arising from events which have occurred during the reporting period and which have not affected the amounts of previous periods.

EBITDA (Operating Income before depreciation and impairment, net financial expenses and taxes).

EBITDA serves to better analyze the operating results of the Group and the Parent Company and is calculated as follows: Total turnover minus total operating expenses before depreciation and impairment. The EBITDA margin (%) is calculated by dividing EBITDA by total turnover. Calculation of EBITDA and EBITDA margin is presented in Table A.

Operating Expenditure before tax, depreciation and impairment, net financial expenses, profit/(loss) from sale of related companies and taxes excluding one off effects
This measure is calculated by subtracting the one-off effects mentioned in the EBITDA Recurring note below, from the EBITDA measure. It is presented on Table B.

EBITDA Recurring (Operating Income before depreciation and impairment, net financial expenses and taxes).
EBITDA Recurring serves to better analyze the Group's operating income, excluding the impact of one-off effects. For the year 2019, the one-off effects that affected EBITDA Recurring are as follows : 1) RES Special Account (RES SpAcct) return amount of €99,331 th. for the Group and €99,301 th. For the Parent Company (positive effect), 2) An impairement of the actuarial liability concerning the supply of electricity at a reduced tariff, due to the decrease of the discount applied amounting to €243,415 th. for the Group anf €148,058 th. for the Parent Company (positive effect), 3) collection of an amount of €194,652 th. for PSO compensation for the period 2007 – 2011 for the Group and the Parent Company (posistive effect), 4) a decrease of PSO compensation for the year 2017 after the clearing performed by the competent authorities amounting to €72,140 th. for the Group and the Parent Company (negative effect), 5) a bad debt provision for the Parent Company's expected credit losses for receivables from the two lignite subsidiaries amounting to €104,426 th.(negative effect). For the the year 2018, the one-off effects that affected EBITDA Recurring are as follows: 1) a charge to cover the deficit of the RES Special Account (RES SpAcct) amounting to €196,349 th. for the Group and 196,290 th. for the Parent Company for (negative impact). These charges were abolished on 01.01.2019, 2) Provision for severance payment amounting to €164,346 th. for the Group and €90,670 th. for the Parent Company (negative impact) and 3) a positive amount of €105,248 th. for the Group and the Parent Company relating to the clearing of ETMEAR for the years 2012, 2013 and 2016 (positive effect).
EBITDA Recurring Margin (%) is measured by dividing EBITDA Recurring by Total Turnover Recurring. EBITDA Recurring and EBITDA Recurring margin are presented in Table C.

EBIT (Operating Income before net financial expenses and taxes)
EBIT serves to better analyze the operating results of the Group and the Parent Company and is calculated as follows: Total turnover minus total operating expenses. EBIT margin (%) is calculated by dividing EBIT with total turnover. Calculation of EBIT and EBIT margin is presented in Table D.

Net amount of Depreciation, Financial Expense and Profit from Subsidiaries and Associates.
This Index is calculated as the net amount of depreciation expense, net financial expenses and profits / (losses) from the Group's subsidiaries and associates. The detailed calculation is presented in Table E.

Adjusted Profit / Loss before tax without one off effects
This measure also serves to better analyze the results and is calculated as follows: EBITDA Recurring as calculated in Table C, minus the net amount of Depreciation, Financial Expense and Profit from Subsidiaries and Associates presented in Table E. The detailed calculation is presented in Table F.

TABLE A- EBITDA (Operating Income before depreciation and impairment, net financial expenses and taxes)

	Total Group 01.01-31.12.2019 Amounts in '000€	Total Group 01.01-31.12.2018 Amounts in '000€	Total Company 01.01-31.12.2019 Amounts in '000€	Total Company 01.01-31.12.2018 Amounts in '000€	Company Continuing Operations 01.01-31.12.2018 Amounts in '000€
Total Turnover (1) MINUS :	**4,931,609**	**4,741,878**	**4,736,317**	**4,593,522**	**4,593,421**
Operating expenses before depreciation and impairment (2)	4,132,759	4,593,390	4,094,337	4,426,548	4,374,127
Payroll cost	512,303	962,238	292,145	607,955	555,064
Lignite	3,693	53,241	(33,772)	13,508	(832)
Liquid fuel	670,885	670,177	659,303	665,994	659,531
Natural gas	431,390	383,632	431,390	383,632	383,632
Energy purchases	1,486,367	1,578,659	1,698,415	1,735,980	1,800,631
Materials and consumables	126,056	124,239	70,461	84,274	74,321
Transmission system usage	149,611	157,780	149,611	157,780	157,780
Distribution system usage	-	-	268,545	319,543	319,543
Utilities and maintenance	221,084	238,933	144,250	169,680	159,836
Third party fees	82,160	69,394	54,562	47,112	46,501
CO_2 emission rights	546,462	369,584	411,885	301,405	279,531
Provision for risks	20,313	109,782	16,173	109,779	109,578
Provision for materials	12,710	8,023	7,606	7,063	7,097
Allowance for doubtful balances	(42,047)	(133,644)	62,414	(134,568)	(134,568)
Income from PSO's	(194,652)	-	(194,652)	-	-
Other (income) / expense, net	106,424	1,352	56,001	(42,589)	(43,518)
EBITDA (A) = [(1) - (2)]	**798,850**	**148,488**	**641,980**	**166,974**	**219,294**
EBITDA Margin [(A) / (1)]	**16.2%**	**3.1%**	**13.6%**	**3.6%**	**4.8%**

TABLE B- Operating Expenditure before tax, depreciation and impairment, net financial expenses, profit/(loss) from sale of related companies and taxes excluding one off effects

	Total Group 01.01-31.12.2019 Amounts in '000€	Total Group 01.01-31.12.2018 Amounts in '000€	Total Company 01.01-31.12.2019 Amounts in '000€	Total Company 01.01-31.12.2018 Amounts in '000€	Company Continuing Operations 01.01-31.12.2018 Amounts in '000€	NOTES
Operating expenses before depreciation and impairment (2)	**4,132,759**	**4,593,390**	**4,094,337**	**4,426,548**	**4,374,127**	
MINUS :						
RES Special Account (RES SpAcct)	(99,331)	196,349	(99,301)	196,290	196,290	Note 2 of the Annual Financial Report 2019
Personel severance payment	-	164,346	-	90,670	90,670	Note 31 of the Annual Financial Report 2018
Employee Benefits Supply of Electricity at reduced tariff	(243,415)	-	(148,058)	-	-	Note 31 of the Annual Financial Report 2019
ETMEAR Clearing of previous years	-	(105,248)	-	(105,248)	(105,248)	Note 2 of the Annual Financial Report 2019
Impairment provision for lignite subsidiaries amounts due	-	-	104,426	-	-	Note 17, 23 of the Annual Financial Report 2019
PSOs Income (2007-2011)	(194,652)	-	(194,652)	-	-	Note 2 of the Annual Financial Report 2019
PSOs clearing for 2017	72,140	-	72,140	-	-	Note 2 of the Annual Financial Report 2019
Operating expenses before depreciation and impairment without one-off effects (2)	**4.598,017**	**4,337,943**	**4,359,782**	**4,244,836**	**4,192,415**	

TABLE C- EBITDA Recurring (Operating Income before depreciation and impairment, net financial expenses and taxes)

	Total Group 01.01-31.12.2019 Amounts in '000€	Total Group 01.01-31.12.2018 Amounts in '000€	Total Company 01.01-31.12.2019 Amounts in '000€	Total Company 01.01-31.12.2018 Amounts in '000€	Company Continuing Operations 01.01-31.12.2018 Amounts in '000€	NOTES
EBITDA (1)	**798,850**	**148,488**	**641,980**	**166,974**	**219,294**	
Plus one-of effects (2):	**(465,258)**	**255,447**	**(265,445)**	**181,712**	**181,712**	
RES Special Account (RES SpAcct)	(99,331)	196,349	(99,301)	196,290	196,290	Note 2 of the Annual Financial Report 2019
Personel severance payment	-	164,346	-	90,670	90,670	Note 31 of the Annual Financial Report 2018
Employee Benefits Supply of Electricity at reduced tariff	(243,415)	-	(148,058)	-	-	Note 31 of the Annual Financial Report 2019
ETMEAR Clearing of previous years	-	(105,248)	-	-	(105,248)	Note 2 of the Annual Financial Report 2019
Impairment provision for lignite subsidiaries amounts due	-	-	104,426	-	-	Notes 17, 23 of the Annual Financial Report 2019
PSOs Income (2007-2011)	(194,652)	-	(194,652)	-	-	Note 2 of the Annual Financial Report 2019
PSOs clearing for 2017	72,140	-	72,140	-	-	Note 2 of the Annual Financial Report 2019
Recurring EBITDA excluding one-off effects (3) = [(1)+(2)]	**333,592**	**403,935**	**376,535**	**348,686**	**401,006**	
Total Turnover (4)	**4,931,609**	**4,741,878**	**4,736,317**	**4,593,522**	**4,593,421**	
EBITDA Recurring margin excluding one-off effects (%) (3)/(4)	**6.8%**	**8.5%**	**7.95%**	**7.6%**	**8.7%**	

Table D - EBIT (Operating Income before net financial expenses and taxes)

	Total Group 01.01-31.12.2019 Amounts in '000€	Total Group 01.01-31.12.2018 Amounts in '000€	Total Company 01.01-31.12.2019 Amounts in '000€	Total Company 01.01-31.12.2018 Amounts in '000€	Company Continuing Operations 01.01-31.12.2018 Amounts in '000€
EBITDA	**798,850**	**148,488**	**641,980**	**166,974**	**219,294**
MINUS :					
Depreciation of assets and impairment (4)	661,761	673,929	636,525	660,620	631,554
Impairment of fixed assets	2,098,790	3,496	1,945,576	-	-
Impairment of lignite subsidiaries	-	242,691	286,300	235,803	235,803
EBIT (A)	**(1,961,701)**	**(771,628)**	**(2,226,421)**	**(729,449)**	**(648,063)**
Total turnover (1)	**4,931,609**	**4,741,878**	**4,736,317**	**4,593,522**	**4,593,421**
EBIT MARGIN [(A) / (1)]	**(39,8)%**	**(16,3)%**	**(47,01)%**	**(15,8)%**	**(14,1)%**

Table E - Net amount of Depreciation, Financial Expense and Profit from Subsidiaries and Associates

	Total Group 01.01-31.12.2019 Amounts in '000€	Total Group 01.01-31.12.2018 Amounts in '000€	Total Company 01.01-31.12.2019 Amounts in '000€	Total Company 01.01-31.12.2018 Amounts in '000€	Company Continuing Operations 01.01-31.12.2018 Amounts in '000€
Depreciation, Net Financial Expense and Profit from Subsidiaries and Associates	**757,963**	**751,131**	**733,781**	**733,398**	**704,340**
Depreciation	661,761	673,929	636,525	660,620	631,554
Financial expenses	170,734	184,470	168,712	183,539	183,525
Financial income	(73,151)	(105,216)	(72,459)	(111,478)	(111,478)
Net (profit)/loss from associates and joint ventures	(2,422)	(2,701)	-	-	-
Net loss/(profit) from FX differences	1,041	649	1,003	717	739

Table F - Adjusted Profit / Loss before tax without one off effects

	Total Group 01.01-31.12.2019 Amounts in '000€	Total Group 01.01-31.12.2018 Amounts in '000€	Total Company 01.01-31.12.2019 Amounts in '000€	Total Company 01.01-31.12.2018 Amounts in '000€	Company Continuing Operations 01.01-31.12.2018 Amounts in '000€
Recurring EBITDA without one off effects (3) = [(1)+(2)]	**333,592**	**403,935**	**376,535**	**348,686**	**401,006**
MINUS:					
Net amount of Depreciation, Financial Expense and Profit from Subsidiaries and Associates	757,963	751,131	733,781	733,398	704,340
Adjusted Profit/(Loss) before Taxwithout one-off Effects	**(424,371)**	**(347,196)**	**(357,246)**	**(384,712)**	**(303,334)**

Net Debt

Net debt is an APM that Management uses to evaluate the capital structure of the Group and the Parent Company as well as leverage. Net debt is calculated by adding long-term loans, the current portion of long term loans and short term loans and subtracting from the total, cash and cash equivalents, restricted cash related to loan agreements and financial assets measured at fair value through other comprehensive income and adding the unamortized portion of borrowing costs (see, Note, 30 Annual Financial Statements). Calculation of Net Debt is presented in the following table:

	GROUP Amounts in '000€		COMPANY Amounts in '000€	
	2019	**2018**	**2019**	**2018**
Long-term borrowing	3,510,961	3,190,506	3,467,108	3,190,506
Current portion of long term borrowing	417,351	714,757	417,361	714,767
Short term borrowing	18,630	46,483	-	30,000
Cash and cash equivalents	(286,917)	(251,015)	(205,461)	(112,330)
Restricted cash	(64,847)	(79,705)	(64,847)	(79,705)
Financial assets measured at fair value through other comprehensive income	(1,251)	(571)	(879)	(466)
Unamortized portion of borrowing costs	93,120	71,945	93,120	71,945
TOTAL	**3,687,047**	**3,692,400**	**3,706,402**	**3,814,717**

Athens, April 23rd 2020

For the Board of Directors

The President and CEO
Georgios I. Stassis

The Vice President
Pyrros D. Papadimitriou

C
Auditor's Report

Independent Auditor's Report

To the Shareholders of Public Power Corporation S.A.

<u>Report on the Audit of the Separate and Consolidated Financial Statements</u>

Opinion

We have audited the accompanying separate and consolidated financial statements of Public Power Corporation S.A. ("the Company"), which comprise the separate and consolidated statement of financial position as of December 31st, 2019, the separate and consolidated statements of income statement and statement of other comprehensive income, the statement of changes in equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.
In our opinion, the accompanying separate and consolidated financial statements present fairly in all material respects the financial position of Public Power Corporation S.A., and its subsidiaries ("the Group") as at December 31st, 2019 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as endorsed by the European Union.

Basis for Opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate and consolidated financial statements of the current period. These matters and the related risks of material misstatement were addressed in the context of our audit of the separate and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the "Auditor's Responsibilities for the Audit of the Separate and Consolidated Financial Statements" section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the separate and consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying separate and consolidated financial statements.

Key audit matter	How our audit addressed the key audit matter

Contract assets from low tension customers unbilled revenue (separate and consolidated financial statements)

At December 31st, 2019 Company's and Group's contract assets from low tension customers unbilled revenue amounted to €302mil.

The estimation method used, requires the management to make judgments and use estimates and assumptions with a high degree of uncertainty, of which the most significant are related to the technical and non-technical losses of the distribution network, the invoicing period, the average revenue and the adjustments for discounts and expected credit losses.

We have determined the estimation of contract assets from low tension customers unbilled revenue to be a key audit matter due to the inherent risk of revenue recognition in the correct period, the significant audit time required, and the high degree of estimation uncertainty in the management's judgments, estimates and assumptions used in this process.

The Company's and Group's disclosures relevant to the accounting policies, the judgments, the estimates and the assumptions used to determine the contract assets from low tension customers unbilled energy can be found in notes 4.3, 4.4, 6 and 22 to the separate and consolidated financial statements.

The audit procedures that we performed, among others have as follows:

- We discussed with management and assessed the design of management controls over the estimation of the contract assets from low tension customers unbilled revenue.
- We received and audited the calculation of the contract assets from low tension customers unbilled revenue performed by the management, evaluating the judgments, estimates and assumptions related to the technical and non-technical losses of the distribution network, the invoicing period, the average revenue and the adjustments for discounts and expected credit losses. We also tested the calculations for mathematical accuracy.
- We assessed the consistency between periods of the estimation methods used, the assumptions, and the calculations used by the Company and the Group, and whether events of the period or changes in the environment or changes in the facts and circumstances have been taken into consideration in the estimates and assumptions used and in changes in the business practices, and the accounting principles which may have affected the calculations.
- We tested the calculations for mathematical accuracy and the correctness of accounting process.

Finally, we assessed the sufficiency of related disclosures in the separate and consolidated financial statements.

Key audit matter	How our audit addressed the key audit matter

Valuation of Property, Plant and Equipment (separate and consolidated financial statements)

At December 31st, 2019 Company's and Group's property, plant and equipment amounted to €10.573mil. and €10.177mil., respectively.

The Company and the Group measure property, plant and equipment at revalued amounts (fair values less accumulated depreciation), except for the mines and lakes that are measured at cost (less accumulated depreciation) and property, plant and equipment in progress, that are measured at cost (less accumulated depreciation).

The fair values of property, plant and equipment that are measured at revalued amounts, are determined by independent valuators periodically, in order to assure that the value of the property, plant and equipment have not changed significantly. The Company and the Group performed a valuation exercise (from independent valuator) for property, plant and equipment as of December 31st, 2019. The result of the valuation exercise was (1) revaluation surplus amounted to €1.250mil. and €1.261mil. for the Company and the Group, respectively, which were registered in statement of comprehensive income and (2) impairment amounted to €547mil. and €672mil. for the Company and the Group, respectively, that were not covered by the revaluation surplus of prior revaluations and were registered in the statement of current period. The determination of fair values of property, plant and equipment requires also estimations, assumptions and judgements regarding the ownership, the use and the existence of any physical, operational and economic depreciation.

Furthermore, the Company have to assess annually, whether there are any signs of impairment and if there are, the Company should perform a valuation exercise for the value of property, plant and equipment. This procedure incorporates judgements, estimates and assumptions with high degree of subjectivity, the most important of which are related to the estimated future productivity and use of assets, their future cash flows and other factors. As part of the procedure of the assessment of indications for the property, plant and equipment that are measured at cost, taking also under consideration the requirements for the lignite phase-out, management performed as at December 31st, 2019 an impairment test, which resulted in impairments amounted to €1.077mil. and €1.105mil. for the Company and the

The audit procedures that we performed, among others have as follows:

- We discussed with management and assessed the design of internal controls over the process of revaluation, as well the process of impairment test of property, plant and equipment.
- For property, plant and equipment that are measured at fair values, we received the valuation report of independent valuator and we assessed, with the contribution of EY specialists in valuation, the judgements, estimations and assumptions used, as well the accuracy of the methodology used.
- We performed sampling tests regarding the mathematical accuracy of determination of revaluation surplus and deficit of property, plant and equipment that were measured at fair values, assessing also the implementation of the Company's accounting policy and the correctness of the accounting process.
- We evaluated the skills and objectivity of the independent valuator, to whom management assigned the valuation exercise.
- For property, plant and equipment that measured at cost and there were indications of impairment and impairment tests were performed, we assessed, with the contribution of specialists in valuation, the judgements, estimations, assumptions and methodology used in estimation of the recoverable amounts.
- We performed sampling tests regarding the mathematical accuracy of calculations and the correctness of accounting process of the values of impairments in financial statements.
- Finally, we assessed the sufficiency of related disclosures in the separate and consolidated financial statements.

Key audit matter	How our audit addressed the key audit matter
Group, respectively, which were registered in the income statement of current period. The valuation of the property, plant and equipment has been determined to be a key audit matter due to the level of the related account and the degree of subjectivity in the judgements, estimates and assumptions used for the above described procedures. The Company's and Group's disclosures relevant to the accounting policy, the judgments, the estimates and the assumptions used in the valuation of the property, plant and equipment can be found in notes 4.3, 4.4, 15, 35 and 41 to the separate and consolidated financial statements.	
As December 31st, 2019, the Company's and the Group's trade receivables amounted to €579mil. and €683mil., impaired by €2.537mil. and €2.655mil., respectively. The Company and Group apply the simplified approach of IFRS 9 "Financial Instruments" and determine lifetime expected credit losses ("ELC") on their trade receivables. The calculation of the expected credit losses is done based on historical information on defaults adjusted for the forward- looking information. We have determined the impairment of trade receivables to be a key audit matter due to the level of the related accounts and the significance of management's assumptions and estimations. The Company's and Group's disclosures relevant to the accounting policy, the judgements, the estimates and the assumptions used for the impairment test of trade receivables can be found in notes 4.3, 4.4 and 21 to the separate and consolidated financial statements.	The audit procedures that we performed, among others have as follows: - We discussed with management and assessed the design of management controls over the impairment process of trade receivables. - We received the calculation of impairment of trade receivables performed by the management and we assessed the completeness and accuracy of data used for the calculation of expected credit losses and the assumptions used. We checked the mathematical accuracy of relevant calculations and the correctness of accounting process. - Finally, we assessed the sufficiency of related disclosures in the separate and consolidated financial statements.

Other information

Management is responsible for the other information in the Annual Report. The other information, includes the Board of Directors' Report, for which reference is also made in section "Report on Other Legal and Regulatory Requirements", the Statements of the Members of the Board of Directors, and any other information either required by law or voluntarily incorporated by the Company in its Annual Report prepared in accordance with L. 3556/2007, but does not include the separate and consolidated financial statements and our auditor's report thereon.

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

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

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

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

The Audit Committee (L. 44 v.4449/2017) is responsible for overseeing the Company's and the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Separate and Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the separate and consolidated 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 and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate and consolidated financial statements, including the disclosures, and whether the separate and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the separate and consolidated financial statements. We are responsible for the direction, supervision and performance of the Company and its subsidiaries. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate and consolidated financial statements of the current period and are therefore the key audit matters.

Report on Other Legal and Regulatory Requirements

1. Board of Directors' Report

Taking into consideration that management is responsible for the preparation of the Board of Directors' Report and Corporate Governance Statement that is included therein, according to the provisions of paragraph 5 article 2 of L. 4336/2015 (part B), we report that:

a. The Board of Directors' Report includes a Corporate Governance Statement that contains the information required by article 152 of L. 4548/1920.

b. In our opinion the Board of Directors' Report has been prepared in accordance with the legal requirements of article 150-151 and 153-154 and paragraph 1 (c and d) of article 152 of L. 4548/2018 and the content of the Board of Directors' report is consistent with the accompanying separate and consolidated financial statements for the year ended December 31st, 2019.

c. Based on the knowledge and understanding concerning Public Power Corporation S.A. and its environment, obtained during our audit, we have not identified information included in the Board of Directors' Report that contains a material misstatement.

2. Unbundled Financial Statements

The management is responsible for the preparation of the Company's and the Group's unbundled financial statements as required by the article 141 of L. 4001/2011 and the Decision 266/2014 of the Regulatory Authority for Energy (RAE) and for those internal controls as management determines are necessary to enable the preparation of the Company's and Group's unbundled balance sheets as at December 31st, 2019 and the unbundled statements of income before tax for the period from January 1, 2019 to December 31st, 2019 free from material misstatements, whether due to fraud or error. The methodology of preparation of the unbundled financial statements is described in note 2 of appendix 1 to the separate and consolidated financial statements.

In our opinion, the Company's and Group's unbundled financial statements as at December 31st, 2019, as presented in the relevant appendix to the separate and consolidated financial statements have been prepared in accordance with the Article 141 of L. 4001/2011 and the Decision 266/2014 of the Regulatory Authority for Energy (RAE).

3. Additional Report to the Audit Committee

Our opinion on the separate and consolidated financial statements is consistent with our Additional Report to the Audit Committee of the Group, in accordance with Article 11 of the EU Regulation 537/2014.

4. Provision of Non-audit Services

We have not provided any prohibited non-audit services per Article 5 of the EU Regulation 537/2014.

The allowed non-audit services provided by us to the Company and its subsidiaries during the year ended December 31st, 2019, are disclosed in note 13 on the separate and consolidated financial statements.

5. Appointment of the Auditor

We were firstly appointed as auditors of the Company by the General Assembly on June 7, 2018. Our appointment has been renewed annually by virtue of decisions of the annual general meetings of the shareholders for a continuous period of two years.

Athens, 23 of April 2020

Vassilios Kaminaris
Certified Auditor
SOEL R.N. 20411

ERNST & YOUNG (GREECE)
Certified Auditors - Accountants S.A.
Chimarras 8B , 15125 Maroussi
SOEL R.N. 107

PUBLIC POWER CORPORATION S.A.

Consolidated and Separate Financial Statements
December 31st 2019

In accordance with the International Financial Reporting Standards
adopted by the European Union

The attached separate and consolidated financial statements
have been approved by the Board of Directors
of Public Power Corporation S.A. on April 23rd 2020
and they are available on the web site of Public Power Corporation S.A.
at **www.dei.gr**.

Chairman & Chief Executive Officer	Vice Chairman	Chief Financial Officer	Accounting Department Director
GEORGIOS I. STASSIS	PYRROS D. PAPADIMITRIOU	KONSTANTINOS A. ALEXANDRIDIS	EFTHIMIOS A. KOUTROULIS

PUBLIC POWER CORPORATION S.A.
STATEMENT OF INCOME FOR THE YEAR ENDED DECEMBER 31st, 2019
(All amounts in thousands of Euro)

	GROUP				COMPANY		
	Note	01.01.2019-31.12.2019	01.01.2018-31.12.2018 (*restated)	01.01.2019- 31.12.2019	01.01.2018-31.12.2018	01.01.2018-31.12.2018 (*restated)	01.01.2018-31.12.2018 (*restated)
		Total Group	Total Group	Total Company	Total Company	Continuing Operations	Discontinued Operations
REVENUES:							
Revenue from energy sales	6	4,288,653	4,258,190	4,262,101	4,233,148	4,233,148	-
Other sales	6	642,956	483,688	474,216	360,374	360,273	101
		4,931,609	**4,741,878**	**4,736,317**	**4,593,522**	**4,593,421**	**101**
EXPENSES:							
Payroll cost	7	512,303	962,238	292,145	607,955	555,064	52,891
Lignite		3,693	53,241	(33,772)	13,508	(832)	14,340
Liquid Fuels		670,885	670,177	659,303	665,994	659,531	6,463
Natural Gas		431,390	383,632	431,390	383,632	383,632	-
Depreciation and amortization	9	661,761	673,929	636,525	660,620	631,554	29,066
Energy purchases	8	1,486,367	1,578,659	1,698,415	1,735,980	1,800,631	(64,651)
Materials and consumables		126,056	124,239	70,461	84,274	74,321	9,953
Transmission system usage		149,611	157,780	149,611	157,780	157,780	-
Distribution system usage		-	-	268,545	319,543	319,543	-
Utilities and maintenance		221,084	238,933	144,250	169,680	159,836	9,844
Third party fees		82,160	69,394	54,562	47,112	46,501	611
Emission allowances	10	546,462	369,584	411,885	301,405	279,531	21,874
Sundry provisions	40,32	24,223	109,782	16,173	109,779	109,578	201
Provisions for impairment of materials	20	12,710	8,023	7,606	7,063	7,097	(34)
Provisions for expected credit losses	21,22,23	(42,047)	(133,644)	62,414	(134,568)	(134,568)	-
Financial expenses	11	170,734	184,470	168,712	183,539	183,525	14
Financial Income	12	(73,151)	(105,216)	(72,459)	(111,478)	(111,478)	-
Impairment losses of the shareholding in Lignite Companies		-	242,691	286,300	235,803	235,803	-
Provisions of devaluation of fixed assets	35	2,098,790	3,496	1,945,576	-	-	-
Income from PSOs	2	(194,652)	-	(194,652)	-	-	-
Other (income) / expenses, net	13	106,424	1,352	56,001	(42,589)	(43,518)	929
(Gains)/losses from associates	18	(2,422)	(2,701)	-	253	253	-
Foreign currency (gains) / losses		1,041	649	1,003	717	739	(22)
		6,989,512	**5,590,708**	**7,059,994**	**5,396,002**	**5,314,523**	**81,479**
(LOSSES) BEFORE TAX		**(2,057,903)**	**(848,830)**	**(2,323,677)**	**(802,480)**	**(721,102)**	**(81,378)**
Income tax expense	14	372,233	(55,005)	360,570	(72,207)	(64,883)	(7,324)
NET (LOSSES)		**(1,685,670)**	**(903,835)**	**(1,963,107)**	**(874,687)**	**(785,985)**	**(88,702)**
Attributable to:							
Owners of the Parent		**(1,685,791)**	**(903,861)**				
Non – controlling interests		**121**	**26**				
Losses per share, basic and diluted		(7.27)	(3.90)				
Weighted average number of shares		**232,000,000**	**232,000,000**				

- The Group and the Parent Company applied IFRS 16 using the cumulative effect method from January 1st, 2019. According to this approach, comparative information is not restated (See Note 4).
- The accompanying notes are an integral part of the consolidated and separate financial statements.
- *Some figures are restated compared to those published in annual financial statements as of December 31st, 2018 and include the figures of the Discontinued Operations which from July 18th, 2019 do not meet the criteria of IFRS 5 (See Note 5).

PUBLIC POWER CORPORATION S.A
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31st, 2019

(All amounts in thousands of Euro)

	Note	GROUP 01.01.2019-31.12.2019 Total Group	GROUP 01.01.2018-31.12.2018 Total Group	COMPANY 01.01.2019-31.12.2019 Total Company	COMPANY 01.01.2018-31.12.2018 Total Company	COMPANY 01.01.2018-31.12.2018 Continuing Operations	COMPANY 01.01.2018-31.12.2018 Discontinued Operations
Net Loss for the period		**(1,685,670)**	**(903,835)**	**(1,963,106)**	**(874,687)**	**(785,985)**	**(88,702)**
Other Comprehensive income / (loss)							
Other Comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods.							
Foreign currency differences		270	(399)	-	-	-	-
Net Other Comprehensive (loss) / income to be reclassified to profit or loss in subsequent periods		**270**	**(399)**	-	-	-	-
Other Comprehensive (loss)/income not to be reclassified to profit or loss in subsequent periods.							
Actuarial gains							
Profit/(Loss) from financial assets at fair value through comprehensive income		996	(700)	413	(418)	(418)	-
Correction of fixed asset revaluation and related tax		-	70	-	-	-	-
Revaluation of fixed assets	15	1,261,213	-	1,249,884	-	-	-
Deffered taxes on revaluation of fixed assets		(300,724)	-	(299,972)	-	-	-
Decommissioning provision of Units and Mines	32	(127,963)	-	(127,963)	-	-	-
Deferred taxes on decommissioning provision of Units and Mines		30,711	-	30,711	-	-	-
Actuarial gains / (losses)		(56,651)	49,294	(38,518)	34,407	34,407	-
Deferred taxes on actuarial results		13,596	-	9,244	-	-	-
Net Other Comprehensive (loss) / income not to be reclassified to profit or loss in subsequent periods		**821,178**	**48,664**	**823,799**	**33,989**	**33,989**	**-**
Other Comprehensive (loss) / income for the period after tax		**821,448**	**48,265**	**823,799**	**33,989**	**33,989**	**-**
Total Comprehensive (loss) for the period after tax		**(864,222)**	**(855,570)**	**(1,139,307)**	**(840,698)**	**(751,996)**	**(88,702)**
Attributable to:							
Owners of the Parent		**(864,343)**	**(855,596)**				
Non-controlling interests		**121**	**26**				

- The Group and the Parent Company applied IFRS 16 using the cumulative effect method from January 1st, 2019. According to this approach, comparative information is not restated (See Note 4).
- The accompanying notes are an integral part of the consolidated and separate financial statements.

PUBLIC POWER CORPORATION S.A.
STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31st, 2019
(All amounts in thousands of Euro)

	Note	GROUP 31.12.2019	GROUP 31.12.2018 (*restated)	COMPANY 31.12.2019	COMPANY 31.12.2018 (*restated)
		Total Group			31.12.2019
ASSETS					
Non - Current Assets :					
Property, plant and equipment, net	15	10,572,714	11,030,731	10,176,626	10,521,257
Intangible assets, net	16	80,923	200,523	65,054	189,636
Right of use assets	42	67,193	-	41,084	-
Investments in subsidiaries	17	-	-	221,271	451,871
Investments in associates	18	36,364	20,049	997	997
Financial assets measured at fair value through other comprehensive income		1,251	571	879	466
Other non – current assets		20,428	79,375	20,132	71,513
Deferred tax asset	14	226,623	135,746	197,867	97,314
Total non – current assets		**11,005,496**	**11,466,995**	**10,723,910**	**11,333,054**
Current Assets :					
Materials, spare parts and supplies, net	20	730,895	766,278	530,923	569,066
Trade receivables	21	683,491	737,528	579,213	639,907
Contract assets	22	424,911	482,342	424,911	484,482
Other receivables	23	360,479	289,852	235,444	261,883
Income tax receivable	14	12,565	13,289	-	-
Cash and cash equivalents	25	286,917	251,015	205,461	112,330
Restricted cash	25	67,752	81,681	67,752	81,681
Total current assets		2,567,010	2,621,985	2,043,704	2,149,349
Total Assets		**13,572,506**	**14,088,980**	**12,767,614**	**13,482,403**
EQUITY AND LIABILITIES					
Equity :					
Share capital	26	575,360	575,360	575,360	575,360
Share premium		106,679	106,679	106,679	106,679
Legal reserve	27	128,317	128,317	128,317	128,317
Fixed assets' statutory revaluation surplus		(947,342)	(947,342)	(947,342)	(947,342)
Revaluation surplus		4,753,454	3,816,062	4,658,997	3,726,829
Other Reserves	28	51,888	93,581	26,626	55,391
Retained earnings		(1,628,019)	170,289	(1,862,818)	179,792
Total Equity attributable to the Owners of the Parent		3,040,337	3,942,946	2,685,819	3,825,026
Non – controlling interests		255	134	-	-
Total equity		**3,040,592**	**3,943,080**	**2,685,819**	**3,825,026**

PUBLIC POWER CORPORATION S.A.
STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31st, 2019
(All amounts in thousands of Euro)

		GROUP		COMPANY	
	Note	31.12.2019	31.12.2018 (*restated)	31.12.2019	31.12.2018 (*restated)
		Total Group			31.12.2019
Non – Current Liabilities :					
Long - term borrowings	30	3,510,961	3,190,506	3,467,108	3,190,506
Employee benefits	31	303,292	507,827	175,767	297,995
Provisions	32	780,694	331,883	737,035	292,766
Financial lease liability	42	49,369	-	29,284	-
Contract liabilities	34	2,331,696	2,376,124	2,331,696	2,376,124
Subsidies	33	172,577	186,324	156,844	168,754
Other non – current liabilities		13,055	8,678	38	39
Total non – current liabilities		**7,161,644**	**6,601,342**	**6,897,772**	**6,326,184**
Current Liabilities :					
Trade and other payables	36	1,689,234	1,694,107	1,523,818	1,521,495
Dividends payable	29	13	17	13	17
Income tax payable	14	69,630	78,590	63,778	62,908
Short – term borrowings	37	18,630	46,483	-	30,000
Current portion of long - term borrowings	30	417,351	714,757	417,361	714,767
Short – term financial lease liability	42	18,322	-	12,780	-
Accrued and other current liabilities	39	718,180	793,911	727,363	785,313
Short-term contract liabilities	38	438,910	216,693	438,910	216,693
Total Current Liabilities		**3,370,270**	**3,544,558**	**3,184,023**	**3,331,193**
Total Equity and Liabilities		**13,572,506**	**14,088,980**	**12,767,614**	**13,482,403**

- The Group and the Parent Company applied IFRS 16 using the cumulative effect method from January 1st, 2019. According to this approach, comparative information is not restated (See Note 4).
- The accompanying notes are an integral part of the consolidated and separate financial statements.
- *Some figures are restated compared to those published in annual financial statements as of December 31st, 2018 and include the figures of the Discontinued Operations which from July 18th, 2019 do not meet the criteria of IFRS 5 (See Note 5).

CONSOLIDATED AND SEPARATE STATEMENT

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED DECEMBER 31st, 2019

(All amounts in thousands of Euro)

	GROUP					GROUP							
							Other Reserves						
	Note	Share Capital	Share Premium	Legal Reserve	Revaluation Surplus	Fixed Assets Statutory Revaluation Surplus	Fair Value of financial assets through comprehensive income	Foreign Exchange Differences, Tax-free and Other Reserves	Other Reserves Total	Retained Earnings	Total	Non-Controlling Interest	Total Equity
Balance, January 1st, 2018		**575,360**	**106,679**	**128,317**	**4,046,717**	**(947,342)**	**157**	**(34,496)**	**(34,339)**	**1,735,039**	**5,610,431**	**108**	**5,610,539**
IFRS 9 effect										**(37,068)**	**(37,068)**	**-**	**(37,068)**
IFRS 15 effect										**(584,259)**	**(584,259)**	**-**	**(584,259)**
Balance, January 1st, 2018 (restated)		**575,360**	**106,679**	**128,317**	**4,046,717**	**(947,342)**	**157**	**(34,496)**	**(34,339)**	**1,113,712**	**4,989,104**	**108**	**4,989,212**
Profit/(Loss) for the period		-	-	-	-	-	-	-	-	(903,861)	(903,861)	26	(903,835)
Other total loss for the period after tax		-	-	-	-	-	(700)	48,965	48,265	-	48,265	-	48,265
Total Comprehensive income / (loss) for													
the period, after tax		**-**	**-**	**-**	**-**	**-**	**(700)**	**48,965**	**48,265**	**(903,861)**	**(855,596)**	**26**	**(855,570)**
Transfers from retirements of fixed assets		-	-	-	(40,920)	-	-	-	-	40,920	-	-	-
Impairment of assets held for sale		-	-	-	(189,735)	-	-	-	-	-	(189,735)	-	(189,735)
Formation of reserve								79,655	79,655	(79,655)			
Other movements		-	-	-	-	-	-	-	-	(827)	(827)	-	(827)
Balance, December 31st, 2018		**575,360**	**106,679**	**128,317**	**3,816,062**	**(947,342)**	**(543)**	**94,124**	**93,581**	**170,289**	**3,942,946**	**134**	**3,943,080**
Balance, January 1st, 2019		**575,360**	**106,679**	**128,317**	**3,816,062**	**(947,342)**	**(543)**	**94,124**	**93,581**	**170,289**	**3,942,946**	**134**	**3,943,080**
Profit/(Loss) for the period		-	-	-	-	-	-	-	-	(1,685,791)	(1,685,791)	121	(1,685,670)
Other comprehensive income for the period after tax	15,28	-	-	-	863,237	-	996	(42,785)	(41,789)	-	821,448		821,448
Total Comprehensive income / (loss) for													
the period, after tax		**-**	**-**	**-**	**863,237**	**-**	**996**	**(42,785)**	**(41,789)**	**(1,685,791)**	**(864,343)**	**121**	**(864,222)**
Transfers from retirements of fixed assets		-	-	-	(18,141)	-	-	-	-	18,141	-	-	-
Equity figures from Lignite Subsidiaries		-	-	-	-	-	-	-	-	(38,364)	(38,364)	-	(38,364)
- Other movements		-	-	-	92,297	-	-	96	96	(92,294)	98	-	98
Balance, December 31st, 2019		**575,360**	**106,679**	**128,317**	**4,753,454**	**(947,342)**	**453**	**51,435**	**51,888**	**(1,628,019)**	**3,040,337**	**255**	**3,040,592**

- The Group and the Parent Company applied IFRS 16 using the cumulative effect method from January 1st, 2019. According to this approach, comparative information is not restated (See Note 4).
- The accompanying notes are an integral part of the consolidated and separate financial statements.

PUBLIC POWER CORPORATION S.A.
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31st, 2019
(All amounts in thousands of Euro)

	COMPANY					COMPANY					
						Other Reserves					
	Note	Share Capital	Share Premium	Legal Reserve	Revaluation Surplus	Fixed Assets Statutory Revaluation Surplus	Fair value of financial assets through other comprehensive income	Tax-free and other Reserves	Other Reserves Total	Retained Earnings	Total Equity
Balance, January 1st, 2018		**575,360**	**106,679**	**128,317**	**3,956,266**	**(947,342)**	**155**	**21,247**	**21,402**	**1,637,172**	**5,477,854**
IFRS 9 effect		-	-	-	-	-	-	-	-	**(37,314)**	**(37,314)**
IFRS 15 effect		-	-	-	-	-	-		-	(584,259)	(584,259)
Balance, January 1st, 2018 (restated)		**575,360**	**106,679**	**128,317**	**3,956,266**	**(947,342)**	**155**	**21,247**	**21,402**	**1,015,599**	**4,856,281**
Net loss for the period		-	-	-	-	-	-	-	-	(874,687)	(874,687)
Other total loss for the period after tax		-	-	-	-	-	(418)	34,407	33,989	-	33,989
Total Comprehensive loss for the period, after tax		**-**	**-**	**-**	**-**	**-**	**(418)**	**34,407**	**33,989**	**(874,687)**	**(840,698)**
Transfers from retirements of fixed assets		-	-	-	(39,702)	-	-	-	-	39,702	-
Impairment of assets held for sale		-	-	-	(189,735)	-	-	-	-	-	(189,735)
Other movements		-	-	-	-	-	-	-	-	(822)	(822)
Balance, December 31st, 2018		**575,360**	**106,679**	**128,317**	**3,726,829**	**(947,342)**	**(263)**	**55,654**	**55,391**	**179,792**	**3,825,026**
Balance, January 1st, 2019		**575,360**	**106,679**	**128,317**	**3,726,829**	**(947,342)**	**(263)**	**55,654**	**55,391**	**179,792**	**3,825,026**
Loss for the period		-	-	-	-	-	-	-	-	(1,963,107)	(1,963,107)
Other comprehensive income for the period after tax	15,28	-	-	-	852,660	-	413	(29,274)	(28,861)	-	823,799
Total Comprehensive income / (loss) for the period, after tax		**-**	**-**	**-**	**852,660**	**-**	**413**	**(29,274)**	**(28,861)**	**(1,963,107)**	**(1,139,308)**
Transfers from retirements of fixed assets		-	-	-	(12,790)	-	-	-	-	12,790	-
Other movements		-	-	-	92,298	-	-	96	96	(92,293)	101
Balance, December 31st, 2019		**575,360**	**106,679**	**128,317**	**4,658,997**	**(947,342)**	**150**	**26,476**	**26,626**	**(1,862,818)**	**2,685,819**

- The Group and the Parent Company applied IFRS 16 using the cumulative effect method from January 1st, 2019. According to this approach, comparative information is not restated (See Note 4).
- The accompanying notes are an integral part of the consolidated and separate financial statements.

PUBLIC POWER CORPORATION S.A.
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31st, 2019

(All amounts in thousands of Euro)

Cash flows from operating activities	Note	GROUP 01.01.2019-31.12.2019	GROUP 01.01.2018-31.12.2018 (*restated)	COMPANY 01.01.2019-31.12.2019	COMPANY 01.01.2018-31.12.2018
Profit/(Loss) before tax		**(2,057,903)**	**(848,830)**	**(2,323,677)**	**(474,915)**
Profit/(Loss) before tax					**(327,565)**
Adjustments:					
Depreciation and amortization	9	651,243	687,215	631,436	673,709
Depreciation on the Right-of-use assets	9	22,624	-	16,999	-
Impairment of assets	35	2,098,790	-	1,945,576	-
Impairment of the shareholding in Lignite Companies	17	-	242,691	286,300	235,803
Amortization of customers' subsidies	9	(12,106)	(13,286)	(11,910)	(13,089)
Income from long-term contract liabilities	34	(86,865)	(85,167)	(86,865)	(85,167)
Income from supply of electricity at reduced tariffs	31	(243,415)	-	(148,058)	-
Losses / (Gains) from associates	18	(2,422)	(2,701)	-	253
Interest income and dividends		(73,151)	(105,216)	(72,459)	(111,478)
Sundry provisions		(3,375)	143,837	92,856	70,824
Foreign exchange (gains)/ losses on loans					
and borrowings		(1,003)	(717)	(1,003)	(717)
Unbilled revenue	6	66,126	49,902	68,265	47,763
Disposals of tangible assets and software	15	11,914	18,155	11,862	16,381
Amortization of loans' issuance fees	30	3,490	8,878	3,490	8,878
Interest expense		159,052	159,825	158,414	159,521
Operating profit/(loss) before working					
capital changes					
(Increase)/decrease in:					
Trade receivables	21	119,880	597,632	66,880	425,697
Income from PSOs	13	-	359,773	-	359,773
Other receivables	23	(33,198)	24,203	(17,861)	(16,948)
Materials, spare parts and supplies	20	(68,082)	(50,526)	(52,618)	66,181
(Increase)/decrease in:					
Trade payables	36	(46,195)	(516,579)	2,323	(389,033)
Other non – current liabilities	34	177,283	196,078	152,013	193,726
Accrued and other liabilities excluding interest	39	(59,623)	435,714	(34,567)	420,690
Income tax paid	14	-	(160,501)	-	(144,369)
Discontinued operations	5	-	-	-	(69,820)
Net Cash from Operating Activities		**623,064**	**1,140,380**	**687,396**	**1,046,098**

	Note	GROUP 01.01.2019-31.12.2019	GROUP 01.01.2018-31.12.2108	COMPANY 01.01.2019-31.12.2019	COMPANY 01.01.2018-31.12.2108
Cash Flows from Investing Activities					
Interest and dividends received	12	73,151	105,216	72,459	111,478
Capital expenditure for tangible and intangible assets	15,16	(525,191)	(865,424)	(486,651)	(806,403)
Proceeds from long-term contract liabilities	34	59,473	63,332	59,473	63,332
Investments in subsidiaries and associates		(16,315)	910	(20,700)	(4,766)
Net Cash used in Investing Activities		**(408,882)**	**(695,966)**	**(375,419)**	**(636,359)**
Cash Flows from Financing Activities					
Net change in short-term borrowings	37	(27,853)	16,483	(30,000)	-
Proceeds from long-term borrowing	30	730,464	272,794	684,464	272,794
Principal payments of long-term borrowing	30	(684,093)	(570,061)	(684,093)	(570,061)
Principal lease payments of right-of-use assets	42	(24,620)	-	(18,189)	-
Interest paid and loans' issuance fees		(172,174)	(164,211)	(171,024)	(163,278)
Dividends paid		(4)	-	(4)	-
Net Cash used in Financing Activities		**(178,280)**	**(444,995)**	**(218,846)**	**(460,545)**
Net increase / (decrease) in cash and cash equivalents		**35,902**	**(581)**	**93,131**	**(50,806)**
Cash and cash equivalents at the beginning of the year		**251,015**	**251,596**	**112,330**	**163,136**
Cash and cash equivalents at the end of the year		**286,917**	**251,015**	**205,461**	**112,330**

- The Group and the Parent Company applied IFRS 16 using the cumulative effect method from January 1st, 2019. According to this approach, comparative information is not restated (See Note 4).
- The accompanying notes are an integral part of the consolidated and separate financial statements.
- *Some figures are restated compared to those published in annual financial statements as of December 31st, 2018 and include the figures of the Discontinued Operations which from July 18th, 2019 do not meet the criteria of IFRS 5 (See Note 5).

D
Notes to the Financial Statements

Notes to the Financial Statements

December 31st, 2019
(All amounts in thousands of Euro unless otherwise stated)

1. CORPORATE INFORMATION

Public Power Corporation S.A. ("PPC" or the "Parent Company") was established in 1950 in Greece for an unlimited duration as a State owned and managed corporation for electricity generation, transmission and distribution throughout Greece.

In 1999, the Hellenic Republic enacted L. 2773/1999 ("the Liberalization Law"), which provided for, among other provisions, the transformation of PPC into a société anonyme. PPC's transformation to a société anonyme was effected on January 1st, 2001, by virtue of Presidential Decree 333/2000 and its duration was set for 100 years.

Effective December 2001, PPC's shares are listed on the Athens Stock Exchange.

Pursuant to L. 4533/2018, on June 30th, 2018 the Parent Company completed the spin-off of the two lignite power generation sectors of Melitis and Megalopolis and their contribution to two newly established 100% subsidiary companies under the name "LIGNITIKI MELITIS S.A." and "LIGNITIKI MEGALOPOLIS S.A.", respectively.

The accompanying financial statements include the separate financial statements of PPC and the consolidated financial statements of PPC and its subsidiaries ("the Group").

PPC headquarters are located at 30, Chalkokondili Street, Athens, 104 32 Greece.

On December 31st, 2019, the number of personnel employed by the Group was 15,109 (2018: 16,747). On December 31st, 2019, 88 employees of the Group (2018: 89), have been transferred to several State agencies (ministries, organizations, etc.), out of which, 86 were compensated by PPC (2018: 85). The total payroll cost of such employees, for the fiscal year ended December 31st, 2019 amounted to Euro 3,243 (2018: Euro 3,434). Additionally, on December 31st, 2019, PPC's transferred employees in EFKA (Greek Single Social Security Institution) amounted to 209, (2018: 223) for which payroll cost amounted to Euro 8,868 (2018: Euro 9,684).

PPC Group generates electricity in its own 60 main power generating stations of the Parent Company, from 3 belonging to its wholly owned subsidiaries "LIGITIKI MELITIS S.A." and "LIGNITIKI MEGALOPOLIS S.A.", and from the additional stations Wind Parks, Small Hydro Power Plants and Photovoltaic Plants which belong to its wholly owned subsidiary PPC Renewables S.A. and distributes electricity to consumers through its own distribution lines for Medium and Low voltage of 240,100 kilometres and 993 kilometres Network of High Voltage lines that are managed by its wholly owned subsidiary "Hellenic Distribution Network Operator (HEDNO S.A.)".

PPC Group has also developed an urban fibre optics network with a length of 162 kilometres.

Lignite consumed by the Group's lignite-fired power stations is extracted, to a significant extent, from its own lignite mines.

Finally, in the Fourth Quarter of 2019, the Parent Company started to operate in the Natural Gas market.

2. LEGAL FRAMEWORK

CHANGES IN THE LEGAL FRAMEWORK OF THE ELECTRICITY MARKET FOR THE TWELVE MONTHS OF 2019

A1. New Electricity Markets

- By L. 4425/2016 (OG A' 185/30.09.2016) the reorganization of the electricity market was introduced with the establishment of Electricity Markets - Forward Market, Day Ahead Market, Intraday and Balancing Market- as well as the jurisdiction and the responsibilities of Market Operators and subsequently with L. 4512/2018 (OG A' 5/17.01.2018) issues concerning the establishment and operation of the Energy Exchange were regulated. Also, the Energy Exchange Clearing House S.A. was established under the distinctive title EnExClear, for the settlement of transactions in the Day Ahead and Intraday markets of the Energy Exchange S.A. as well as any other related activity.
- Regarding the operation of the Electricity Markets, the Regulations of the Energy Financial market (derivatives market), the Day Ahead Market and the Intraday Market, the Settlement Regulation for Day Ahead and Intraday Market transactions as well as related methodologies and other arrangements were approved.
- By the Ministerial Decision ΥΠΕΝ/ΔΗΕ/7083/112 (OG B' 172/30.01.2020), IPTO and EnEx approved in cooperation with the company Energy Exchange Clear of the Energy Exchange a binding timetable for the fulfillment of their obligations to start (go-live) the Day Ahead Market, the Intraday Market and the Balancing Market until June 30th, 2020.

A2. Auctions of Regulated Forward Products (NOME)

- The Special Purpose Regulatory Mechanism for the sale of electricity by PPC through auctions of forward electricity products ("NOME mechanism") with physical delivery through the Daily Ahead Schedule and with a regulated starting price was established by L. 4336/2015. L.s 4389/2016 and 4472/2017 and Resolutions 35/2016, 38/2016, 58/2017, 68/2017, 77/2018 and 85/2018 of the Government's Council for the Economic Policy determine PPC's annual market share levels in the retail market until 2019, as well as the other key features of "NOME mechanism", including the cost elements to be taken into account for the calculation of the auction starting price. Through the "NOME mechanism", the Parent Company is under a contractual obligation to deliver specified quantities of electricity to third parties for a period of 12 months, through auctions, the prices of which are ultimately determined below the System Marginal Price ("SMP").
- RAE's Decision 1248/2018 set the annual quantities of electricity available through auctions for the sale of forward electricity products with physical delivery to 1,444 MWh/h, the allocation of these quantities in separate forward products, as well as the auction timetable for the year 2019. RAE, with its Decision 164/2019, adjusted the annual quantities of electricity available through actions for the sale of forward electricity products with physical delivery for the year 2019 and set to 1,972 MWh/h, due to the deviation from the six month target of PPC's share decrease.
- By a Legislative Act, as published in the Government Gazette (OG A'145/30.09.2019) entitled: "Urgent Provisions of the Ministries of Environment and Energy, Interior, Finance and Health", the Auction of forward electricity products ("NOME mechanism") dated on October 16th, 2019, for a quantity 1,029 MWh/h was canceled and consequently the annual quantities of electricity available through auctions for the sale of forward electricity products with physical delivery for the year 2019 exhausted with the auction held on July 17th, 2019.
- By the same Legislative Act, par. 4 of article 135 of L. 4389/2016, which defined the increase in the quantities of electricity to be auctioned if the reduction of PPC's market share in the retail market of the Interconnected System is less than two (2) percentage points from the six month target of PPC's share decrease, was abolished. The Legislative Act was ratified by L. 4638/2019 OG A' 181/18.11.2019.

A3. Structural measures on access to lignite and the further opening of the wholesale electricity market

- By L. 4602/2019 (OG A' 45/09.03.2019), arrangements were introduced regarding the divestment of PPC's Lignite Production Units:

  - In compliance with the aforementioned provisions of the Law, on the basis of a relevant Decision of its Board of Directors, PPC on March 8th, 2019 proceeded with posting on its website a Joint Invitation for the Expression of Interest & an Invitation for the submission of Binding Offers, inviting investors to initially express an interest to take part in the tender procedure until March 15th, 2019. In the aforementioned Joint Invitation for the Expression of Interest and the Invitation for the Submission of Binding Offers, on March 15th, 2019 six (6) interested parties responded.

On July 15th, 2019, which was finally set as the closing date for the submission of binding tenders, no tenders were submitted. For this reason PPC's Board of Directors declared this tender procedure barren.

A4. Electricity Market Operation

- **The Transitional Flexibility Compensation Mechanism**
  L. 4559/2018 established and implemented the Transitional Flexibility Compensation Mechanism, namely the availability of the Flexibility Service to the HELLENIC ELECTRICITY TRANSMISSION SYSTEM (HETS). The Transitional Flexibility Compensation Mechanism expires on December 31st, 2019, or until the implementation of the Permanent Flexibility Compensation Mechanism, if this occurs earlier.
  IPTO initially announced an Invitation for the expression of interest to participate in the Auction for the Provision of Flexibility Service for the period April 1st, 2019 until June 30th, 2019, but with a newer announcement, IPTO notified that the auction that was scheduled for March 20th, 2019 was temporally postponed.

- **Long Term Power Capacity Compensation Mechanism**
  With Article 15 of L. 4618/2019 which superseded Article 95 of L. 4001/2011 the establishment of a Permanent Power Capacity Compensation Mechanism is provided for on the basis of a competitive process, through the auctioning by the HETS Administrator of reliability rights for a predetermined period. The selected providers will be reimbursed for the power availability service at a fee paid by the HETS Administrator. The Power Availability Compensation Mechanism will be funded by charges that the HETS Administrator will impose on the Electricity Suppliers.

- **Special fee for the reduction of CO_2 emissions (ETMEAR - ex RES Fee) and RES Special Account (ELAPE)**
  By L. 4585/2018, "Emergency Regulations of the Ministry of Environment and Energy etc. - (OG A' 216/24.12.2018), some provisions of L. 4001/2011 regarding ETMEAR and the RES Special Account have been amended and were set in effect from January 1st, 2019. More specifically:
  - From January 1st, 2019 the Additional Charge on Load Representatives (income of the special account of RES and CHP) is abolished and any annual cumulative accounting surplus amount that may arise from the special RES and CHP Account for the year 2018, after the establishment of the Special Safety Reserve for extraordinary expenses amounting to seventy million Euro (70,000,000) and based on the December 2018 clearing, will be refunded to the Load Representatives in 2019. The amount that was refunded to PPC and concerned 2018 amounted to Euro 99.3 mil. This amount is included in "Energy Purchases" of the Income Statement (Consolidated and Separate).
  - From April 1st, 2019 the clearing and collection of ETMEAR as well as of the weighted variable cost of thermal units is under the responsibility of DAPEEP S.A. (Administrator of RES and Guarantee of Origin).

2. LEGAL FRAMEWORK (CONTINUED)

- By a Decision of the Minister of Environment and Energy, the rates of reduced fees of ETMEAR per customer category as of January 1st, 2019, as well as any other implementation detail were determined. More specifically for the year 2019 and up to the issuance of the ministerial decision, the ETMEAR unit charges continue to be imposed as determined by RAE's Decision 1101/2017 (OG B' 4670/29.12.2017) for the year 2018.
- L. 4625/2019 amended article 143 of L. 4001/2011, which relates to the Special RES and CHP Account. The amendment imposes from January 1st, 2019 a single ETMEAR charge for all electricity consumers, on the electricity consumed by the Network or the System, designated as Base Charge and provides for categories of consumers who are beneficiaries of reduced tariffs, and DAPEEP S.A. is designated as the entity responsible for the process of assigning beneficiaries to reduced tariffs through the implementation and management of an appropriate information system for receiving potential beneficiary applications.
- The Ministry of Energy, with its Decision No. ΥΠΕΝ/ΓΔΕ/76979/4917 (OG B' 3373/31.08.2019) set out the procedure for applying for beneficiaries of reduced tariffs, the procedure for checking the eligibility criteria, the amount of the fee for examining applications, the obligations of the beneficiaries of the reduced tariffs, the fines and the manner in which they are imposed in the event of breach of those obligations, as well as any other applicable details. Until the reduced tariffs are implemented, ETMEAR unit charges under RAE's Decision 1101/2017 continue to apply for those beneficiaries.
- The Decision ΥΠΕΝ/ΔΗΕ/108553/2053 (OG B' 4295/27.11.2019), set the Retrospective Clearing Procedure of ETMEAR charges.

- **PUBLIC SERVICE OBLIGATIONS (PSOs)**
  - RAE's Decision 435/2019 approved an annual repayment of PSOs to all Suppliers of Euro 55,217,144, of which Euro 55,056,661 are accounted for PPC and Euro 6,760,942 for beneficiaries with many children, which is wholly accounted for PPC.
  - The Ministry of Environment and Energy, by its Decision No. ΥΠΕΝ/ΔΗΕ/72919/1459, amended the procedure of PSOs integration.
  - Article 16 of L. 4635/2019 (OG A' 167/30.10.2019), introduced the collection of the outstanding PSO compensation for the period 2007-2011 which has not been paid to PPC.
  - The Ministry of Finance, with its Decision No. 128003/2019 (OG B' 4264/20.11.2019), set the payment of Euro 59,000,000 from the State Budget to the HEDNO's PSO Special Account in order to be paid to the beneficiaries of PSOs for the year 2019, in accordance with the provisions of L.s 4067/2012, 4501/2017 and 4508/2017 as they have been amended.
  - RAE, with its Decision No. 832/2019, approved a supplementary temporary repayment of PSOs amounting to Euro 6,271,619.82 for the years 2014, 2015 and 2016.
  - RAE, with its Decision No. 1019/2019, (OG B΄4583/13.12.2019), set the repayment of PSOs to PPC of Euro 194,651,690 for the period 2007-2011, which was paid to the beneficiary PPC by Decisions of Ministry of Finance.

A5.Hellenic Electricity Transmission System (HETS) and Hellenic Electricity Distribution Network (HEDN)

- With RAE's Decision 1242/2018, the new numerical values of the network's loss coefficients, were approved effective from February 1st, 2019, so that the quantities of electricity consumed per voltage category to be bound to the boundary between the System and the Network as follows: energy loss coefficient on the MV Network equal to 1.0360 and on the LV Network equal to 1.1274.
- Hellenic Electricity Distribution Network's (HEDN) annual cost and required revenue were set by RAE's Decisions 572/2019 and 1248/2019.
- RAE, with its decisions 2/2020 and 3/2020 (OG B' 232/03.02.2020 and 229/03.02.2020 respectively), approved the tariffs for the use of Distribution Network (HEDN's Unit Charges) as well as the tariffs for the use of Transmission System (HETS Unit Charges), which are effective from April 1st, 2020.

A6. Other Issues of Electricity Market

- The Joint Ministerial Decision No. ΥΠΕΝ/ΥΠΡΓ/1085/87 (OG B'49/18.01.2019), amended the Joint Ministerial Decision ΥΠΕΝ/ΥΠΡΓ/7408/1228, relating to the provision of an one-off special allowance to low-income consumers, who have been disconnected from the electricity distribution network, due to overdue debts, as determined by L. 4508/2017.
- By the Ministerial Decision No. ΥΠΕΝ/ΔΑΠΕΕΚ/25512/883, (OG B' 1020/27.03.2019), "Determination of the Last Resort Aggregator and establishment of its obligations, its operating framework and the charges it imposes for the provision of its services in accordance with paragraph 5 of Article 5 of L. 4414/2016", the Administrator of RES and Guarantee of Origin (DAPEEP S.A.) was appointed as the Last Resort Aggregator from July 1st, 2019 to December 31st, 2022.
- RAE with its Decision 595/2019 assigned PPC as the Energy Supplier of Last Resort for the period from June 29th, 2019 to June 28th, 2020.
- RAE with its Decision 594/2019 assigned PPC as the Universal Energy Service Supplier for the period from June 23rd, 2019 to June 22nd, 2020.
- The Ministry of Finance, with its Decision No. 2/18754/ΔΛΓΚ (OG B' 843/08.03.2019), PPC S.A. received a cash advance of Euro five hundred and fifty million seven hundred thousand (550,700,000), against the total obligation for the year 2019 stemming from electricity bills of the General Government entities.
- DAPEEP S.A. announced the commencement of the Annual Compensation Clearing for the year 2018 (support for indirect emission costs) according to the provisions of Article 9 of the Joint Ministerial Decision ΑΠΕΗΛ/ οικ. 21906, (OG B' 3304/09.12.2014).
- By L. No.4602/2019, the following relating to electricity and natural gas were introduced:
  - The ability until December 31st, 2019 for the transportation, installation and operation of power plants in Crete in order to ensure the island's energy sufficiency and to cover emergencies,
  - Issues related to RES stations that have signed an Operational Assistance Contract,
  - Installation of RES stations and CHP by Local Authorities of a' and b' degree to meet the energy needs of utility companies by applying energy and virtual energy netting,
  - Ownership separation of Natural Gas Distribution Networks,
- By the Joint Ministerial Decision No. 42863/438, the terms, conditions and technical specifications are set for the installation of chargers for electric vehicle batteries (recharging points) at publicly accessible urban and off-road vehicle service facilities and recharge points, as well as public and private parking spaces.
- By RAE's Decision 520/2019, the annual fees in favor of RAE for the year 2019 were adjusted, levied on companies operating in the energy sector, to be paid in the course of 2019.
- By RAE's Decision 201/2019 (OG B΄4260/20.11.2019) the methodology for calculating the fees in favor of RAE levied on companies operating in the energy sector was set.
- DAPEEP published in July 2019, pursuant to article 118, of L.4001/2011 (as it was superseded by article 98, of L.4512/2018), the Residual Energy Mix of the country for the year 2018 and in October 2019 the Supplier's Energy Mix for the year 2018, which relates to the total electricity delivered by each Supplier to its customers in the calendar year 2018.
- The Decision ΥΠΕΝ/ΔΕΠΕΑ/94797/1008, (OG B΄ 4038/05.11.2019) of the Ministry of Environment and Energy approved the results of the achievement of the Cumulative Annual Targets of the Obliged Parties of the Energy Efficiency Obligation Scheme for years 2017 and 2018 and the deviations, as defined by the Administrator of the Energy Efficiency Obligation Scheme.

- RAE, with its decision No. 785/2019 (OG B΄4428/03.12.2019), approved the solution of electrical interconnection with HETS and HEDN for the South and West Cyclades islands, the South Aegean islands (Dodecanese) and the Northeast Aegean islands, through submarine lines of HV and MV as the most cost-effective way of electrifying them.
- With the Cabinet Act No. 31 / 30.9.2019, the Intergovernmental Commission for the Development of the National Energy and Climate Plan (NECP) was established by the Greek Government, based on the requirements of the European Legislative Framework and in particular of the Regulation on the Governance of the European Union. The elaboration of NECP was completed at the beginning of December 2019. Then, it was put into public consultation, presented for discussion to Committees of the Greek Parliament and finally approved by the Decision no. 4 / 31.12.2019 of the Government's Council for the Economic Policy (OG 4893 / B / 31.12.2019) and was officially submitted to the European Commission.

The objectives set by NECP are in line with the new "European Green Deal" and especially with the goal of achieving climate neutrality by 2050. The main objectives of NECP until 2030 are summarized as follows:

- total reduction of greenhouse gas emissions by at least 56% compared to 2005
- complete lignite phase-out of the Greek Economy by 2028 at the latest, with a specific timetable for the decommissioning of lignite fired power plants
- penetration of RES into gross final energy consumption by at least 35%,
- energy efficiency improvement by 38%,
- electrical interconnection of the majority of Autonomous Island Systems with the Mainland.

B. NATURAL GAS MARKET

B1. Natural Gas Market

AUCTIONS FOR SALE NATURAL GAS BY DEPA S.A.

- RAE, with its Decision No. 1094/2019, set for 2020 the starting auction prices for the annual and quarterly natural gas auctions conducted by DEPA S.A. on the basis of an estimate of the latter's management costs to conduct such auctions.

B2. Natural Gas Networks

NATIONAL NATURAL GAS SYSTEM (NNGS)

- RAE, with its decision No. 861/2019, approved the updated list of the entry and exit points of the National Natural Gas Transmission System.
- RAE, with its decision No. 236/2019, approved the NNGS Development Plan 2017-2026, which provides for the integration into the System of the upgraded Compression Station in Nea Mesimvria in September 2022.
- On December 9th, 2019, RAE put into public consultation the NNGS Development Plan 2020-2029. The integration into the System of the upgraded Compression Station in Nea Mesimvria is estimated in December 2022 while for the first time the Plan includes the creation of virtual liquefied natural gas (LNG) pipelines to Atherinolakkos Crete, with an estimated operation date in December 2023, and to North Aegean islands with no specific operation date.
- RAE, with its decision No. 1281/2019, approved NNGS Study for the Hedging of the Operational Gas for the year 2020 (it concerns the amount of losses and self-consumption).

TARIFFS FOR THE USE OF THE NATIONAL NATURAL GAS SYSTEM (NNGS) AND FOR THE REVITHOUSA LIQUIFIED NATURAL GAS FACILITY (LNG FACILITY)

- RAE, with its decision No. 539/2019, approved the 4th amendment of the Tariff Regulation of the NNGS Basic Activities according to the provision of paragraph 1 of Article 88 of L. 4001/2011 and the Commission's Regulation (EU) 217/460 establishing a network code on harmonized transmission tariff structures for gas.
- RAE, by its decision No. 540/2019, approved the required revenue for transmission and DESFA's LNG facility as well as the tariffs for the use of the National Natural Gas System (NNGS) for the year 2019, according to the provisions of paragraph 5 of Article 88 of L. 4001/2011.
- Similarly, RAE, with its decision No. 566/2019, approved the tariffs for the use of the National Natural Gas System (NNGS) for the year 2020, also according to the provisions of paragraph 5 of Article 88 of L.4001/2011.
- RAE, with its decision No. 1093/2019, approved the values of the parameters involved in the calculation of the balancing cost of National Natural Gas Transmission System for the year 2019, in accordance with paragraph 5D of article 47 of NNGS Management Code.
- RAE, with its decision No.1141/2019, approved the amendment of the Article 23 of the Tariff Regulation so that the Recoverable Difference for 2019 to be determined on the basis of the methodology provided for in decision No. 644/2018 (and not in decision No. 539/2019).
- RAE, with its decision No.1005/2019, amended the paragraph 8 of the Article 83 of the NNGS Management Code concerning the method of calculating the deviations from the Users' annual LNG Cargoes Unloading Plans and set the Unit penalty charge for these deviations for the year 2020.

B3. Other Issues of Natural Gas Market

- RAE, with its decision No. 162/2019, set the requirements for the accounting unbundling of electricity and natural gas supply activities of the Horizontal Integrated Utilities in accordance with the requirements of L. 4001/2011.
- Amended by RAE's decision No. 541/2019, on the commencement of its implementation which was determined for the year 2020.
- RAE, with its decision No. 567/2019, approved the updated Emergency Plan in accordance with Articles 8 and 10 of Regulation (EU) 2017/1938 of the European Parliament and of the Council of October 25th, 2017 concerning measures to safeguard security of natural gas supply and repealing Regulation (EU) 994/2010. The decision includes specific Actions to mitigate the impact of a Natural Gas supply disruption in the electricity sector, among which are the "Introduction of Additional Rules in the electricity market for connection with the availability of alternative fuel" and the "Use of Revithousa for Retaining Seasonal Stock".

3. SIGNIFICANT EVENTS

Commercial policy and Management of overdue debts

Concerning the commercial policy and the management of overdue debts, PPC proceeded in 2019 to the following:

- Customer registration efforts to e-bill are intensified and in addition, these customers are given the option of choosing an electronic "Monthly Billing". This improves the time and quality of customer service, saving human and financial resources and enhances PPC's environmental footprint. From 1.12.2018, as a disincentive it was decided that all printed bills should be charged with Euro 1, about as much as their issuing and sending costs.
- It was also decided as an incentive, the refund of Euro 1 for bimonthly customers and Euro 0.50 for monthly customers who choose to receive an electronic bill by the end of 2019.

The Parent Company's BoD at its meeting on August 30th, 2019 decided:

1. The readjustment of MV and HV tariffs taking into account the reduction in ETMEAR and VAT.
2. The reduction of the consistency discount from 10% to 5%.
3. The introduction of the clause regarding CO_2 in LV customers of zero impact according to the current data.
4. The abolition of the discount on the CO_2 readjustment clause applied to MV tariffs.
5. The discount 50% in the non-subsidized part of the competitive component of SRT (Social Residential Tariff) for people with mechanical support.

- Since 01.10.2019, PPC adopts a new Debt Settlement Regulation with a simpler and more efficient way of calculating the advance payment and the number of installments in order to limit the overdue debts.
- PPC continues the cooperation with a specialized support service company in terms of more efficient management of PPC's customer base, with emphasis on overdue debts.
- PPC continues intensively, according to the Electricity Supply Code, the electricity disconnections to inconsistent customers due to debt.
- The actions in PPC's Sales Stores for the collection of debts (telephone notifications to debtors, sending letters of formal notice and legal actions etc.) have been intensified.
- Moreover, Sales Departments, by applying the Supply Code, stop massively to represent customers who did not pay their debts for many months and did not respond to PPC's calls to settle their debts.
- PPC maintains the consistency discount to those customers who pay their bills timely. The aforementioned discount was set 15% from 01.01.2019 to 31.03.2019 and 10% from 01.04.2019 to 30.08.2019 and 5% from 01.09.2019.
- Since 01.04.2019, PPC continues the 4% discount due to the prepayment of the electricity bills.

Transformation of PPC

In November 2019, the National Energy and Climate Plan (NECP) was drafted by the Greek Parliament and it was published in OG 4893/B'/31.12.2019 on December 31st, 2019. The NECP provides for the lignite phase-out of the Country by 2028. The Management of the Company, taking into account the NECP, proceeded with the
planning of its medium-term business plan for the next five years and decided to restructure the Group, with an emphasis on green energy, accelerating the plan for shutting-down the lignite fired power plants and the related mines and promoting RES as the new dominant power production technology.

The detailed plan for the lignite phase-out includes the shutting-down of the 12 lignite fired power plants with a capacity of about 3.4 GW starting from the year 2020 until 2023. In 2022, the new Unit Ptolemaida V will be integrated into the system and will continue to operate with lignite until 2028 at the latest, and then will operate with a different fuel mix.

Similarly, the plan to cease the operation of the mines follows the plan for shutting-down the lignite fired power plants, with the gradual shutting-down of all mines in 2023 except the South Field Mine, which will cease its operation in 2028.

The lignite phase-out plan will be implemented with full respect for PPC's employees, local communities and the environment. The company will cooperate with the local authorities to find the most suitable alternative solutions for district heating and will support the Government's plan for supporting local economies. Since PPC still holds significant fixed assets in the regions, it intends to develop activities there with significant added value for both the company and local economies.

4. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

4.1. BASIS OF PREPARATION

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Approval of financial statements

The Board of Directors of the Parent Company approved the accompanying financial statements for the year ended December 31st, 2019 on April 23rd, 2020. These financial statements are subject to approval by the Parent Company's General Shareholders' Meeting.

Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention (except for fixed assets and financial assets that have been measured at fair value through other comprehensive income), assuming that PPC will continue as a going concern. The financial statements are presented in thousands of Euro and all values are rounded to the nearest thousand, unless otherwise stated.

During the fiscal year ended December 31st, 2019, the Group and the Parent Company recorded pre-tax losses, that are due solely a) to impairments of Assets as a result of the decision taken in 2019 for cutting its reliance on coal until 2028 and b) to the reduction of the Group's and Parent Company's fixed assets values, arising from the revaluation of these assets as of December 31st, 2019, in accordance with Group's and Parent Company's accounting principles.

At the same time, the Group's and the Parent Company's total current liabilities exceed the total current assets by approximately Euro 779 mil. and Euro 981 mil., respectively (2018 : Group: Euro 979 mil. and Parent Company: Euro 1,182 mil.). This difference is mainly due to the obligation to repay within the year 2020 the current portion of long-term borrowing amounting to Euro 407.7 mil., while a significant part is also the additional obligation to purchase CO_2 emission rights due to the rapid increase in the international prices in 2019. It is noted that the Group and the Parent Company as at December 31st, 2019 are in full compliance with the terms of all their loan agreements.

In order for the Group and the Parent Company to be able to meet their liabilities as long as they become overdue, they have taken the following actions:

1) Securing long term borrowings and a releasing (guarantees because of borrowing) pledged deposits totaling to Euro 183.7 mil. in 2020.

2) Increase on electricity bills prices, decrease of the discount for the timely payment of electricity bills, decrease of the discounts for payments in advance and use of "Clause for CO_2" in Low Voltage invoices (Decision of the Board of Directors 90/30.09.2019). Additionally, with the respective decision, the Chairman and CEO of the Company was authorized to resolve any issue that may arise from the implementation of the decision and for the determination of the commercial and tariff policy assisted by the competent business units.

3) Collection from the Greek State, in February 2020, of an amount of Euro 587 mil., as a prepayment for electricity consumption of its entities for the year 2020. This prepayment by the Greek State is expected to be repeated in the first quarter of 2021 based on a five-year agreement signed with the Greek State on June 14th, 2018.

4) Collection, in January 2020, of PSOs for the period 2007-2011 amounting to Euro 45 mil.

The above actions have already result in the Fourth Quarter of 2019 and will continue to result in a significant improvement in the cash flows and operational profitability of both the Group and the Parent company.

However, it should be noted that, despite the above, current liabilities are expected to continue to exceed current receivables in the future.

Within the First quarter of 2020, the spread of COVID-19 proves to be a major global and European challenge. The Group and the Parent Company, already from the initial appearance of the new coronavirus, implement a series of actions aiming to informing employees, raising their awareness on the prevention and protection measures, providing them with the appropriate Personal Protective Equipment (PPE), protecting both them and their families and at the same time ensuring the continuity of its operation.

The Group's and the Parent Company's Management monitors daily the developments regarding the rapid spread of COVID-19 and study on an ongoing basis any negative or positive impacts that may arise in their financial position, operating results, cash flows and the implementation of their business and investment plans, and proceeds with estimates and quantification of the relevant figures where possible.

From the assessment carried out up to date, it does not seem to arise any significant negative impact for the Group and the Parent Company from the measures taken for reduction of the spread of COVID-19. On the contrary, it is expected an increase in the profitability of the Group and the Parent Company due to the significant decrease of energy costs that covers the decrease of electricity sales, and simultaneously the negative impact from the increase of overdue receivables. All the above, apply also after the adoption of the worst case scenario in respect of the basic assumptions made, while in any case the Company will be in compliance with the covenants included in the loan agreements for the period ended June 30, 2021 (note 43).

Taking into consideration the cash flows of the approved Budget 2020, the estimated cash flows until June 30th, 2021 and all the available information for the foreseeable future including the data up to date on the impact of the COVID-19 pandemic, Management concludes that the Group and the Parent Company have ensured that they will continue to operate as a going concern and thus prepared their financial statements on the basis of the going concern principle as Management does not intend to liquidate the Group or the Parent Company or to cease their transactions and under no circumstances is forced to do so.

Consequently, Management concluded that the basis of the going concern is the correct one, after having taken into consideration a wide range of factors.

Basis of consolidation
The consolidated financial statements include the financial statements of the Parent Company and its subsidiaries, drawn up to December 31st each year. Subsidiaries (companies in which the Group directly or indirectly or through other subsidiaries has an interest of more than one half of the voting rights or otherwise has power to exercise control over their operations) have been consolidated. Subsidiaries are consolidated from the date on which effective control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Losses within a subsidiary are apportioned to the non-controlling interest even if that results in a deficit balance. A change in the ownership interest of a subsidiary (without any change in control) is accounted for as an equity transaction. All inter-company balances and transactions have been fully eliminated as well as unrealized intra – group gains and losses. Where necessary, the accounting policies of subsidiaries have been revised to ensure consistency with the accounting policies adopted by the Group. It is noted that certain of the abovementioned requirements have not a retrospective effect, and due to this reason the following differences are carried forward in certain instances from the previous basis of consolidation:

- Losses incurred by the Group were not attributed to the non-controlling interest until the balance was reduced to nil. Any further excess losses were attributed to the Parent Company, unless the non-controlling interest had a biding obligation to cover these.

In case that the Group loses control of a subsidiary then the following are :
Derecognized :
- The assets (including the surplus value) and liabilities of the subsidiary
- The book value of the non-controlling interest
- The accumulated exchange differences, which have been recorded in Equity

Recognized:
- The fair value of the price obtained
- The fair value of the remaining participation
- Any surplus or deficit in the Statement of Income
- The Parent Company's share in the elements previously recognized in the comprehensive income statement, in the income statement or the retained earnings where that is judged necessary.

4.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

A) New standards, amendments to standards and interpretations adopted

The accounting policies on the basis of which the annual separate and consolidated financial statements were prepared for the year ended December 31st, 2019 were consistent with those used in the preparation of the annual separate and consolidated financial statements for the year ended December 31st, 2018 with the exception of the following amendments and standards, which were adopted by the Group and the Parent Company on January 1st, 2019. The Group and the Parent Company adopted for the first time IFRS 16 Leases. The nature and effect of these changes are analyzed below. Various other amendments and interpretations were adopted for the first time in 2019 but did not have a material impact on the consolidated financial statements for the year ended December 31st, 2019.

- **IFRS 16 : Leases**

IFRS 16 replaces the existing accounting treatment of leases under IAS 17 Leases, IFRIC 4 Determining whether an arrangement contains a lease, SIC 15 Operating Leases - Incentives and SIC 27 Evaluating the Substance of Transactions in the Legal Form of a Lease.

IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to the contract, namely the customer ("lessee"), and the supplier ("lessor"). The new standard requires lessees to recognize most leases in their financial statements. Lessees will have a single accounting framework for all leases, with some exceptions. Lessors will continue to classify leases either as operating or as finance leases using similar principles as in IAS 17. Therefore, IFRS 16 has no impact on leases where the Company is the lessor.

The standard mainly affects the accounting treatment of the Group's and the Parent Company's operating leases.

4. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

The Group and the Parent Company initially adopted IFRS 16 on January 1st, 2019 using the modified retrospective approach, whereby the retrospective effect of applying the standard was recognized at that date. The comparative figures have not been restated.
The Group and the Parent Company applied the practical expedient provided for the definition of a lease. This means that they applied IFRS 16 to all contracts entered into before January 1st, 2019 that were identified as leases

in accordance with IAS 17 and IFRIC 4. Furthermore, the Group and the Parent Company use the exemptions of the standard for lease contracts that have a lease term of 12 months or less and lease contracts of low value.

On the Standard's initial application date, there was an impact on the Group's and the Parent Company's total assets and liabilities, due to the capitalization of operating leases as assets and the recognition of their respective liabilities.

Analysis of the impact on the Group's and the Parent Company's financial statements from the adoption of IFRS 16 is set out in note 42.

a) Nature of the effect of adoption of IFRS 16

The Group and the Parent Company have lease contracts for property, equipment, chartering of vessels for the transport of fuels in the Non-Interconnected islands for the production of electricity and transportation assets. Before the adoption of IFRS 16, the Group and the Parent Company (as lessees) classified their leases either as a finance lease (where the Group and the Parent Company maintained substantially all of the risks and rewards of ownership), or as an operating lease. Finance leases were capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments were apportioned between lease liabilities and finance costs. The part of the finance cost of the lease corresponding to interest was recognized in the income statement during the lease, while the corresponding lease liabilities were reflected in "Borrowings". Leases where a significant portion of the risks and rewards of ownership were retained by the lessor were classified as operating leases and were not capitalized, while payments for operating leases were recognized in the income statement proportionately during the lease. Any prepaid rents were included in "Other receivables", while accrued leases were included in "Accrued and other liabilities".

Upon adoption of IFRS 16, the Group and the Parent Company applied a single recognition and measurement approach for all leases, except for leases of low-value and leases where the lease term is lower or equal to 12 months. The standard provides specific transition requirements and practical expedients, which have been applied by the Group and the Parent Company.

- Leases previously classified as finance leases

The Group and the Parent Company had no finance leases on January 1st, 2019

- Leases previously accounted for as operating leases

The Group and the Parent Company recognized right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for leases of low-value assets and leases where the lease term is lower or equal to 12 months. The right-of-use assets were recognized as equal to the lease liability, adjusted by the amount of any prepaid lease payments relating to that lease recognized in the statement of financial position immediately before the date of initial application. Lease liabilities were recognized at the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.
The Group and the Parent Company also applied the available practical expedients whereby they:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics (such as leases with a corresponding lease term, for similar fixed assets and in a corresponding economic environment).
- Assessed on whether leases contracts were onerous, immediately before the date of initial application.
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.
- Chose not to separate lease from non-lease components but to consider them as a single component, per asset category. This choice was made in the category of other equipment.

Upon adoption of IFRS 16, the Group's and the Parent Company's new accounting policies, which have been applied from the date of initial adoption are set out below:

b) Summary of new accounting policies

- Right-of-use assets

The Group and the Parent Company recognize right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized (see below), initial direct costs incurred, and lease payments made at or before the commencement date less any lease discounts or incentives received. Unless the Group and the Parent Company are reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of their estimated useful life and the lease term. Right-of-use assets are subject to impairment.

- Lease liabilities

At the commencement date of the lease, the Group and the Parent Company recognize lease liabilities measured at the present value of lease payments to be paid over the lease term. Lease payments include fixed payments, less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. Lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and the Parent Company and amounts of penalties for terminating a lease, if the lease contract reasonably reflects that the Group and the Parent Company will exercise the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group and the Parent Company use the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease contract is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification in the lease contract or a change in the lease term, a change in fixed lease payments or a change in the assessment to purchase the underlying asset. The result of this re-measurement is disclosed in a line of the right-of-use assets note as modifications.

- Short-term leases and leases of low-value assets

The Group and the Parent Company apply the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). They also apply the lease of low-value assets recognition exemption to leases that are considered of low value (i.e., below Euro 5,000). Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

- Significant judgment in determining the lease term of contracts with renewal options

The Group and the Parent Company determine the lease term as the non-cancellable term of the lease, together with any periods covered by a) an option to extend the lease if it is reasonably certain to be exercised, or b) an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group and the Parent Company have the option, under some of their leases to lease the assets for additional terms. The Group and the Parent Company apply judgment in evaluating whether it is reasonably certain to exercise the option to renew, taking into consideration all relevant factors that create an economic incentive for them to exercise the renewal. After the commencement date, the Group and the Parent Company reassess the lease term if there is a significant event or change in circumstances that is within their control and affects their ability to exercise (or not to exercise) the option to renew (for example a change in the Group's and the Parent Company's business strategy).

- **IFRS 9: Prepayment with Negative Compensation (Amendment)**

The amendment clarifies that financial assets allowing or requiring a party to either pay or receive fair compensation for the early termination of the contract (so that, from the perspective of the holder of the asset there may be a negative compensation) may be measured at amortized cost or at fair value through the statement of other comprehensive income. The amendment does not have a material effect on the financial statements of the Group and the Parent Company.

- **IAS 28: Investments in Associates and Joint Ventures (Amendments)**

The amendments relate to whether the measurement (and especially the impairment) of long-term investments in associates and joint ventures, which are in essence part of the net investment in the associate or joint venture, is governed by IFRS 9, IAS 28, or a combination of the two standards. The amendments clarify that an entity applies IFRS 9 before applying IAS 28 to those long-term investments for which the equity method does not apply. When applying IFRS 9, an entity does not take into account any adjustments in the carrying amount of long-term investments that arise from the application of IAS 28. These amendments have no material effect on the Group's and the Parent Company's financial statements.

- **IFRIC 23: Uncertainty over Income Tax Treatments**

The interpretation provides guidance for addressing the uncertainty involved in tax treatments when accounting for income taxes. The interpretation provides additional clarification regarding the examination of uncertain tax assumptions individually or collectively, the examination of tax assumptions by the tax authorities, the appropriate method to reflect the uncertainty of the acceptance of the assumption by the tax authorities, as well as the examination of the consequences of changes in facts and circumstances. This interpretation does not have a material effect on the financial statements of the Group and the Parent Company.

- **IAS 19: Changes, Cuts or Settlement of a Defined Benefit Plan (Amendments)**

The amendments require entities to use updated actuarial assumptions to determine current service cost and net interest for the remainder of the annual reporting period after a change, cut or settlement of the defined benefit plan is made. The amendments also clarify how the application of asset ceiling requirements is affected by the accounting treatment of a change, cut or settlement of the defined benefit plan. These amendments do not have a material effect on the financial statements of the Group and the Parent Company.

- **The IASB has issued the Annual Improvements to IFRSs 2015 – 2017 Cycle**, which is a collection of amendments to IFRSs. The following amendments are not expected to have material impact on the Company's (and / or the Group's) financial statements unless otherwise stated.
    - **IFRS 3 Business Combinations and IFRS 11 Joint Arrangements:** The amendments to IFRS 3 clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to IFRS 11 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business.
    - **IAS 12 Income Taxes:** The amendments clarify that the income tax consequences of payments on financial instruments classified as equity should be recognized according to where the past transactions or events that generated distributable profits have been recognized.
    - **IAS 23 Borrowing Costs:** The amendments clarify paragraph 14 of the standard that, when a qualifying asset is ready for its intended use or sale, and some of the specific borrowing related to that qualifying asset remains outstanding at that point, that borrowing is to be included in the funds that an entity borrows generally.

B) Standards and Interpretations which are mandatory for subsequent periods and have not been applied earlier by the Company and the Group

The following new standards, amendments to standards and interpretations have been issued but are mandatory for subsequent periods. The Company and the Group have not yet applied the following standards.

- **IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures (Amendments): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**

The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. In December 2015 the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. The amendments have not yet been endorsed by the EU. The Group is in the process of assessing the effect of applying the amendments to its financial statements.

- **Conceptual Framework for Financial Reporting**

The IASB issued the revised Conceptual Framework for Financial Reporting on March 29th, 2018. The Conceptual Framework sets out a comprehensive set of concepts for financial reporting, standard setting, guidance for preparers in developing consistent accounting policies and assistance to others in their efforts to understand and interpret the standards. IASB also issued a separate accompanying document, Amendments to References to the Conceptual

Framework in IFRS Standards, which sets out the amendments to affected standards in order to update references to the revised Conceptual Framework.

Its objective is to support transition to the revised Conceptual Framework for companies that develop accounting policies using the Conceptual Framework when no IFRS Standard applies to a particular transaction. For preparers who develop accounting policies based on the Conceptual Framework, it is effective for annual periods beginning on or after January 1st, 2020.

- **IFRS 3: Business Combinations (Amendments)**

The IASB issued amendments regarding the definition of a business (amendments to IFRS 3) in order to resolve the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments apply to business combinations for which the acquisition date is determined in the first annual accounting period commencing on or after January 1st, 2020 and for the acquisition of assets that occur at or after the beginning of that period, while earlier application is permitted. The amendments have not yet been adopted by the European Union. The Group is in the process of assessing the effect of applying the amendments to its financial statements.

- **IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Materiality (Amendments)**

The amendments are effective for annual accounting periods beginning on or after January 1st, 2020, while earlier adoption is permitted. The amendments clarify the definition of materiality and the way it should be applied. The new definition states that «Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity". In addition, the interpretations accompanying the definition of materiality have been improved. The amendments ensure that the definition of materiality is consistent across all IFRS standards. The Group is in the process of assessing the effect of applying the amendments to its financial statements.

- **Interest Rate Benchmark Reform - IFRS 9, IAS 39 and IFRS 7 (Amendments)**

The amendments are effective for annual periods beginning on or after January 1st, 2020 and must be applied retrospectively. Earlier application is permitted. In September 2019, the IASB issued amendments to IFRS 9, IAS 39 and IFRS 7, which concludes the first phase of its works to respond to the effects of Interbank Offered Rates (IBOR) reform on financial reporting. The second phase focus on issues that could affect financial reporting when an existing interest rate benchmark is replaced with a risk-free interest rate (an RFR). The amendments published, deal with issues arising in financial reporting in the period before the replacement of an existing interest rate benchmark with an alternative interest rate and address the implications for specific hedge accounting requirements in IFRS 9 "Financial Instruments" and IAS 39 "Financial Instruments: Recognition and Measurement". The amendments provided temporary reliefs, applicable to all existing hedging relationships that are directly affected by the interest rate benchmark reform, which enable hedge accounting to continue during the period of uncertainty before the replacement of an existing interest rate benchmark with an alternative nearly risk-free interest rate. There are also amendments to IFRS 7 "Financial Instruments: Disclosures" regarding additional disclosures around uncertainty arising from the interest rate benchmark reform. The Group is in the process of assessing the impact of these amendments in its financial statements.

- **IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current (Amendments)**

The amendments are effective for annual periods beginning on or after January 1st, 2022 while earlier application is permitted. The amendments aim to achieve consistency in the application of the standard's requirements, helping companies to determine whether the loans and other liabilities with uncertain settlement date are classified as Current or Non-Current liabilities, in the Statement of Financial Position. The amendments affect the presentation of liabilities in the Statement of Financial Position, while they do not amend the existing requirements regarding the measurement or the time of recognition of an asset, liability, income or expense or their disclosures. The amendments also clarify the classification requirements for the borrowing, which can be settled by a company by issuing equity instruments. The amendments have not yet been endorsed by the European Union. The Group is in the process of assessing the impact of these amendments in its financial statements.

4.3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

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 period. Actual results may ultimately differ from those estimates. The principle judgments and estimates referring to events, the development of which could significantly affect the items of the financial statements during the forthcoming twelve month period are as follows:

Post-retirement benefits

a) The Group's employees and pensioners are entitled to the supply of electricity (which the Parent Company provides) at reduced tariffs. Such reduced tariffs to pensioners are considered to be retirement obligations and are calculated at the discounted value of the future retirement benefits deemed to have accrued at year-end based on the employees earning retirement benefit rights steadily throughout the working period. The relevant retirement obligations are calculated on the basis of financial and actuarial assumptions.

b) According to the provision of Article 25 of L. 4491/66 "Regarding the Insurance of PPC's Staff" an one-off allowance is paid to the beneficiaries of pension (who are insured employees leaving PPC) in proportion to the years of actual service to PPC. This one-off allowance, according to the special provision of par. 3 of the same article, is offset against any compensation paid due to termination of the employment contract, or because the insured employees reached the age limit or due to another reason for leaving, according to the provisions of the law.

The provisions of PPC's Staff Regulations (SR/ PPC) which was ratified by Article 2 of legislative decree 210/1974 and has the force of law, and specifically in Articles 34, 35, 36 and 37, it is defined that the Company's permanent staff, who for whatever reason its contract is terminated (automatically or through termination of an employment contract), no compensation is payable if entitled to an one-off allowance from the relevant insurance organization. If the one-off allowance is less than the compensation, then only the difference between the compensation and the one-off allowance is paid.

In any case, and when an employer is, in accordance with Article 2 § 1 of L. 173/1967, "public or government owned entities or Businesses and Utilities (PPC, OTE etc.)" the owed compensation due to dismissal of L. 2112/1920 that would be paid, if not the above, in any way of employees leaving from the company and because of this, shall be subject to the limitations imposed by the abovementioned provisions in respect of its upper limit, which according to article 33 of L. 1876/1990, as amended by the provisions of article 21 § 13 of L. 3144/2003, is currently set at Euro 15 (fifteen thousand Euro).

With L. 4533/2018 (OG A ' 7527/4/2018), the provision of Article 25 (par.3) of L. 4491/1966 (OG A ' 1) as well as any other general or specific provision of the law or the Labor Regulation which provides for the offsetting of employees' severance payment with the one-off allowance to which employees are entitled by the relevant insurance organization, were abolished.
Based on the above, PPC S.A. and its subsidiaries, will hereafter pay a severance payment, which should not exceed Euro 15 (fifteen thousand Euro) to the insured employees who leave due to termination of the employment contract, or because they reached the age limit, or due to other reason that the law provides.
The above is a defined benefit plan in accordance with the provisions of IAS 19. The present value of the liability assumed by PPC S.A. and its subsidiaries, calculated at the end of each year using actuarial methods, is a past service cost for service provided in previous periods.

Details of the underlying assumptions and estimates of the above mentioned post - retirement benefits are included in Note 31.

Fair value and useful lives of property, plant and equipment
The Group carries its property, plant and equipment (except for mining land and lakes) at revalued amounts (estimated fair values) as determined by an independent firm of appraisers. Revaluation is performed periodically (every three to five years). The determination of the fair values of property, plant and equipment requires from management to make estimates, assumptions and judgements with respect to the ownership, the value in use and the existence of any economic, functional and physical obsolescence of property, plant and equipment.

On December 31st, 2019, the Group assigned the revaluation of property, plant and equipment to an independent appraiser. Key estimates, assumptions and judgments made to determine the fair value are included in Note 15. Furthermore, the management makes estimates regarding the total and the remaining useful lives of fixed assets which are subject to periodic review. Useful lives as estimated are included in Note 4.4.

Impairment of property, plant and equipment
The Group assesses at each reporting date whether there is an indication that a long – term asset may be impaired. The determination of whether such indications exists, requires from Management to make estimates, assumptions and judgments with respect to external and internal factors that may affect the recoverability of assets, as well as assumptions on the determination of the cash flow generating units (Note 15).

The Group and the Parent Company as lessee
The Management, in order to measure the right-of-use assets, determines the lease term as the non-cancellable term of the lease, together with any periods covered by a) an option to extend the lease if it is reasonably certain to be exercised, or b) an option to terminate the lease, if it is reasonably certain not to be exercised.
In determining the lease term, Management assesses all the facts and circumstances that create economic incentive for them to exercise the option of renewal or not exercise the option of termination.
After the commencement date of the lease, Management reassesses the lease term if there is a significant event or change in circumstances that is within their control and affects their ability to exercise (or not to exercise) the option to renew (for example a change in the Group's and the Parent Company's business strategy).
In addition, the Management in order to calculate the financial lease liability determined the incremental borrowing rate (IBR) at the lease commencement date as the interest rate implicit in the lease contract is not readily determinable. The IBR is the rate of interest that the Group and the Parent Company would have to pay, to borrow over a similar term and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset.

Decommissioning and removal costs of property, plant and equipment and mines' land restoration costs
Based on the provisions of IAS 16 "Property, plant and equipment" the cost of an item of property, plant and equipment includes, among others, the initial estimate of the costs required for the dismantling and removal of such an item. These costs are quantified and recognized in the financial statements in accordance with the provisions of IAS 37 "Provisions, contingent liabilities and contingent assets", while any subsequent change in the measurement of this provision is treated in accordance with the provisions of IFRIC 1.

The respective provision includes the land remediation cost, the cost of dismantling the existing equipment/machinery, the cost of demolition of buildings and collection of any waste from power plants and mines. At the time of their dismantling and removal, the actual cost and the commencement and expiration date of the relevant works may differ from Management's estimate.

In addition, the Group and the Parent Company, in order to calculate the provision of decommissioning, determined the discount rate that reflects the current market estimates for the time value of money and the risks associated with the liability.

Regarding the remediation of the environment of the hydro power plants, the Group and the Parent Company estimate that the relevant cost in present values is not significant on December 31st, 2019 and therefore they have not established any provision. In the future the actual commencement date of the relevant works and the remediation cost may differ from Management's estimate.

Details of the underlying assumptions and estimates for the decommissioning provision are included in principal accounting policies and in Note 32.

Provisions for risks
The Group is establishing provisions concerning claims by third parties against companies of the Group and which might lead to an outflow of resources for their settlement. The provision is established based on amounts claimed and the possible outcome of the legal dispute.

Provisions for trade receivables
The Group and Parent Company apply the simplified approach set out in the Standard IFRS 9 for the calculation of Expected Credit Losses, according to which the respective provision is always measured in amount equal to the expected credit losses over the life of customer receivables. The provision for doubtful receivables is formed for high voltage customers on a personalized basis in the assessment of the expected credit loss per customer. While for the estimation of the expected credit losses from medium and low voltage customers, credit loss provision tables are applied with an ageing analysis of the trade receivables balances, based on the historical data of the Group and the Parent Company for credit losses and adjusted for future factors with respect to debtors and the economic environment. Additional details are included in Notes 4.2 and 21.

Provisions for income taxes and recognition of deferred tax receivables
Current provisions for income tax liabilities for current and prior years are calculated at the amounts expected to be paid to the tax authorities, using the prevailing tax rates at the balance sheet date. Provision for income tax includes current taxes reported in the respective income tax returns and potential additional taxes that may be imposed by the tax authorities upon settlement of the unaudited tax years on the basis of the findings of prior tax audits. Therefore, final settlement of the income taxes might differ from the income taxes that have been accounted for in the financial statements. From the fiscal year 2011 onwards, the Parent Company and several of its subsidiaries are audited for tax purposes by the Certified Auditors Accountants in accordance with the provisions of Income

Tax Legislation. The audit for the fiscal year 2019 is ongoing and the relative tax conformity report will be issued after the publication of the financial statements for the year 2019. If, at the completion of the tax audit, additional tax liabilities arise, the Management estimates that these will have no material effect on the financial statements. Deferred tax receivables are recognized on carried forward tax losses to the extent that it is probable that future taxable profits will occur to offset carried forward tax losses. Deferred tax receivables that are recognized, require Management to make assessments as to the time and level of realization of future taxable profits.

Provision for unbilled revenue

Management considers that its customers consume the benefit of electricity over the period of the sale, while the Parent Company continues to fulfil its contractual liabilities. For this reason, revenue is recognized based on actual quantities of electricity consumed and based on an estimation of electricity consumed (unbilled revenue).
Especially for low voltage customers at each balance sheet date, unbilled revenue is recorded to account for electricity delivered and consumed by these customers but not yet billed. Unbilled revenue is estimated using certain assumptions with respect to quantities of electricity consumed, network losses and average electricity sale prices. The actual amounts that will be finally billed may differ from those provided for. (Note 6)

Recognition of revenue from customers' contributions

The Group estimates that customers' contributions refer to the initial and continuous connection to the distribution network which is a distinct service, separate from electricity sale. The service which is promised to be delivered is the only one to be executed by HEDNO and this transaction is considered a separate contractual obligation. Therefore, revenue from customers' contributions is recognized as the service transferred to the customer. As the contract with the customer is not of a specific time duration, the revenue is recognized based on the useful life of the distribution network fixed assets (35 years).

4.4 PRINCIPAL ACCOUNTING POLICIES

Foreign currency translation

The functional and reporting currency of all the Group entities is the Euro. Transactions involving other currencies are converted into Euro using the exchange rates, which were in effect at the time of the transactions. At the balance sheet date, assets and liabilities that are denominated in foreign currencies are adjusted to reflect the current exchange rates at the balance sheet date. Gains or losses resulting from foreign currency adjustments are reflected in foreign currency gains (losses), in the accompanying statements of income. Non-monetary items in foreign currency which are valuated at acquisition cost are converted using the exchange rate of the date of acquisition. The non-monetary items which are measured at fair value in foreign currency are converted using the exchange rate of the fair value's calculation date. The profit or loss from the conversion of non-monetary items is treated in the same way as the profit or loss from the conversion of fair value of these items.

Intangible assets

Intangible assets include software and CO_2 emission rights allowances.

Software

Software programs are measured at their acquisition cost minus accumulated depreciation and impairments. In case of withdrawal or sale, the cost of acquisition and depreciation are written off. Any profit or loss resulting from the write-off is included in the Statement of Income. Software is depreciated using the straight line amortization method over a five-year period.

CO_2 Emissions Rights

Parent Company acquires CO_2 emission rights in order to meet its obligation arising from the actual CO_2 emissions of its production units. This liability is measured at fair value to the extent that Parent Company has the obligation to cover its emissions through purchases (after offset of any free CO_2 emission rights held). Emission rights purchased and held are recognized as intangible assets, at their acquisition cost less any accumulated impairment loss.

Tangible Assets

Tangible assets are initially recognised at their acquisition cost which includes all direct attributable expenses for their acquisition or construction. Subsequent to their initial recognition, tangible assets (with the exception of mines and lakes which are valued at their acquisition cost minus accumulated depreciation and impairment) are valued at fair value minus accumulated depreciation and impairment. Fair value estimates are performed periodically by independent appraisers (every three to five years) in order to ensure that fair value does not differ significantly from net value of the asset. At the date of revaluation, accumulated depreciation is offset against pre depreciation accounting values and net amounts are restated according to revalued amounts. Any increase in value is credited to the revaluation surplus in equity net of deferred taxes. However, an increase due to revaluation will be recognized in the Statement of Income, to the extent that it reverses a previous devaluation of the same asset, which had previously been recognized in the Income Statement.
Any decreases, first offset remaining revaluations surplus and then the remaining amounts burden the Statement of Income. Upon disposal of a revalued tangible asset, the relevant portion of the revaluation surplus is transferred from the revaluation surplus to the retained earnings.
Repairs and maintenance are recorded in expenses in the fiscal year in which they are incurred. Subsequent expenditure is capitalized if the criteria for recognizing them as tangible asset are met. For all assets withdrawn or sold, their acquisition cost and depreciation are written – off when sold or withdrawn. Any gain or loss resulting from the write – off is included in the Statement of Income.

The use of the own resources for the construction in progress tangible assets constitutes an addition to their acquisition cost at values which include the direct payroll costs of the staff participated in the construction (corresponding employers' contributions), the cost of materials used and other general costs.

Borrowing cost

Since January 1st, 2009, borrowing costs that are directly related to the acquisition, construction or production of a qualifying asset that needs a substantial period of time to become available for its intended use or sale, are capitalised as part of the acquisition cost of that asset. This accounting policy is implemented on fixed assets recognized from January 1st, 2009 onwards (new constructions). All other borrowing costs are recognized as expenses in the period in which they are incurred.

Depreciation

Depreciation of fixed assets is calculated using the straight-line method over the estimated residual useful life of the asset. The total useful life (in years) used for calculating depreciation is as follows:

Buildings and Technical Works	
Buildings of general use	50
Industrial buildings	40-50
Dams	50
Machinery and Equipment	
Thermal power plants	35-40
Gas Turbines	35
Mines	20-40
Hydro power plants	50
Autonomous diesel power plants	25
Distribution	
Substations	35
Low and medium voltage distribution network	35
High voltage distribution network	35
Electronic meters	20
Transportation assets	**15**
Furniture, fixtures and equipment	**5-25**

Mining activities

1. The Group and the Parent Company own and operate lignite mines. Land acquisition (mainly through expropriation) and initial (pre-operational) development costs relating to mines are capitalized and amortized (upon commencement of the mines' commercial operation) to the shortest period between mine life and a twenty (20) year period. Exploration, evaluation and ongoing development costs are added to the lignite production cost of the fiscal year they incurred.
2. After the completion of the mines' restoration, the restored mining land is transferred from the category "Mines" to the category "Land", if the restored land has been expropriated in the name of the Company and not in favor of the Greek State.

Provision of decommissioning of power plants and dismantling of infrastructure/ equipment of power plants and mines

The provision of decommissioning of power plants is calculated taking into account the specificities of each unit (type of fuel, generating capacity, co-installation of units) discounting the present value of the land remediation cost, the cost of dismantling the existing equipment/machinery, the cost of demolition of infrastructure and collection of any waste by using a discount rate. The cost includes the direct cost of monitoring/managing the project of the withdrawal of units. The provision is reduced by actual costs (utilization of provision) and increases with the finance cost. In case the actual costs exceed the estimated ones, the difference is recorded directly in the income statement. Moreover, the respective provision does not take into account any income from the sale of machinery, spare parts and materials of the decommissioned units or from the utilization of the land, as the relevant revenue will be recognized at the time it is considered certain.

For all units, the present value of their restoration costs, for the demolition of their infrastructure and the removal of their equipment is first capitalized on the value of assets they concern proportionately following their remaining useful life, while any remaining amount is then offset by any revaluation surplus existed with direct record in other comprehensive income and if any further amount remains it is then recognized in the Statement of Income.

Any changes in the provision of decommissioning of power plants due to a change in Management's estimate (change of the restoration time, change of the future use of the fixed asset or related cost) affect the assets' revaluation surplus or deficit which was previously recognized, so that:

- a decrease in the liability shall be recognized in other comprehensive income and increase the revaluation surplus included in equity, with the difference that it will be recognized in the Statement of Income, to the extent that it reverses a previous revaluation deficit of the assets, which had previously been recognized in the Income Statement. In the event that a decrease in liability exceeds the book value that would have been recognized if the assets were recorded in accordance with the cost method, the excess amount will be recognized immediately in the income statement.
- an increase in the liability shall be recognized in the Statement of Income, with the difference that it will be recognized directly in other comprehensive income and it will reduce the revaluation surplus included in equity as long as there is a credit balance for the assets in the revaluation surplus.

The amortized amount of assets is depreciated throughout their useful life. Therefore, when the relevant assets reach the end of their useful life, any subsequent change in liability is recognized in the income statement when is incurred.

On December 31st, 2018, the Group and the Parent Company had not established a provision for the decommissioning of their units due to the gradual removal of waste / decontamination of the installation sites of its units and the non-existence of a legal and constructive commitment for the demolition of the units that were withdrawn and those that are going to withdraw.

Due to the restructuring of PPC Group and the commitment undertaken by the Group and the Parent Company in 2019 to demolish infrastructure, remove equipment and fully restore then land when the industrial sites will cease from operation, the respective cost was first estimated on December 31st, 2019 (Note 32).

Simultaneously, the Group and the Company recognized a provision for the removal of infrastructure /dismantling of equipment of its mines (Note 32) that includes the cost of the removal of infrastructure and the cost of dismantling of equipment with use of a discount rate, while it does not take into account any income from the sale of machinery, spare parts and materials. The provision is reduced by the actual costs incurred (utilization of the provision) and is increased with the finance cost. Any change in the provision of the removal of infrastructure /dismantling of equipment of mines follow the same accounting policies for the provision of decommissioning of power plants as the assets that they concern are measured based on the revaluation model.

Provision of mines' land restoration

The Group and the Parent Company own and operate lignite mines. Provision for the remediation of the environment was established to meet the Group's liabilities for the remediation of the affected land, and was calculated on the basis of the affected area and the average cost of restoration per metric unit.

On December 31st, 2019, in the context of the immediate lignite phase-out, Management reassessed the cost of lignite mines' land restoration. In the provision of the mines' land restoration, except for the cost of land reclamation and remediation and the cost of reclamation of reclining surfaces and preparation for water refilling through rain and underground water, the cost of the on-going environmental monitoring and maintenance cost of the restored land are also included.

As the mines' lands are measured based on the cost method, any changes in the provision of the mines' land restoration are added or deducted from the cost of the relevant asset in the current period. The amount deducted from the cost of the asset cannot exceed its book value.

- In the event that a decrease in liability exceeds the book value of the asset, the excess amount is recognized immediately in the income statement.
- In the event of an increase in the cost of an asset, the Company considers whether this is an indication that the asset's new book value may not be fully recoverable.

The additional provision for 2019 (Note 32) was capitalized on the value of mine's land proportionately following its remaining useful life, while simultaneously Management carried out an impairment test and partially impaired the respective asset recognized since its carrying amount exceeded its recoverable value (Note 15).

Leases – IFRS 16 (effective from 1 January 2019)

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Group recognize right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Buildings: 2 to 10 years
- Other equipment: 1 to 2 years
- Transportation means: 1 to 2 years
- Vessels: 18 to 24 months

The right-of-use assets are also subject to impairment.

ii) Lease liabilities

At the commencement date of the lease, the Group and the Parent Company recognize lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group and the Parent Company use its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. Those re-measurements are included in a separate line in the note Right of Use Assets "modifications/ re-measurements".

iii) Short-term leases and leases of low-value asset

The Group and the Parent Company apply the short-term lease recognition exemption to its short-term leases of (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). The Group and the Parent Company also apply the lease of low-value assets recognition exemption to leases that are considered to be low value (those with value less than Euro 5 thousands). Lease payments on short-term leases and leases of low value assets are recognized as expense on a straight-line basis over the lease term.

Intermediate Lessor

The Group and the parent company enter into certain lease agreements with third parties and therefore act as intermediate lessors. The Group and the Parent Company, as intermediate lessors, classify the sublease as financial lease or operating lease as follows:

(a) if the head lease is a short-term lease that the Group or the Parent Company, as a lessee, has accounted for applying paragraph 6 of the standard, the sublease shall be classified as an operating lease.

(b) Otherwise, the sublease shall be classified by reference to the right-of- use asset arising from the head lease, rather than by reference to the underlying asset.

The Group and the Parent Company have evaluated all sublease contracts based on the above criteria and classified them as operational or financial. As at 31 December 2019, all leases where the Group and the Parent Company act as intermediate lessors were assessed and evaluated as operating.

Leases -IAS 17 (applicable until December 31st, 2018)

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date i.e. whether fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right or use the asset.

Group as a lessee

Leases, which do not transfer to the Group substantially all the risks and rewards of ownership of the asset are classified as operating leases. Operating lease payments are recognized as an expense in the statement of income on a straight line basis over the lease term.

Group as a lessor

Leases where the Group does not transfer substantially all the risks and rewards of ownership of the asset are classified as operating leases. Operating lease payments are recognized as revenue in the statement of income on a straight line basis over the lease term.

Investments in subsidiaries

In the separate financial statements, investments in subsidiaries are valued at cost less any impairment losses. The spin off and contribution of an activity from the Parent Company to a wholly owned subsidiary in exchange for shares, is accounted for as a transaction between companies under common control. In cases of such transactions the shares received are recognised as an addition to the cost of investment in the subsidiary with a value equivalent to the carrying value of the net assets contributed at the transaction date.

Investments in associates

These are entities in which the Group has significant influence and which are neither a subsidiary nor a joint venture of the Group. The Group's investments in associates are accounted for under the equity method. Investments in associates are carried on the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associate, less possible provisions for any impairment in value. In case that the Group's share in an associate's losses is equal, or exceeds its participation in the associate, the Group does not recognise the losses exceeding its participation.

The Statement of Income reflects separately the Group's share on the results of its associates, while amounts that are recorded by the associates directly to their equity are recognized directly to the Group's equity. Non – realised profit or loss resulting from the transactions of the Group with the said associates is eliminated to the extent of the interest in the associates. In the separate financial statements such investments are accounted for at cost less any accumulated impairment losses.

Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less cost to sell and its value in use and is determined for an individual asset unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. The fair value of sale (after the deduction of sales costs) is determined, in each case, according to the implementation of a revaluation model. Impairment losses of continuing operations are recognized to the Statement of Income, except if the particular asset is valued in fair values and then the impairment loss is recognised as a decrease of the already recognised surplus value. An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognized.

That increased amount resulting from the reversal of the impairment loss, cannot exceed the carrying amount that would have been determined (net of depreciation), if no impairment loss had been recognized for the asset in prior years. Such reversal is recognized in profit and loss unless the asset is carried at fair value amounts in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, to be divided equally to future time spans on a systematic basis over its remaining useful life.

Fair value measurement

The Group measures financial instruments such as derivatives, and fair value through other comprehensive income at each reporting date and non-financial assets such as property, periodically (every 3-5 years) at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Group determines policies and procedures applied for both recurring measurements and assets held for distribution or for sale.

Assets of substantial value, as tangible assets as well as substantial value liabilities are evaluated by the Group and the Parent Company with the assistance of external appraisers. External appraisers involvement needs, are annually decided by the Group. The selection criteria include market knowledge and expertise, reputation, independence and observance of professional standards.

On each reporting date, the Group, according to its accounting policies, assesses if there is any change on the carrying values of assets and liabilities being subject to periodic reassessment and revaluation. For the above mentioned assessment, the management verifies considerable inputs applied to the last asset or liability evaluation, confirming data used for the evaluation against contracts and other relevant documents. For disclosing fair values, the Group's assets and liabilities are categorized according to their nature, characteristics, potential risks stemming from specific asset or liability categories, as well as fair value hierarchy described above.

Investments and financial assets

Financial assets that fall under and are governed by the provisions of IFRS 9 are classified on initial recognition as financial assets measured at amortized cost, financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss. The classification of financial assets at initial recognition depends on the contractual characteristics of cash flows of the financial asset and the Group's business model for the management of that financial asset.

With the exception of trade receivables and receivables from electricity customers that do not contain a significant financial component, the Group initially evaluates the financial assets at their fair value plus, in case of a financial asset that is not valued through profit or loss, transaction costs. Trade receivables that do not have a significant financial component and also receivables from electricity customers are valued at the transaction price determined in accordance with IFRS 15.

In order for a financial asset to be classified and measured at amortized cost or at fair value through other comprehensive income, the resulting cash flows should be "Solely for Payment of Principal and Interest (SPPI) "on the initial capital.

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

Usual sales and purchases of financial assets are recognized on the transaction date (on which Group is committed to purchase the financial asset). Usual purchases or sales involve purchases or sales of financial assets that require physical receipt of items within the period and are also governed by a law or a purchase agreement.

Financial assets measured at amortized cost

Non-depreciated cost of a financial asset is defined as the amount at which the financial asset is measured at initial recognition less the capital repayments plus or minus the cumulative depreciation using the effective interest method of any difference between that initial amount and the amortized cost adjusted for any loss provision.

A financial asset is measured at amortized cost only if both of the following are met unless it is measured at fair value through profit or loss on initial recognition:

i. The financial asset is held in a business model whose objective is to hold financial assets for the collection of contractual cash flows ("HTC") and,
ii. The contractual terms of the financial asset result in specific dates in cash flows that are only capital and interest payments on the outstanding initial capital.
Consequently, the Group classifies financial assets at amortized cost when financial assets are held in the context of a business model with a view to being held to maturity mostly concentrating their contractual cash flows, and these financial data lead to cash flows consisting only of capital and interest payments. Financial assets that do not meet the above conditions are classified as financial assets at fair value through profit or loss, with the exception of investments in equity instruments that are not held for trading and for which is selected to be measured at financial assets fair value through other comprehensive income on initial recognition.
The Group, after initial recognition, measures financial assets of this category at amortized cost using effective interest rate. These financial assets are subject to impairment in accordance with IFRS 9. Profit and loss are recognized in Statement of Income when the asset is derecognized, modified or impaired.

Financial assets measured at fair value through other comprehensive income (equity instruments)
Upon initial recognition, the Group may choose to irrevocably classify its equity investments as equity instruments which are measured at fair value through other comprehensive income when they comply with the definition of equity as stated in “IAS 32 Financial Instruments: Presentation” and are not held for sale, but it has been chosen for them to be retained with a long-term perspective to serve strategic choices. Classification is determined by financial instrument.
Profit and loss from these financial assets remain in equity and are not reclassified to Statement of Income after the recognition has ceased. Dividends are recognized as other income in the Statement of Income when payment right has been established, unless the Group benefits from such revenue by recovering part of the cost of the financial asset, in which case profit is recognized in Statement of Comprehensive Income. Equity instruments that are measured at fair value through other comprehensive income are not subject to impairment.

Financial assets measured at fair value through profit or loss
A financial asset is measured at fair value through profit or loss, unless it is measured at amortized cost or at fair value through other comprehensive income.
Any financial asset whose contractual terms do not result in specific cash flow dates that are only capital and interest payments on the outstanding initial capital are classified by the Group at fair value through profit or loss (unless it is an investment in an equity instrument that is classified at fair value through other comprehensive income).
Since the option to determine a financial asset at fair value at its initial recognition is irrevocable, if a financial asset is designated as at fair value through profit or loss on initial recognition, the Group does not reclassify it as measured at amortized cost or fair value through other comprehensive income in case the business model changes.
Financial assets measured at fair value through profit or loss are transferred to the statement of financial position at their fair value, and changes in fair value between reporting dates are recorded in the Statement of Income.
Financial assets measured at fair value through profit or loss are not subject to impairment.
Impairment of Financial Assets
Group assesses at each reporting date whether the value of a financial asset or group of financial assets has been impaired in accordance with provisions of IFRS 9.

The Group has adopted the expected credit losses model for each of the abovementioned asset categories.

- Trade Receivables from the sale of electricity to customers
- Trade Receivables from intercompany transactions
- Other financial assets measured at amortized cost.
- Contract assets

Trade Receivables from the sale of electricity to customers
The Group and the Parent Company apply the simplified approach of IFRS 9 for the calculation of expected credit losses, according to which the provision for impairment is always measured at the amount of the expected credit losses over the lifetime of trade receivables.

More specifically:

(i) Regarding the receivables of High Voltage (HV) customers from the sale of energy, the Group and the Parent Company (due to the individual characteristics of each client and its credit behavior) evaluate the expected credit loss from each customer individually.
(ii) Regarding the receivables from Medium Voltage (MV) and Low Voltage (LV) customers from the sale of energy, the Group and the Parent Company, considering these contracts as sharing similar characteristics, classified them into two distinct portfolios (Medium and Low Voltage). The Group and the Parent Company In order to estimate the expected credit losses, used credit loss provision tables based on the maturity of their balances, following the historical data of the Group and the Parent Company for credit losses and adjusting appropriately for future events and the economic environment.

In addition, the Group and the Parent Company consider that the non-collection of receivables constitutes a credit event as follows:
- For Low Voltage customers for more than 180 days
- For Medium and High Voltage customers for more than 90 days
- For state-owned entities and wider public sector companies for more than 365 days

Customers’ contributions
Consumers or producers connected to the distribution network are required to participate in the initial cost of connecting to the network (meters, lines, substations, etc.) or other types of infrastructure by paying institutionally fixed amounts of money or by contributing fixed assets (extremely rare cases). It is noted, that according to law, all the facilities that are constructed are under the exclusive ownership and possession of the Parent Company, while in the event that a customer leaves a facility and a new customer enters, then the new customer is not obliged to pay for a new contribution.
Customers’ contributions are classified as "Long – term contract liabilities". Revenue from customers’ contributions is recognized on the basis of the remaining useful life of distribution network’s fixed assets and is included in "Other Sales".

Payments in advance against electricity consumption paid by customers at the time of signing the electricity supply contract.
By signing the electricity supply contract, the customer is required to pay an advance - a guarantee against future electricity consumption. This amount is not refunded to the customer but is offset by the amount of the last clearing bill following the request for suspension of electricity supply to the customer. Considering that these amounts are settled in a period over 12 months, the Group and Parent Company classified them as "Long – term Contract Liabilities".

An advance payment of 3% or 5% on the value of the electricity provided through NOME auctions, which are paid by the participants in the NOME auctions to the Parent Company.
During the NOME-type auctions for forward products, which are conducted every three months and concern the Parent Company's forward sale of electricity on the wholesale market for a period of 12 months, the electricity suppliers pay in advance 3% or 5% of the value of electricity, awarded to them. These prepayments are classified as "Short – term contract liabilities" as they are settled in less than 12 months. Revenue is recognized on an equal basis per month according to the quantities delivered to alternative electricity suppliers.

Prepayments paid by customers against future consumption of electricity

The Parent Company gives the opportunity to Medium & Low Voltage customers (for High Voltage customers this possibility is included in their contract) to pre-pay the annual electricity consumption against a discount on the price of electricity. The received amounts are classified as "Short – term Contract Liabilities " as they are settled within 12 months, whereas revenue recognition is based on the pricing of the consumed or estimated Electricity.

Other financial assets measured at amortized cost

For the other financial assets of the Group and the Parent Company, measured at amortized cost, the general approach is used. These financial assets are considered as having low credit risk and any provision for loss is limited to the expected credit losses of the next 12 months from the respective reporting date.

Inventories

Inventories include materials and consumables, spare parts, lignite and liquid fuel. Provision for slow moving or obsolete materials and consumables is established if necessary.

- **Materials and consumables**

Materials and consumables are stated at the lower of cost or net realizable value, which takes under consideration the net realizable value of the finished product in which they are incorporated. The cost is determined using the weighted average method. These materials are recorded in inventory when purchased and then are expensed or capitalized upon use.

- **Lignite (self-produced and purchased)**

The cost of lignite inventories which have been excavated / purchased but not yet consumed at the balance sheet date is stated at the balance sheet. Lignite inventories are stated at the lower of production cost / purchase cost and net realizable value, which takes under consideration the net realizable value of the finished product in which they are incorporated with the cost being determined by using the weighted average production / purchase cost method. Production / purchase cost mainly consists of expenses incurred in order for lignite inventories to be used for electricity generation.

- **Liquid fuel**

Liquid fuel is stated at the lower of cost and net realisable value which takes under consideration the net realisable value of the finished product in which it is incorporated. The cost of liquid fuel reflects purchase price plus any taxes (excluding VAT), levies and any other type of expense for the fuel to be stored in the Group warehouses and determined using the weighted average method. Liquid fuels are expensed on consumption and appear separately in the Statement of Income.

Cash and cash equivalents

The Group considers time deposits and other highly liquid investments with original maturity of three months or less, to be cash equivalents.

Share capital

Share capital reflects the value of the Parent Company's shares that are fully issued and in circulation. Any proceeds in excess of par value are recorded in share premium in equity. Expenses related directly to new shares issuance are recognized directly to Equity net of proceeds.

De-recognition of financial assets and liabilities

Financial Receivables

Financial receivables (or, where applicable a part of a financial receivable or part of a group of similar financial receivables) are derecognized when: (1) the rights to receive cash flows from the asset have expired, (2) The Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement and (3) The Group has transferred the right to receive cash from that asset while either: (a) has transferred substantially all the risks and rewards of the assets, or (b) has not transferred substantially all the risks and rewards but has transferred control of that asset. Where the Group has transferred the rights to receive cash inflows from that asset but has not transferred substantially all the risks and rewards or control of that asset, then the asset is recognized to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the initial carrying amount of the asset and the maximum amount of consideration that the Group could be required to pay. Where continuing involvement takes the form of a written and/or purchase option (including a cash-settled option) on the transferred asset, the extent of the Group's continuing involvement is the amount of the transferred asset that the Group may repurchase, except in the case of a written put option on an asset measured at fair value, where the extent of the Parent Company's/Group's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

Financial liabilities

Financial liabilities are derecognized when the obligation under the liability is discontinued, cancelled or expires. In the event that 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 de-recognition 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.

Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount is presented in the balance sheet only when the Group has the legally enforceable right to set off the recognized amounts and intends to either settle such asset and liability on a net basis or claim the asset and settle the liability at the same time.

Interest bearing loans and borrowings

All loans and borrowings are initially recognized at cost, which reflects the fair value of the amount received less the cost of borrowing. After initial recognition, they are subsequently measured at amortized cost using the effective interest rate method. For the calculation of amortized cost, all types of borrowing and issue costs are taken into account.

Provisions for Risks and Expenses, Contingent Liabilities and Contingent Claims

Provisions are recognised when the Group has present legal, contractual or constructive obligations as a result of past events and it is probable that they will be cleared through outflows of resources and the estimate of the exact amount of the liability can be reliably made. Provisions are reviewed at each balance sheet date and adjusted to reflect the present value of the expense expected to be required to settle the liability. Contingent liabilities are not recognised in the financial statements but are disclosed unless the possibility of an outflow of resources embodying economic benefits is minimal. Contingent claims are not recognised in the financial statements but are disclosed when the inflow of economic benefits is probable.

Post-retirement benefits

a) The Parent Company provides to employees and pensioners of the Group electricity at a reduced tariff. The reduced invoice to pensioners is recognized as a liability and is calculated as the present value of future retirement benefits deemed accrued by the end of the year on the basis of the rights of employees accumulated during their service and are calculated on the basis of economic and actuarial models on the basis of economic and actuarial assumptions.

b) Starting from the fiscal year 2018, PPC and its subsidiaries will pay, in accordance with L. 4533/2018 (OG A' 7527/4/2018), a severance payment, which may not exceed Euro 15 (fifteen thousand Euro) to insured persons who leave due to termination of the employment contract, or because the insured employees reached the age limit or due to another reason for leaving, according to the provisions of the law.

Net expense for the period is included in payroll cost in the Statement of Income and consists of the present value of the benefits earned in the year. The post-retirement benefit liability is not funded. Actuarial gains or losses are directly recognized in other comprehensive income.

Subsidies for fixed assets

The Group receives grants from the Greek State and the European Union (through the public investment program of the Greek State) in order to finance specific projects that are executed within certain time periods. Subsidies are accounted for when they are collected and are shown in the balance sheet as deferred income. Amortization is recognized based on the remaining useful life of the related assets and is included in depreciation in the Statement of Income.

Derivative financial instruments and hedging

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value based on quoted market prices if available, or defined using valuation techniques such as discounted cash flows. The accounting of subsequent movement of fair value depends on whether derivative qualifies criteria for hedge accounting and the nature of the asset being hedged.
For the purpose of hedge accounting, hedges are classified either as fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or as cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability.
For derivatives used for hedging, a hedge account is applied which at the inception of a hedge relationship, formal documentation, includes the existence, identification of the hedging instrument, the hedged item, the nature of the risk being hedged and the business strategy for undertaking the hedge.

For fair value hedges that meet all the qualifying criteria for hedge accounting, any change in the fair value of a hedging instrument is recognised in the statement of profit or loss. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of income.

For cash flow hedges, the effective portion of the profit or loss on the hedging instrument is recognised in Other Comprehensive Income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of income. The cash flow hedge reserve is adjusted to the lower of the cumulative profit or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The Parent Company uses derivatives in order to hedge its exposure on interest rate risk, foreign currency risk and liquid fuels price risk. As of December 31st, 2019, the Group and the Parent Company had not entered into any derivative financial instrument.

Income taxes (current and deferred)

Current Income Taxes

Current income tax expense consists of income taxes for the current year based on the Parent Company's profits and the profits of the other companies of the Group as adjusted in their tax returns and, provisions for additional income taxes and increments arising from unaudited tax years, and is calculated by using the enacted or substantively enacted tax rates at the balance sheet date.

Deferred Income Taxes

Deferred income tax is calculated, using the liability method, on all temporary differences at the balance sheet date between the tax base and the book value of assets and liabilities. Deferred income tax liabilities are recognized for all taxable temporary differences, except where the deferred income tax liability arises from initial recognition of goodwill or of an asset or of a liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss. Deferred tax assets are recognized for all deductible temporary differences carried forward as well as unused tax credits and unused tax losses, to the extent that it is possible that taxable profit will be available against the deductible temporary differences and the carried forward of unused tax credits and unused tax losses can be utilized. No deferred income tax asset relating to the deductible temporary differences is recognized when 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, affects neither the accounting profit nor taxable profit or loss. Deferred tax assets are reassessed at each balance sheet date and are reduced at the time where it is not considered possible that enough taxable profits will appear against which, a part or the total of assets can be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to be in force in the year when the asset is recovered or the liability is settled, based on tax rates (and tax laws) that are in force or substantively enacted at the balance sheet date.
Income tax relating to items recognized directly in other comprehensive income is recorded in other comprehensive income and not in the Statement of Income.

Defined contribution plans

The Parent Company and the Group recognize as an expense the contribution for the employees' services payable to EFKA (Greek Single Social Security Institution) (ex IKA –ETAM /TAP DEH, ETEA, TAYTEKO) (defined contribution plans) and as a liability the amount that has not been paid yet.

Revenue recognition

Revenue from the sale of electricity to customers

The Group and the Parent Company are active in the supply of electricity to high, medium and low voltage customers through the Operations electricity Supply Sector and in the provision of electricity distribution services. Given the particular characteristics of electricity, the Group and the Parent Company consider that when their customers buy electricity simultaneously receive and use the benefits on an ongoing basis resulting from the sale of electricity as the Parent Company fulfills its contractual obligations. For this reason, revenue recognition (as long as the collection of the total amounts is considered probable) is based on metering data or on estimation of electricity consumed.
The Group and the Parent Company also assess whether they have the role of principal or representative in any relevant agreement. The Group's and the Parent Company's assessment is that they have the role of principal in all of its sales transactions.
If the price agreed under the contract also includes a variable portion, this amount is recognized as revenue to the extent that it is unlikely to be reversed in the future.

Contract Assets

At each reporting date and taking into account that the invoicing based on the measurement data of the last month of the period is issued during the first days of the following month, as far as High and Medium Voltage customers are concerned, the total value of electricity provided that month is recognized as accrued revenue for the period, and is reversed in the following month, after billing has already been recorded in books. These accruals at the end of each reporting period are classified as "Contract Assets".
Additionally, at each reporting date, the Parent Company estimates the value of the energy consumed but not yet billed from Low Voltage customers, since it has developed an estimation method especially for doing so. The estimated values are recorded as income receivable for periods ending on the reporting date and are reversed during the following month. Those accruals are also classified as "Contract Assets" at the end of each reporting period.

Contract Liabilities

If the customer pays a fee, or the Group reserves an unconditional right to a sum of money, before the Group transfers the goods or services to the customer, it classified the contract as a contract liability to the customer, either when the payment is made or when it becomes chargeable (whichever comes first).

For the Group and the Parent Company, contract liabilities come mainly from:

- Customers' contibutions
- Payments in advance against electricity consumption paid by customers at the time of signing the electricity supply contract.
- An advance payment of 3% or 5% on the value of the electricity provided through NOME auctions, which are paid by the participants in the NOME auctions to the Parent Company.
- Prepayments paid by customers against future consumption of electricity.

Revenue from NOME quantities

Revenue from forward products (NOME) is recognized at the time of delivery of those forward products' quantities. The difference from the quantities of electricity delivered by the Company for fulfilling its liability in forward products (NOME) is recognized at the time of delivery and not before that (for the total time of each auction), because this difference cannot be measured reliably before delivery time.

The Parent Company considers the "NOME mechanism" as an onerous contract, in accordance with IAS 37, but as the unavoidable costs of fulfilling its commitments by this mechanism cannot be determined reliably, no relevant provision has been recognized on the financial statements.

Interest income

Interest income is recognized on an accrual basis.

Dividend income

Dividend income is recognized when it has been approved by the relevant authority of the company that distributes it.

Income from rentals

Leases, where the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases and the rentals are recognized as revenue in the statement of income on a straight line basis over the lease term.

Electricity

Electricity costs are expensed as purchased and presented separately in the Statement of Income.

Earnings/ (Losses) per share

The basic and diluted earnings per share are calculated by dividing net profit with the weighted average number of shares issued during the relevant year. The weighted average number of shares is derived by adding the existing shares, in which the share capital is divided, with the rights that the Parent Company owns and potentially could exercise.

Subsequent events

Subsequent events that provide additional information about events or circumstances that existed at the balance sheet date and meet their recognition criteria, are reflected in the financial statements. Otherwise, they are disclosed in the notes of the financial statements.

Non-current Assets Held for Sale and Discontinued Operations

The Group classifies a non-current asset (or a group of assets and liabilities) as held for sale, if its carrying amount will be recovered principally through a sale transaction and not through its use. In sale transactions, all exchanges of non – current assets for other non – current assets are included, if the transaction has a commercial substance.

The basic requirements for a non-current asset (or a group of assets and liabilities) to be classified as held for sale are that the asset or the group must be available for immediate sale in its present condition while the completion of the sale must depend only on conditions that are usual and customary for sales of such assets / groups and its sale must be highly probable and within the next 12 month from their classification.

Immediately, before the original classification of an asset or the group of assets and liabilities as held for sale , the asset or the group of assets and liabilities are evaluated according to the adopted IFRS's at the date of classification.

Non - current assets (or a group of assets and liabilities) classified as held for sale are measured (after the initial classification as above) at the lower of its carrying amount and fair value less the expenses to sell and any possible resulting impairment losses will be recognized in the Statement of Income. Any subsequent increase in fair value will be recognized in the Statement of Income, but not in excess of the cumulative impairment loss which was previously recognized.

No depreciation or amortization is recognized on a non-current asset (or non-current assets that are included in a group of assets and liabilities) from the date that is classified as held for sale.

When the Group has classified a non-current asset (or a group of assets and liabilities) as held for sale, while the classification criteria are no longer met, the Group will cease to classify the non-current asset (or a group of assets and liabilities) as Held for sale. The Group will measure the non-current asset (or a group of assets and liabilities) that cease to be classified a held for sale at the lower of: a) its carrying amount before the asset (or disposal group) was classified as held for sale or for distribution, adjusted for any depreciation, amortization or revaluations that would have been recognized had the asset (or disposal group) not been so classified; and b) its recoverable amount at the date of the subsequent decision not to sell.

The Group will include any required adjustment of its carrying amount in the profit or loss statement that cease to be classified as held for sale.

Operating Segment

According to L. 4001/2011 the Group, as a vertically integrated undertaking, is obliged to prepare and integrate in its financial statements, accounting unbundled financial statements for each segment. These include the Parent Company's activities in the Sectors of Mines, Generation, Distribution and Supply and are compatible with the information provided to the Executive Committee, which consists of the Chairman of the Board of Directors and CEO, the Deputy CEOs and the General Managers.

The Executive Committee monitors internal financial reports to evaluate the performance of the Company and the Group and to make decisions on the allocation of the Group's resources and on Group's strategic movements.

As a result, information disclosures by operational segment as well as the principles of segment as presented in IFRS 8 "Operating Segment" are stated in Appendix I and pertain only to Company's continuing operations. The Group's activities, which do not meet the criteria and quantitative limits of IFRS 8 to be a distinct operating segment, are combined and presented under the description "Other Group's Companies".

Spin-off of the lignite power generation sectors

Following the disclosures made in Note 2 under the heading "Structural measures on access to lignite and the further opening of the wholesale electricity market", pursuant to L. 4533/2018, on May 23rd, 2018, the Parent Company's Board of Directors decided the spin-off of two of PPC's lignite power generation sectors and their related assets, liabilities and human resources and their contribution to two new companies.

Moreover, the Board of Directors' proposal to the Extraordinary General Meeting of PPC's shareholders, which was convened on June 26th, 2018, inter alia, for this purpose and approved the above, as well as any other relevant issue with the spin-off the two PPC's lignite power generation sectors, was approved.

On June 30th, 2018 the spin-off and contribution process of the two lignite sectors of PPC S.A. to the two new companies with the sole shareholder being PPC S.A. and with the main purpose being the extraction of lignite and the production of electricity using lignite, according to the provisions of the above mentioned Law was completed (for more details please see Note 2).

On June 30th, 2018 and on December 31st, 2018, the Group's and Parent Company's Management classified the value of the shareholding in the two subsidiaries, which were created on the basis of the provisions of L. 4533/2018, as Held-for-sale Assets (Discontinued Operations), since the IFRS 5 criteria were met.

In January 2019, the Board of Directors of the Parent Company decided to increase the share capital of the wholly owned subsidiary companies "Lignitiki Megalopolis S.A." and "Lignitiki Melitis S.A." by € 11.6 mil. and € 7.3 mil. respectively by issuing 2.9 mil. and 1.8 mil. of common shares respectively, with a nominal value of four (4) euros per share and an issue price of four (4) euros per share for both subsidiaries. The Parent Company paid the aforementioned amounts on April 18th, 2019.

The closing date for the submission of tenders, following extensions given with the consent of the European Commission, was finally set on February 6th, 2019, on which date two (2) of the interested parties submitted a binding offer. One of those was deemed inadmissible as it did not meet the criteria of the Invitation to Tender, while the second one was deemed not economically advantageous by the Board of Directors of PPC S.A., (due to the low price offered). As a result of the above, the relevant tender procedure was declared barren.

L. 4602/2019, which was passed by the Greek Parliament on March 7th, 2019 and published in the Government Gazette (OG A' 45) on March 9th, 2019, amended and supplemented L. 4533/2018. Under the new provisions, PPC was required to launch a repeat bidding process, inviting prospective bidders which participated in the previous bidding process, as well as other investors wishing to express their interest in the bid for the shares issued by "Lignitiki Megalopolis S.A." or / and "Lignitiki Melitis S.A.", within 7 days from the call. Pursuant to the above provisions of the Law, following a decision of its Board of Directors, PPC posted on March 8th, 2019 on its website a Joint Call for Proposals & Invitation to Bid, with which investors were invited to express initially their interest to participate in the bidding process by March 15th, 2019.

At the same time, PPC's management took additional measures to further improve the financial position of the two (2) lignite power generation subsidiaries for sale. The above mentioned measures included the announcement of additional incentives for early retirement of employees (mainly in the lignite subsidiary of Megalopolis), and also the launch of negotiations to reduce Meliti's purchasing cost of lignite from the Achlada mine, aiming to reduce their operating costs.
Furthermore, the date of submission of the binding offers, following postponements extensions, was set on July 15th, 2019 to give investors an opportunity to evaluate in detail the effects of the measures taken on the financial position of the two (2) lignite power generation subsidiaries.
On July 18th, 2019, the repeated bidding procedure for the sale of the lignite subsidiaries was declared barren by the Parent Company's Board of Directors, as no binding offer was submitted by any eligible participant.

Subsequently, the Group's and the Parent Company's Management concluded that after July 18th, 2019, the criteria of IFRS 5 for the classification of lignite subsidiaries as Assets Held for Sale were not met.

According to the provisions of IFRS 5 (par. 15), before the classification of the two (2) lignite subsidiaries as Assets Held for Sale on June 30th, 2018, a valuation of the two (2) Subsidiaries was carried out so as to be stated at the lower of their carrying amount and fair value after deducting the costs of their sale. The same practice was followed both on December 31st, 2018 and on June 30th, 2019.

The above valuations of the two (2) lignite subsidiaries, resulted in the following impairments:

- On June 30th, 2018 the impairment amounted to 240,600 thousands of Euro for the Group and the Parent Company, while on December 31st, 2018 an additional reduction in the fair value less cost to sell was charged totaling to € 242,691 thousands and € 235,803 thousands for the Group and the Parent Company respectively. The above amounts affected the Results on the respective reporting dates.
- On June 30th, 2019 an additional reduction in the fair value less cost to sell occured of € 64,940 thousands for the Group and € 102,300 thousands for the Parent Company that affected the Results on the reporting date June 30th, 2019.

Furthermore, pursuant to par. 25 of IFRS 5, depreciation on tangible and intangible assets of the two (2) lignite subsidiaries ceased to be accounted for as of July 1st, 2018. On the reporting date, June 30th, 2019, the total impaired value of tangible and intangible assets of the two (2) lignite subsidiaries amounted to 137,660 thousands of Euro for "Lignitiki Melitis S.A." and 77,335 thousands of Euro for "Lignitiki Megalopolis S.A."

Due to the fact that, as stated above, on July 18th, 2019, the criteria of IFRS 5 for the classification of the two lignite subsidiaries as Assets Held for Sale ceased to be met, their results are now reflected in the Group's Continuing Operations. The comparative figures of the Group in the statement of income for the year ended December 31st, 2018 have been restated, while the comparative figure of the Parent Company still show the results from discontinued operations due to the spin-off of the two (2) lignite subsidiaries.

In addition, in the Group's statement of financial position, the total assets of the two (2) lignite subsidiaries that no longer meet the classification criteria set by IFRS 5 are measured based on IFRS 5 (par. 28) at the lower of:

A) their carrying amount before the assets were classified as held for sale, including the depreciation that was not accounted for as those assets were considered as discontinued operations and

B) The recoverable amount of the next day from which the classification criteria as discontinued operations no longer meet, therefore on July 19th, 2019.

From this comparison, the total assets and liabilities of the two (2) lignite subsidiaries will continue to be recognized at their recoverable amount, as the carrying value including depreciation of those impaired fixed assets, is greater than their recoverable amount. In addition, the comparative figures of the statement of financial position of the Group and the Parent Company as of December 31st, 2018 were restated to include the assets and liabilities of two (2) lignite subsidiaries, as they had never been classified as held for sale.
n addition, on December 31st, 2019, following an impairment test, the Parent Company fully impaired its value of the shareholding in the two Lignite Subsidiaries "Lignitiki Melitis S.A." and "Lignitiki Megalopolis S.A.", recording Iimpairment losses of Euro 124.5 mil. and Euro 126.8 mil. respectively in the separate financial statements.
Below we present a comparative table of total assets and liabilities of the Group as of December 31st, 2018 as amended in order to include the total assets and liabilities of the two (2) lignite subsidiaries:

	GROUP 31.12.2018 (Published)	Change	GROUP 31.12.2018 (Restated)
Non-Current Assets :			
Tangible assets	10,758,014	272,717	11,030,731
Intangible assets	200,222	301	200,523
Investments in associates	20,049	-	20,049
Financial assets measured at fair value through other comprehensive income	571	-	571
Other non-current assets	72,139	7,236	79,375
Deferred tax asset	159,487	(23,741)	135,746
Total non-current assets	**11,210,482**	**256,513**	**11,466,995**
Current assets :			
Materials, spare parts and supplies, net	714,322	51,956	766,278
Trade receivables	723,688	13,840	737,528
Contract assets	482,342	-	482,342
Other receivables	285,942	3,910	289,852
Income tax receivable	13,289	-	13,289
Cash and cash equivalents	198,576	52,439	251,015
Restricted cash	81,681	-	81,681
Total assets from discontinued operations	402,399	(402,399)	-
Total non – current assets	**2,902,239**	**(280,254)**	**2,621,985**
Total Assets	**14,112,721**	**(23,741)**	**14,088,980**
Non-Current Liabilities :			
Long-term borrowings	3,190,506	-	3,190,506
Employee benefits	483,401	24,426	507,827
Provisions	328,304	3,579	331,883
Contract liabilities	2,376,124	-	2,376,124
Subsidies	172,240	14,084	186,324
Other non – current liabilities	8,677	1	8,678
Total non – current liabilities	**6,559,252**	**42,090**	**6,601,342**
Trade and other payables	1,643,977	50,130	1,694,107
Dividends payable	17	-	17
Income tax payable	78,590	-	78,590
Short – term borrowings	46,483	-	46,483
Current portion of long – term borrowings	714,757	-	714,757
Accrued and other current liabilities	787,278	6,633	793,911
Short – term contract liabilities	216,693	-	216,693
Total liabilities from discontinued operations	122,594	(122,594)	-
Total Current Liabilities	**3,610,389**	**(65,831)**	**3,544,558**
Total Liabilities	**10,169,641**	**(23,741)**	**10,145,900**

The amount of € 23,741 mil. concerns Lignite subsidiaries' deferred tax liability that was offset by the Group's deferred tax receivable.

6. REVENUES

	Group		Company	
	2019	2018	2019	2018
Energy sales				
- High voltage	416,066	403,025	400,836	388,757
- Medium voltage	552,128	623,961	554,519	626,385
- Low voltage	3,306,746	3,217,779	3,306,746	3,218,006
- Renewable Energy Sources	13,713	13,425	-	-
	4,288,653	**4,258,190**	**4,262,101**	**4,233,148**
- Customers' contributions	86,815	85,091	86,865	85,167
- Public Service Obligations	138,209	103,426	138,393	103,426
- Distribution Network Revenues	167,617	119,748	-	-
- Income from the sale of electricity from NII thermal units	193,416	119,946	193,416	119,946
- Other	56,900	55,447	55,542	51,734
	642,956	**483,688**	**474,216**	**360,273**
Total Continuing Operations	**4,931,609**	**4,741,878**	**4,736,317**	**4,593,421**
Discontinued Operations	-	-	-	101
Total	**4,931,609**	**4,741,878**	**4,736,317**	**4,593,522**

The analysis of Group's revenues by geographical region for the years 2019 and 2018 is presented in the following tables:

2019

	Greece		Abroad	Total
	Interconnected System	Non-Interconnected System		
Energy sales	3,775,408	498,016	15,229	**4,288,653**
Public Service Obligations	-	138,209	-	**138,209**
Customers' contributions	74,677	12,138	-	**86,815**
Income from the sale of electricity from NII thermal units	-	193,416	-	**193,416**
Distribution Network Revenues	151,717	15,900	-	**167,617**
Other	50,184	6,715	-	**56,899**
Total	**4,051,986**	**864,394**	**15,229**	**4,931,609**

2018

	Greece		Abroad	Total
	Interconnected System	Non-Interconnected System		
Energy sales	3,686,840	557,082	14,268	**4,258,190**
Public Service Obligations	-	103,426	-	**103,426**
Customers' contributions	71,298	13,793	-	**85,091**
Income from the sale of electricity from NII thermal units	-	119,946	-	**119,946**
Distribution Network Revenues	103,340	16,408	-	**119,748**
Other	49,724	5,753	-	**55,477**
Total	**3,911,202**	**816,408**	**14,268**	**4,741,878**

7. PAYROLL COST

	Group		Company	
	2019	2018	2019	2018
Payroll cost	659,817	667,111	367,672	372,310
Employer' social contributions	177,707	202,808	101,842	114,202
Provision for personnel's severance payment (Note 31)	(20,568)	164,345	(12,689)	90,670
Provision for reduced tariffs (Note 31)	(243,415)	(3,825)	(148,058)	(3,013)
Payroll cost included in fixed assets	(61,238)	(68,201)	(16,622)	(19,105)
Total Continuing Operations	**512,303**	**962,238**	**292,145**	**555,064**
Discontinued Operations	-	-	-	52,891
Total	**512,303**	**962,238**	**292,145**	**607,955**

8. ENERGY PURCHASES

	Group		Company	
	2019	2018	2019	2018
DAS and Settlement of deviations	990,408	741,598	1,207,264	973,552
Energy imports from abroad	74,660	65,124	123,883	114,692
Other domestic energy purchases	113,431	99,525	126,285	112,338
Transitional flexibility Compensation Mechanism	7,357	12,088	7,340	12,066
Purchase rights	21,152	23,612	22,481	23,828
Net charge for coverage of the generation Variable cost	(9,845)	(9,051)	(9,002)	(9,058)
Special taxes	94	29,720	-	22,221
Additional Suppliers' charge for Special RES account	(99,331)	196,349	(99,301)	196,290
Arrangement of losses	38,497	41,726	38,449	41,709
Weighted variable cost of thermal units	74,080	45,598	73,975	45,590
Net charge for ancillary services	36,999	43,216	37,866	43,427
Generation losses from the sale of NOME products	156,047	227,966	156,047	223,825
Other purchases	82,818	61,188	13,128	151
Total Continuing Operations	**1,486,367**	**1,578,659**	**1,698,415**	**1,800,631**
Discontinued Operations	-	-	-	(64,651)
Total	**1,486,367**	**1,578,659**	**1,698,415**	**1,735,980**

9. DEPRECIATION AND AMORTISATION

	Group		Company	
	2019	2018	2019	2018
Depreciation / Amortisation				
- Fixed assets (Note 15)	644,107	679,127	626,641	638,127
- Software (Note 16)	7,136	8,088	4,795	5,696
- Right-of-use assets (Note 42)	22,624	-	16,999	-
- Transfer from subsidies (Note 33)	(12,106)	(13,286)	(11,910)	(12,269)
Total Continuing Operations	**661,761**	**673,929**	**636,525**	**631,554**
Discontinued Operations	-	-	-	29,066
Total	**661,761**	**673,929**	**636,525**	**660,620**

10. EMISSION ALLOWANCES (CO_2)

According to the current European and National legislation, during the 3rd implementation phase of the EU-ETS (period 2013-2020), PPC is not entitled to free allocation of emission allowances for its bound stations, with the exception of allowances allocated for emissions corresponding to the generation of thermal power for district heating.

In accordance with its verified CO_2 emissions for 2018, the total emission allowances that PPC delivered for the period from January 1st, 2018 to December 31st, 2018 amounted to 29.52 Mt., including the installations of subsidiaries. During 2018, PPC has been allocated with about 53.04 thousands emission allowances corresponding to the generation of thermal power for district heating.

Based on provisional ex-post data for the fourth quarter of 2019, the total CO_2 emissions of the Parent Company's bound plants as well as of the two subsidiaries "LIGNITIKI MELITIS S.A." and "LIGNITIKI MEGALOPOLIS S.A." for the period 01.01.2019 – 31.12.2019 amount to 23.09 Mt.

It should be noted that the emissions of 2019 will be considered final by the end of March 2020, when the verification of the annual emissions reports (for the year 2019) by accredited third party verifiers will be completed. Consequently, the total CO_2 emissions rights that PPC will have to deliver for the period 01.01.2019 – 31.12.2019 is estimated at 23.09 Mt.

Costs incurred by the Group and the Parent Company for compliance reasons are presented in the following table:

	Group		Company	
	2019	2018	2019	2018
Cover of emissions from purchased EUAS	546,446	369,547	411,869	301,368
Cover of prior year deficit	-	-	-	-
Managing expenses	16	37	16	37
Total	**546,462**	**369,584**	**411,885**	**301,405**

11. FINANCIAL EXPENSES

	Group		Company	
	2019	2018	2019	2018
Interest Expenses	136,795	146,901	136,158	146,597
Bank charges	1,811	2,852	1,437	2,273
Amortization of loans' issuance costs	3,490	8,878	3,490	8,878
Finance cost on right-of-use assets (Note 42)	3,115	-	2,172	-
Commissions on letter of guarantee	24,715	23,486	24,653	23,424
Finance cost on mines' restorations provision (Note 32)	808	1,384	802	1,384
Other	-	969	-	969
Total Continuing Operations	**170,734**	**184,470**	**168,712**	**183,525**
Discontinued Operations	-	-	-	14
Total	**170,734**	**184,470**	**168,712**	**183,539**

12. FINANCIAL INCOME

	Group		Company	
	2019	2018	2019	2018
Interest on outstanding energy receivables	68,223	99,330	68,223	99,330
Commission on subsidiary loans' guarantee	-	-	120	255
Interest on bank and time deposits (Note 25)	2,386	5,237	799	1,782
Subsidiaries dividends	-	-	1,020	9,701
Other	2,542	649	2,297	410
Total	**73,151**	**105,216**	**72,459**	**111,478**

13. OTHER (INCOME) / EXPENSE, NET

	Group		Company	
	2019	2018	2019	2018
OTHER EXPENSE				
Transportation and travel expenses	16,970	16,768	6,876	7,162
Taxes and duties	38,789	45,519	24,981	38,350
Losses on dismantling of fixed assets	11,908	30,987	11,865	30,946
Consumable	8,310	6,693	5,203	5,542
Impairment of Construction-In-Progress	1,845	-	1,845	-
Expenses from PSOs of the year 2017	72,140	-	72,140	-
Other expenses	62,818	62,495	52,551	46,330
Total	212,780	162,462	175,461	128,330
OTHER INCOME				
Penalties to suppliers / contractors	(6,902)	(8,526)	(2,137)	(1,266)
Subsidies to expenses	(281)	(985)	(281)	(985)
Income from leases	(1,413)	(1,432)	(11,391)	(11,422)
Income from ETMEAR	-	(105,248)	-	(105,248)
Other incidental income	(36,931)	(2,893)	(36,931)	(2,893)
Other income	(60,829)	(42,026)	(68,720)	(50,034)
Total	**(106,356)**	**(161,110)**	**(119,460)**	**(171,848)**
Total (income)/expense	**106,424**	**1,352**	**56,001**	**(43,518)**
Discontinued Operations	**-**	**-**	**-**	**929**
Total	**106,424**	**1,352**	**56,001**	**(42,589)**

Ernst & Young's fees amount to Euro 952 thousand, of which Euro 542.5 thousand relates to permitted non-audit services whose compliance (in accordance with Regulation (EU) 537/2014) was confirmed by the Audit Committee during the fiscal year 2019.

14. INCOME TAXES (CURRENT AND DEFERRED)

	Group		Company	
	2019	2018	2019	2018
Current income taxes	9,082	15,781	-	-
Deferred income tax	(381,315)	39,224	(360,570)	72,207
Additional taxes	-	-	-	-
Total income tax	**(372,233)**	**55,005**	**(360,570)**	**72,207**

According to the current Income Tax Code (L.4172/2013), as amended by the L. 4646/2019, the income tax rate for the legal entities residing in Greece for the income of the fiscal year 2019 is set at 24%. The prepayment of income tax remains at 100%.
Tax returns for companies residing in Greece are filed annually but profits or losses declared remain provisional, until the tax authorities audit the Company's returns and records and a final tax audit report is issued. The Group establishes a provision, if deemed necessary, on a case by case basis and per company, against any possible additional taxes being imposed by the tax authorities.

Based on the applicable Income Tax Code, from the fiscal year 2011 and onwards, the Statutory Auditors issue an "Annual Tax Compliance Report" after conducting a tax audit at the same time with the financial audit. The tax audit is conducted on particular tax areas, specified by an audit program, according to the provisions of the tax law. Audit matters which are not covered by the above mentioned decision are dealt with in accordance to the ISAE 3000 "Assurance Engagements other than Audits or Reviews of Historical Financial Information". From January 1st, 2016 onwards, pursuant to L. 4410/2016, the issuance of the tax certificate became optional, however, the Parent Company continues to apply the procedure for its issuance by the Statutory Auditors.

The tax audit of the Parent Company for the issuance of the tax certificate for the fiscal year 2018 was completed by the Statutory Auditors and the company received a certificate with "unqualified conclusions".

Tax unaudited years for the Parent Company and the subsidiaries of the Group are presented in the following table:

		Unaudited years
Company	**Country**	**since**
PPC S.A. (Parent Company)	Greece	2013
PPC Renewables S.A.	Greece	2013
HEDNO S.A.	Greece	2013
Arkadikos Ilios 1 S.A.	Greece	2013
Arkadikos Ilios 2 S.A.	Greece	2013
Iliako Velos 1 S.A.	Greece	2013
Amalthia Energiaki S.A.	Greece	2013
SOLARLAB S.A.	Greece	2013
Iliaka Parka Ditikis Makedonias 1 S.A.	Greece	2013
Iliaka Parka Ditikis Makedonias 2 S.A.	Greece	2013
PPC FINANCE PLC	United Kingdom	2009
PPC BULGARIA JSCo	Bulgaria	2014
PPC Elektrik Tedarik ve Ticaret A.S.	Turkey	2014
PHOIBE ENERGIAKH S.A.	Greece	2013
Geothermikos Stochos S.A.	Greece	2017
WINDARROW MOUZAKI ENERGY S.A.	Greece	2018
EDS DOO Skopje	Republic of North Macedonia	2012
EDS DOO Belgrade	Serbia	2016
EDS International SK SRO	Slovakia	2013
EDS International KS LLC	Kosovo	2016
LIGNITIKI MELITIS S.A.	Greece	2018
LIGNITIKI MEGALOPOLIS S.A.	Greece	2018

For the unaudited tax years the Group establishes a provision on the basis of the findings of prior tax audits.
An analysis and numerical reconciliation between the tax expense and the result of multiplying the accounting profit by the nominal applicable tax rate is set out below:

	Group		**Company**	
	2019	**2018**	**2019**	**2018**
Loss before tax	(2,057,903)	(848,830)	(2,323,677)	(802,480)
Nominal tax rate	24%	29%	24%	29%
Income tax calculated at nominal tax rate	(493,897)	(246,161)	(557,682)	(232,719)
Non-deductible expenses	594	-	594	-
Items for which no deferred tax has been recognized	-	85,278	-	85,278
Effect of change in tax rates	44,180	45,544	28,331	45,544
Items for which no deferred tax has been recognized-Lignite Companies	76,890	168,187	168,187	168,187
Other	-	2,157	-	5,917
Income tax	**(372,233)**	**55,005**	**(360,570)**	**72,207**

The movement of the deferred income tax account is as follows:

	Group		**Company**	
	2019	**2018**	**2019**	**2018**
Balance, January 1st	**135,746**	**(142,791)**	**97,314**	**(205,857)**
(Debit) /Credit directly in other comprehensive income-Lignite Companies	-	144,446	-	168,188
(Debit)/Credit in income statement	381,315	(39,224)	360,570	(72,207)
Other	(34,021)	(33,875)	-	-
(Debit) /Credit directly in other comprehensive income	(256,417)	207,190	(260,017)	207,190
Balance, December 31st	**226,623**	**135,746**	**197,867**	**97,314**

Deferred income tax receivables and liabilities are disclosed in the accompanying balance sheets as follows:

	Group		Company	
	2019	2018	2019	2018
Deferred income tax				
- Receivables	1,187,924	1,353,575	1,053,382	1,277,063
- Liabilities	(961,301)	(1,217,829)	(855,515)	(1,179,749)
Total	**226,623**	**135,746**	**197,867**	**97,314**

	Group		Company	
	2019	2018	2019	2018
Deferred tax receivables				
- Materials and spare parts	52,547	30,996	48,644	37,272
- Trade receivables	347,508	645,906	322,952	620,299
- Provision for risks and expenses	122,628	132,895	81,115	70,657
- Subsidies	23,967	182,591	23,967	186,704
- Customers' contributions (IFRS 15)	162,193	194,752	162,193	194,752
- IFRS 9 for trade receivables	-	12,438	-	12,438
- Fixed assets	18,359	76,452	18,359	76,452
- Financial Assets measured at fair value through comprehensive income	3,271	(437)	3,271	(437)
- Derivatives	-	1	-	1
- Post retirement benefits	115,997	74,499	51,428	82,130
- Other	39,387	1,343	39,387	(5,344)
- Provision of Decommissioning and removal of Power Plants', Mines' and Wind Parks' facilities and mines' land restoration	80,437	2,139	80,437	2,139
- Sundry provisions	10,968	-	10,967	-
- On tax losses	210,662	-	210,662	-
Deferred tax receivables	**1,187,924**	**1,353,575**	**1,053,382**	**1,277,063**
Deferred tax liabilities				
- Long-term debt fees and expenses	(22,204)	(25,434)	(22,204)	(25,434)
- Depreciation and revaluation of assets	(979,378)	(1,162,214)	(875,038)	(1,306,090)
- Foreign exchange (gains)	(56)	(13,828)	(56)	(59)
- Subsidiaries and Associates	44,614	(16,353)	44,614	(16,353)
- IFRS 16 Right-of-use assets	(4,278)		(2,831)	
- Held for sale	-	-	-	168,187
Deferred tax liability	**(961,301)**	**(1,217,829)**	**(855,515)**	**(1,179,749)**
Deferred Tax Liability net	**226,623**	**135,746**	**197,867**	**97,314**

The movement of deferred taxes in the statement of income is analyzed as follows:

	Group		Company	
	2019	2018	2019	2018
-Materials and spare parts	12,263	(3,873)	11,372	(2,429)
-Trade receivables	(310,837)	(131,201)	(309,785)	(133,295)
-Provision for risks and accruals	10,473	18,528	10,458	17,885
-Subsidies	(201,600)	(11,333)	(195,296)	(9,897)
-Fixed assets	(62,228)	(40)	(58,093)	(63)
-IFRS 16 Right-of-use assets	(4,278)	-	(2,832)	-
- Long-term debt fees and expenses	3,230	7,266	3,230	7,266
- Subsidiaries and associates	60,967	(16,353)	60,967	(16,353)
- Depreciation - Revaluation	696,883	92,303	731,024	62,938
- Foreign exchange (gains)	3	5	3	5
- Provision for CO_2	-	8	-	-
- Financial Assets measured at fair value through comprehensive income	3,708	(392)	3,708	(392)
-Tax losses	210,461	201	210,662	-
-Post retirement benefits	20,271	11,475	(39,946)	7,946
-Other	51,631	(5,818)	44,730	(5,818)
- Provision of Decommissioning and removal of Power Plants', Mines' and Wind Parks' facilities and mines' land restoration	47,587	-	47,587	-
- Sundry provisions	10,968	-	10,968	-
- Held for sale	(168,187)	-	(168,187)	-
(Debit) / Credit in income statement	**381,315**	**(39,224)**	**360,570**	**(72,207)**

	Group		Company	
	2019	2018	2019	2018
- Actuarial gains/ losses	13,596	-	9,244	-
- Provision of Decommissioning and removal of Power Plants', Mines' and Wind Parks' facilities	30,711	-	30,711	-
- Revaluation of fixed assets	(300,724)	-	(299,972)	-
Debit / (Credit) in statement of comprehensive income	**(256,417)**	**-**	**(260,017)**	**-**

15. TANGIBLE ASSETS

Group	Land	Mines	Lakes	Buildings and Technical Works	Machinery	Transportation Assets	Fixtures and Furniture	Construction in progress	Total
Net book value									
December 31st, 2017	**412,125**	**342,962**	**23,785**	**1,762,559**	**7,264,261**	**37,287**	**62,013**	**1,655,938**	**11,560,930**
- Impairment of assets of Lignite Companies	(1,190)	(187)	-	(99,884)	(424,602)	(1,885)	(2,637)	(20,273)	**(550,658)**
- Additions	592	452	-	951	122,284	2,476	5,107	601,041	**732,903**
- Depreciation expense	-	(51,177)	(788)	(97,802)	(513,921)	(6,304)	(9,080)	-	**(679,072)**
- Disposals	-	-	-	(5,421)	(12,265)	(36)	(432)	-	**(18,154)**
- Transfers from CIP	2,571	6,968	-	75,665	226,827	555	69	(318,626)	**(5,971)**
- Transfers	-	(1,003)	-	-	-	(125)	125	1,003	**-**
- Other movements	-	-	-	(5)	210	53	(90)	(9,415)	**(9,247)**
December 31st, 2018	**414,098**	**298,015**	**22,997**	**1,636,063**	**6,662,794**	**32,021**	**55,075**	**1,909,668**	**11,030,731**
Impairments of mines' fixed assets, Lignite Units' fixed assets and provision of mines' land restoration	-	(194,231)	-	-	-	-	-	(976,993)	**(1,171,224)**
-Revaluation surplus / (Devaluation) of fixed assets	11,041	-	-	(161,537)	740,577	8,058	1,096	-	**599,235**
-Additional decommissioning and removal costs of Power Plants', and Mining facilities and mines' land restoration additional costs	6,092	89,129	-	15,749	18,659	-	-	-	**129,629**
- Additions	-	-	-	1,280	134,159	261	6,137	507,743	**649,580**
- Depreciation expense	-	(66,842)	(788)	(89,260)	(471,998)	(6,313)	(8,772)	-	**(643,974)**
- Disposals	-	-	-	(1,096)	(10,634)	(47)	(137)	-	**(11,914)**
- Transfers from CIP	57	71,070	-	55,542	106,507	-	941	(241,129)	**(7,012)**
- Transfers	-	-	-	113	(105)	-	4	(761)	**(749)**
- Other movements	-	(40,517)	-	-	215	-	-	38,715	**(1,588)**
December 31st, 2019	**431,287**	**156,624**	**22,209**	**1,456,853**	**7,180,175**	**33,980**	**54,345**	**1,237,242**	**10,572,714**
At December 31st, 2017									
Gross carrying amount	412,125	955,613	40,247	2,093,093	9,131,141	58,439	144,793	1,655,938	**14,491,389**
Accumulated depreciation	-	(612,651)	(16,462)	(330,534)	(1,866,880)	(21,152)	(82,780)	-	**(2,930,459)**
Net carrying amount	**412,125**	**342,962**	**23,785**	**1,762,559**	**7,264,261**	**37,287**	**62,013**	**1,655,938**	**11,560,930**
At December 31st, 2018									
Gross carrying amount	414,098	961,843	40,247	2,064,399	9,043,595	59,477	146,935	1,909,668	**14,640,262**
Accumulated depreciation	-	(663,828)	(17,250)	(428,336)	(2,380,801)	(27,456)	(91,860)	-	**(3,609,531)**
Net carrying amount	**414,098**	**298,015**	**22,997**	**1,636,063**	**6,662,794**	**32,021**	**55,075**	**1,909,668**	**11,030,731**
At December 31st, 2019									
Gross carrying amount	431,287	1,081,526	40,247	1,974,449	10,032,974	67,749	154,976	2,214,235	**15,997,442**
Accumulated depreciation	-	(730,670)	(18,038)	(517,596)	(2,852,799)	(33,769)	(100,632)	-	**(4,253,505)**
Impairments	-	(194,231)	-	-	-	-	-	(976,993)	**(1,171,224)**
Net carrying amount	**431,287**	**156,624**	**22,209**	**1,456,853**	**7,180,175**	**33,980**	**54,345**	**1,237,242**	**10,572,714**

PARENT COMPANY	Land	Mines	Lakes	Buildings and Technical Works	Machinery	Transportation Assets	Fixtures and Furniture	Construction in progress	Total
Net book value									
December 31st, 2017	**405,342**	**343,055**	**23,352**	**1,737,106**	**7,215,554**	**17,420**	**50,710**	**1,558,996**	**11,351,535**
-Spin-off of lignite units	(1,778)	(280)	-	(149,352)	(634,888)	(2,818)	(3,944)	(30,313)	**(823,373)**
- Additions	-	452	-	940	122,235	2,421	3,778	558,263	**688,089**
- Depreciation expense	-	(51,177)	(788)	(96,440)	(509,260)	(3,270)	(7,072)	-	**(668,007)**
- Disposals	-	-	-	(4,045)	(11,924)	(17)	(395)	-	**(16,381)**
- Transfers from CIP	2,571	6,968	-	75,566	226,668	-	599	(317,551)	**(5,179)**
- Transfers	-	(1,003)	-	-	-	-	-	1,003	**-**
- Other movements	-	-	-	-	-	-	-	(5,427)	**(5,427)**
December 31st, 2018	**406,135**	**298,015**	**22,564**	**1,563,775**	**6,408,385**	**13,736**	**43,676**	**1,764,971**	**10,521,257**
- Impairments of mines' fixed assets, Lignite Units' fixed assets and provision of mines' land restoration	-	(194,231)	-	-	-	-	-	(949,537)	**(1,143,768)**
- Revaluation surplus / (Devaluation) of fixed assets	10,068	-	-	(133,053)	820,798	5,056	395	-	**703,265**
- Additional decommissioning and removal costs of Power Plants', and Mining facilities and mines' land restoration additional costs	6,092	89,129	-	15,749	18,659	-	-	-	**129,629**
- Additions	-	-	-	1,052	134,159	29	4,171	468,510	**607,921**
- Depreciation expense	-	(66,842)	(788)	(86,785)	(462,433)	(3,085)	(6,708)	-	**(626,641)**
- Disposals	-	-	-	(1,096)	(10,634)	(9)	(123)	-	**(11,862)**
- Transfers from CIP	57	71,070	-	23,229	77,911	-	941	(173,790)	**(582)**
- Other movements	-	(40,517)		105	(105)	-	-	37,923	**(2,594)**
December 31st, 2019	**422,351**	**156,622**	**21,776**	**1,382,976**	**6,986,741**	**15,728**	**42,353**	**1,148,077**	**10,176,626**
At December 31st, 2017									
Gross carrying amount	405,342	955,706	39,816	2,057,091	9,004,029	28,619	123,717	1,558,996	**14,173,316**
Accumulated depreciation	-	(612,651)	(16,464)	(319,984)	(1,788,476)	(11,199)	(73,006)	-	**(2,821,780)**
Net carrying amount	**405,342**	**343,055**	**23,352**	**1,737,107**	**7,215,553**	**17,420**	**50,711**	**1,558,996**	**11,351,535**
At December 31st, 2018									
Gross carrying amount	406,135	945,156	39,817	1,942,438	8,489,895	25,984	110,029	1,764,971	**13,724,425**
Accumulated depreciation	-	(647,142)	(17,253)	(378,663)	(2,081,510)	(12,248)	(66,352)	-	**(3,203,168)**
Net carrying amount	**406,135**	**298,014**	**22,564**	**1,563,775**	**6,408,385**	**13,736**	**43,677**	**1,764,971**	**10,521,258**
At December 31st, 2019									
Gross carrying amount	422,351	987,585	39,817	1,847,069	9,513,080	**31,051**	113,573	2,097,616	**15,052,140**
Accumulated depreciation	-	(636,731)	(18,041)	(464,092)	(2,526,338)	(15,323)	(71,220)	-	**(3,731,745)**
Impairments of fixed assets	-	(194,231)	-	-	-	-	-	(949,537)	**(1,143,768)**
Net carrying amount	**422,351**	**156,622**	**21,776**	**1,382,977**	**6,986,741**	**15,728**	**42,353**	**1,148,077**	**10,176,626**

Revaluation of Fixed Assets
The Group proceeded with the revaluation of its operating fixed assets as of December 31st, 2019. The revaluation, which excluded lakes, land for the extraction of lignite and construction in progress, was carried out by an independent firm of appraisers, according to IAS 16. Fixed assets of the Group's subsidiaries abroad were not revalued.
The results of the revaluation were recorded in the Company's books on December 31st, 2019. The previous revaluation took place on December 31st, 2014.
The method and the significant assumptions used by the independent firm of appraisers were as follows:

(a) To calculate the fair value of the fixed assets, the appraisers took into account the Group's Operational Plan, which provides for, among others, the gradual shutting-down of lignite units and lignite mines until 2028.

(b) The total of the appraised property was considered to be wholly owned by the Group (except those that are jointly-owned with IPTO S.A.), while, properties for which the Group notified the independent firm of appraisers that are burdened by commitments or during the appraisals it was found that are burdened by commitments, were not taken into account for the appraisal.

(c) The appraisers assumed that the Group for all its property, has the title deeds, building permits and other similar approvals, or has arranged to settle any outstanding issues, as required by Greek Legislation.

(d) The majority of the properties that were appraised, were considered being used by the Group, both in the Sectors of Mines, Generation and Distribution (HEDNO SA), as well as to house its Administrative Divisions and are expected to be used as such during their remaining useful life.

(e) The Market Approach (market-based evidence) was applied to determine the Fair Value (Note 41) of land, buildings, fixtures & furniture and transportation assets. The appraiser, in order to calculate the fair value of the property, carried out a market research and relied on these market research data as well as on data collected by professionals who are active in each examined region of the relevant properties and lands, adjusting the market data according to the conditions of each region and the physical characteristics of the Group's properties and lands (size, condition and exact location).

In the case of lands and buildings where sufficient comparative data have not been found, the Utilization Approach / Residual Method was applied. Future Land restoration costs for properties were power plants and mines are in operation were not calculated.

The fair value (Note 41) for special purpose buildings, machinery and technical works (special purpsose fixed assets), was determined on the basis of the Cost Approach and in particular by the method of depreciated replacement cost, in the context of which the needed adjustments were made to reflect their physical, functional, technological and economic obsolescence. For all electromechanical equipment, the appraiser took into account their acquisition date, their degree of utilization, maintenance and marketability. In the total of the electromechanical equipment of the lignite units and mines, apart from the physical obsolescence, the functional obsolescence was also added taking into account the immediate plan of units' and mines' withdrawal, the technology (fuel) they use, the ratio of the power production of the units to their installed capacity and the corresponding decommissioning date of the Mines and the units.

(f) The economic obsolescence was determined by the appraiser applying the income approach and in particular the discounted cash flows method after testing the Group's profitability (Profitability testing). The discount rate used at Group level was calculated on the basis of WACC (Weighted Average Cost of Capital) and amounted to 6.5%. Sensitivity analysis was performed on the positive or negative change in the discount rate by 0.25% and on the positive or negative change in the cash flow growth rate by 0.25% and not additional burden on the Group's profit and loss was identified.

The revalued amounts, from appraisers' work, compared to Net Book Value of the fixed assets, resulted to net surplus for the Group amounting to approximately € 1,261 mil., (Parent Company: € 1,249 mil.), which was credited directly in the Revaluation Surplus in Comprehensive Income (€ 958.4 mil. and € 949.9 mil. net of Deferred Taxes for the Group and the Parent Company, respectively). Also, an amount of € 672.4 mil. for the Group (Parent Company: € 546.6 mil.) which was not offset by previous years' Revaluation Surplus was charged in the Statement of Income for the year ended December 31st, 2019 (€ 511 mil. and € 415 mil. net of deferred tax for the Group and the Parent Company respectively).

Revaluation surplus reserve
The following table presents the total fixed assets revaluation effect in the income and comprehensive income statements, as well as the revaluation surplus reserve's movement.

	GROUP	COMPANY
Revaluation surplus	2,195,266	2,172,260
(Devaluation)	(934,053)	(922,376)
Total revaluation of fixed assets recognized directly in the statement of other comprehensive income	**1,261,213**	**1,249,884**
Devaluation of fixed assets charged in the statement of income	**(672,450)**	**(546,620)**
Total effect of 2019 revaluation	**588,763**	**703,264**
Revaluation surplus	2,195,266	2,172,260
Deferred tax (expense) on revaluation	(524,897)	(521,342)
(Devaluation)	(934,053)	(922,376)
Deferred tax (income) on revaluation	224,173	221,370
Total revaluation of fixed assets recognized directly in the statement of other comprehensive income, net of deferred taxes	**960,489**	**949,912**
Devaluation of fixed assets charged in the statement of income	(672,450)	(546,620)
Deferred tax income on revaluation	161,388	131,189
Total revaluation of fixed assets recognized in the statement of income, net of deferred taxes	**(511,062)**	**(415,431)**
Total effect of 2019 revaluation, net of deferred taxes	**450,419**	**534,481**
Revaluation surplus reserve of fixed assets, after taxes	**Group**	**Company**
Balance 31.12.2018	**3,816,062**	**3,726,829**
Decrease due to devaluation	(709,880)	(701,006)
Increase due to revaluation surplus	1,670,361	1,650,918
Disposal of fixed assets	(18,141)	(12,790)
Other movements not related to 2019 revaluation	92,298	92,298
Decrease due to provision of decommissioning	(97,252)	(97,252)
Balance 31.12.2019	**4,753,454**	**4,658,997**

Impairment of mines' land and construction in progress

Under the new business plan of the Group and the immediate withdrawal plan for lignite units and mines, the Group and the Parent Company proceeded on December 31st, 2019 to an impairment test of mines' land (valuation by the cost method) for individual assets. More specifically, assets that are not expected to be used in the production process as their recoverable value is very low, were fully impaired. For assets that are expected to be used in the production process until the end of the mines production activity, Management proceeded to the assessment of their recoverable value, estimating Unit future production capacity. On December 31st, 2019, the Group and the Parent Company recognized impairment for all Mines (mines' lands and construction in progress) amounting to € 516 mil. and € 489 mil. respectively.

Impairment of decommissioning provision

On December 31st, 2019, due to immediate lignite-phase out, the Group and the Parent Company proceeded in recognizing an asset amounting to the additional provision for the mines' land restoration, while at the same time this asset was impaired by € 66.67 mil., since its carrying amount exceeded its recoverable value.

Impairment of investment in the new Steam Electric Unit 660 MW in Ptolemaida

The construction of the new Steam Electric unit 660 MW in Ptolemaida is in progress. PPC S.A. has already paid the two advance payments of € 197.88 mil. each against relevant Letters of Guarantee of Advance Payment amounting to € 226.77 mil. each.

On 05.04.2017, following the relevant decision of the Board of Directors of the Company, the Supplement No 1 of the Convention 11 09 5052 of Thermal Projects Engineering – Construction Department was issued. With this Supplement, the Conventional Table of Materials and Prices was replaced with a new Table of Materials and Prices which includes a further analysis of the prices in accordance with a relevant conventional term.

Additionally, for the needs of testing the equipment of the Project (commissioning), PPC S.A. and the Contractor signed on 04.07.2019 the Supplement No 2 of the Convention, according to which the Contractor undertakes the construction and the commissioning of a Temporary Interconnection of the 150 kV transmission line with the Backup Unit Auxiliary Transformer. On December 31st, 2019, the total expenditure for the Project amounts to € 1.355 mil.

On December 31st, 2019, the Parent Company, in accordance with IAS 36, proceeded to an impairment test of the total cost of the project, since the withdrawal plan of lignite units is an indication of impairment. The recoverable amount of the above investment was determined on the basis of the Value in Use method.

The Value in Use method based on future cash flows of the investment discounted using a discount rate (Weighted Average Cost of Capital - "WACC") 5.9%. The main assumptions made concern the future costs for the operation of the Unit (fuel costs, CO_2 emission rights costs etc), the expected future revenues as well as the additional capex required for the change of fuel mix after 2028.

As at December 31st, 2019, following the impairment test carried out, an impairment loss of € 589 mil. was incurred which burdened equally the Group's and the Parent Company's income statement.

Impairment of construction in progress of other Lignite Units

Taking into account the early withdrawal of all units of SES Agios Dimitrios until the end of 2023, the Parent Company impaired part of the costs of construction in progress in order for Units I, II, III and V to adapt the environmental requirements of Directive 2010/75/EU and to comply with the objectives of Transitional National Emissions Reduction Plan (TNERP), given that the estimated useful life of the above important environmental upgrades of the Units will not exceed 3 years maximum.

It is noted that the implementation of these projects was decided in previous periods and with different assumptions for the estimated useful life of these Units. The impairment loss amounted to € 34,048 thousand and burdened equally the Group's and the Parent Company's income statement.

In addition, from the specific environmental obligation, the Parent Company established a loss provision from expenses that cannot be avoided amounting to € 45.7 mil. (Note 32) based on IAS 37 (onerous contracts) burdening equally the Group's and the Parent Company's income statement.

Capitalization of Borrowing cost:

On December 31st, 2019, the Group and the Parent company capitalized borrowing cost for construction in progress totaling € 22.2 mil. (2018: € 12.9 mil.).

Encumbrances on tangible assets: Tangible assets are held free from encumbrances and any claims against the Group's tangible assets are deemed as not substantial.

16. INTANGIBLE ASSETS, NET

	Group					
	31.12.2019			31.12.2018		
	Software	Emission Allowances	Total	Software	Emission Allowances	Total
Net book value, January 1	**22,792**	**177,731**	**200,523**	**17,587**	**59,038**	**76,625**
Additions	8,395	551,831	560,226	16,095	581,009	597,104
Consumptions	-	(673,256)	(673,256)	-	(462,316)	(462,316)
Depreciation (Note 9)	(7,136)	-	(7,136)	(10,879)	-	(10,879)
Disposals	(16)	-	(16)	(1)	-	(1)
Transfers	582	-	582	(10)	-	(10)
December 31	**24,617**	**56,306**	**80,923**	**22,792**	**177,731**	**200,523**

	Company					
	31.12.2019			31.12.2018		
	Software	Emission Allowances	Total	Software	Emission Allowances	Total
Net book value, January 1	**11,905**	**177,731**	**189,636**	**12,386**	**59,038**	**71,424**
Spin-off of Lignite Units (Note 4)	-	-	-	(310)	-	(310)
Additions	1,060	551,831	552,891	5,532	581,009	586,541
Consumptions	-	(673,256)	(673,256)	-	(462,316)	(462,316)
Depreciation (Note 9)	(4,795)	-	(4,795)	(5,702)	-	(5,702)
Disposals	(4)	-	(4)	(1)	-	(1)
Transfers	582	-	582	-	-	-
December 31	**8,748**	**56,306**	**65,054**	**11,905**	**177,731**	**189,636**

The net carrying amount of software is further analyzed as follows:

	Group	Company
At December 31, 2017		
Gross carrying amount	86,881	68,513
Accumulated amortization	(69,295)	(56,127)
Net carrying amount	**17,586**	**12,386**
At December 31, 2018		
Spin-off of Lignite Units	-	(310)
Gross carrying amount	85,391	61,659
Accumulated amortization	(80,185)	(61,830)
Net carrying amount	**22,792**	**11,905**
At December 31, 2019		
Gross carrying amount	89,146	63,468
Accumulated amortization	(87,321)	(66,625)
Net carrying amount	**24,617**	**8,748**

17. INVESTMENTS IN SUBSIDIARIES

The direct subsidiaries of the Parent Company and the value of the investment are as follows:

	Company	
	31.12.2019	31.12.2018
HEDNO S.A.	56,982	56,982
PPC Renewables S.A.	156,608	155,608
PPC FINANCE PLC	59	59
PPC BULGARIA JSCo	522	522
PPC ELEKTRIK TEDARIK VE TICARET AS	1,350	1,350
PPC ALBANIA	150	150
EDS DOO Skopje	6,600	4,800
LIGNITIKI MELITIS S.A.	-	117,200
LIGNITIKI MEGALOPOLIS S.A.	-	115,200
	221,271	**451,871**

The consolidated financial statements include the financial statements of PPC and its subsidiaries (full consolidation).

In January 2019, the Parent Company's Board of Directors decided to increase the share capital of its 100% subsidiaries under the name "Lignitiki Megalopolis S.A." and "Lignitiki Melitis S.A." by € 11.6 mil. and € 7.3 mil. respectively with the issuance of 2.9 mil. and 1.8 mil. respectively of common shares with a nominal value of four (4) Euros per share and an issue price of four (4) Euros per share for both subsidiaries. The Parent Company paid the above amounts on April 18th, 2019.

In addition, on June 30th, 2019, an impairment in the value of the investment of two above mentioned subsidiaries was recorded amounting to € 102.3 mil. Since their tender procedure was declared barren, their operational profitability (EBITDA) dated 31.12.2019 is negative and the Parent Company is not expecting to receive any dividend in the future, and also taking into account the fact that the Parent Company decided in April 2020 to capitalize its receivables from these subsidiaries of € 104.4 mil., on December 31st, 2019, the Parent Company fully impaired the value of the shareholding in the Lignite Subsidiaries.

Subsidiaries	Ownership Interest 31.12.2019	31.12.2018	Country and Year of Incorporation	Principal Activities
PPC Renewables S.A.	100%	100%	Greece, 1998	RES
HEDNO S.A.	100%	100%	Greece, 1999	HEDN
Arkadikos Ilios 1 S.A.	100%	100%	Greece, 2007	RES
Arkadikos Ilios 2 S.A.	100%	100%	Greece, 2007	RES
Iliako Velos 1 S.A.	100%	100%	Greece, 2007	RES
Amalthia Energiaki S.A.	100%	100%	Greece, 2007	RES
SOLARLAB S.A.	100%	100%	Greece, 2007	RES
Iliaka Parka Ditikis Makedonias 1 S.A.	100%	100%	Greece, 2007	RES
Iliaka Parka Ditikis Makedonias 2 S.A.	100%	100%	Greece, 2007	RES
PPC FINANCE PL	100%	100%	UK, 2009	Financing Services
PPC Bulgaria JSCo	85%	85%	Bulgaria, 2014	Supply of power
PPC Elektrik Tedarik Ve Ticaret A.S.	100%	100%	Turkey, 2014	Supply of power
PHOIBE ENERGIAKI S.A	100%	100%	Greece, 2007	RES
PPC ALBANIA	100%	100%	Albania, 2017	Supply of power
Geothermikos Stochos S.A.	100%	100%	Greece, 2017	RES
WINDARROW MOUZAKI ENERGY S.A.	100%	100%	Greece, 2018	RES
EDS DOO Skopje	100%	100%	Republic of North Macedonia, 2012	Supply of power
EDS DOO Belgrade	100%	100%	Serbia, 2016	Supply of power
EDS International SK SRO	100%	100%	Slovakia, 2012	Supply of power
EDS International KS LLC	100%	100%	Kosovo, 2016	Supply of power
LIGNITIKI MELITIS S.A.	100%	100%	Greece, 2018	Generation of power
LIGNITIKI MEGALOPOLIS S.A.	100%	100%	Greece, 2018	Generation of power

18. INVESTMENTS IN ASSOCIATES

The Group's and the Parent Company's associates as of December 31st, 2019 and December 31st, 2018 are as follows (equity method):

	Group		Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
PPC Renewables ROKAS S.A.	2,675	2,540	-	-
PPC Renewables TERNA Energiaki S.A.	3,247	3,245	-	-
PPC Renewables NANKO Energy – MYHE Gitani S.A.	1,965	2,075	-	-
PPC Renewables MEK Energiaki S.A.	263	248	-	-
PPC Renewables ELTEV AIFOROS S.A.	2,572	2,820	-	-
PPC Renewables EDF EN GREECE S.A.	7,838	7,754	-	-
Aioliko Parko LOYKO S.A.	13	15	-	-
Aioliko Parko MBAMBO VIGLIES S.A.	13	17	-	-
Aioliko Parko KILIZA S.A.	18	22	-	-
Aioliko Parko LEFKIVARI S.A.	17	20	-	-
Aioliko Parko AGIOS ONOUFRIOS S.A.	20	23	-	-
OROS ENERGIAKI L.T.D.	229	193	-	-
ATTIKA GREENESCO ENERGIAKI S.A.	-	80	-	-
VOLTERRA LYKOVOUNI SOLE SHAREHOLDER COMPANY S.A.	8,701	-	-	-
VOLTERRA K-R SOLE SHAREHOLDER COMPANY S.A.	7,801	-	-	-
WASTE SYCLO S.A.	32	37	37	37
PPC Solar Solutions S.A.	960	960	960	960
	36,364	**20,049**	**997**	**997**

The full list of the Group's and the Parent Company's associates are as follows:

Associates	Note	Ownership Interest 31.12.2019	31.12.2018	Country and Year of Incorporation	Principal Activities
PPC Renewables ROKAS S.A.		49.00%	49.00%	Greece, 2000	RES
PPC Renewables TERNA Energiaki S.A.		49.00%	49.00%	Greece, 2000	RES
PPC Renewables NANKO Energy – MYH Gitani S.A.		49.00%	49.00%	Greece, 2000	RES
PPC Renewables MEK Energiaki S.A.		49.00%	49.00%	Greece, 2001	RES
PPC Renewables ELTEV AIFOROS S.A.		49.00%	49.00%	Greece, 2004	RES
PPC Renewables EDF EN GREECE S.A.		49.00%	49.00%	Greece, 2007	RES
EEN VOIOTIA S.A.	1	46.60%	46.60%	Greece, 2007	RES
Aioliko Parko LOYKO S.A.		49.00%	49.00%	Greece, 2008	RES
Aioliko Parko BAMBO VIGLIES S.A.		49.00%	49.00%	Greece, 2008	RES
Aioliko Parko KILIZA S.A.		49.00%	49.00%	Greece, 2008	RES
Aioliko Parko LEFKIVARI S.A.		49.00%	49.00%	Greece, 2008	RES
Aioliko Parko AGIOS ONOUFRIOS S.A.		49.00%	49.00%	Greece, 2008	RES
Waste Syclo S.A.		49.00%	49.00%	Greece, 2011	Waste Management
PPC Solar Solutions S.A.		49.00%	49.00%	Greece, 2014	RES
OROS ENERGIAKI S.A.		49.00%	49.00%	Greece, 2017	RES
ATTIKA GREENESCO ENERGIAKI S.A.	2	49.00%	49.00%	Greece, 2017	En. Serv.
VOLTERRA LYKOVOUNI SOLE SHAREHOLDER COMPANY S.A.		45.00%	-	Greece, 2017	RES
VOLTERRA K-R SOLE SHAREHOLDER COMPANY S.A.		45.00%	-	Greece, 2014	RES

1. It is consolidated from the associate company PPC Renewables EDF EN GREECE S.A. as it participates by 95% in its share capital.
2. Amalthia Energiaki S.A., PPC Renewable's subsidiary, acquired 49% of this entity.

PPC and VOLTERRA cooperation agreement

On July 15th, 2019 and July 18th, 2019, the acquisition by PPC Renewables was completed for the shareholding of 45% of wind parks of 69.7 MW total capacity of companies VOLTERRA LYKOVOUNI SOLE SHAREHOLDER COMPANY S.A. and VOLTERRA K-R SOLE SHAREHOLDER COMPANY S.A. that were 100% subsidiaries of VOLTERRA S.A., a subsidiary of AVAX Group. Specifically, PPC Renewables acquired 45% of the shares of the two companies (SPV) of VOLTERRA for a total consideration of € 15.8 mil. The first company (VOLTERRA K-R SOLE SHAREHOLDER COMPANY S.A.) owns two wind parks of 16 MW capacity in Etoloakarnania which are already operational at a Feed – in Premium (FiP) of 98 €/MWh and the second one (VOLTERRA LYKOVOUNI SOLE SHAREHOLDER COMPANY S.A.), owns two wind parks in Viotia one of 42.9 MW capacity with a FiP of 98€/MWh and another one of 10.8 MW capacity with a FiP of 56.45 €/MWh, whose construction has already begun.

The specific business initiative of PPC's collaboration with VOLTERRA company for the joint development and operation of Wind Parks through PPC's 100% subsidiary PPC Renewables, is part of PPC's strategic plan for the development of RES.

The following table presents PPC's share (directly or indirectly) of its associates' financial figures as of 31.12.2019 and 31.12.2018 respectively:

	December 31, 2019		
	Assets	Liabilities	Equity
PPC Renewables ROKAS S.A.	3,101	885	2,216
PPC Renewables TERNA Energiaki S.A.	10,008	6,807	3,201
PPC Renewables NANKO Energy – MYHE Gitani S.A.	2,995	16	2,979
PPC Renewables MEK Energiaki S.A.	1,929	1,322	607
PPC Renewables ELTEV S.A.- SMIXIOTIKO	4,261	1,689	2,572
PPC Renewables EDF EN GREECE S.A.	18,885	13,509	5,376
Aioliko Parko LOYKO S.A.	14	2	12
Aioliko Parko MBAMBO VIGLIES S.A.	19	7	12
Aioliko Parko KILIZA S.A.	22	4	18
Aioliko Parko LEFKIVARI A.E.	18	2	16
Aioliko Parko AGIOS ONOUFRIOS S.A.	22	3	19
Oros Energiaki S.A.	1,032	901	131
GREENESCO Energiaki S.A.	190	263	-73
VOLTERRA LYKOVOUNI SOLE SHAREHOLDER COMPANY S.A.	14,084	6,324	7,760
VOLTERRA K-R SOLE SHAREHOLDER COMPANY S.A.	13,061	7,846	5,215
Total	**69,641**	**39,580**	**30,061**

	December 31, 2018		
	Assets	Liabilities	Equity
PPC Renewables ROKAS S.A.	3,142	913	2,229
PPC Renewables TERNA Energiaki S.A.	6,503	3,258	3,246
PPC Renewables NANKO Energy – MYHE Gitani S.A.	3,187	98	3,089
PPC Renewables MEK Energiaki S.A.	2,100	1,509	591
PPC Renewables ELTEV S.A.- SMIXIOTIKO	4,580	1,761	2,820
PPC Renewables EDF EN GREECE S.A.	19,758	14,889	4,869
Aioliko Parko LOYKO S.A.	16	2	15
Aioliko Parko MBAMBO VIGLIES S.A.	21	16	21
Aioliko Parko KILIZA S.A.	24	2	21
Aioliko Parko LEFKIVARI A.E.	21	1	20
Aioliko Parko AGIOS ONOUFRIOS S.A.	24	1	23
Oros Energiaki S.A.	1,077	975	102
ATTICA GREENESCO Energiaki S.A.	179	107	72
Total	**40,632**	**23,532**	**17,118**

The following table presents PPC's share of its associates' revenues and results:

	December 31, 2019		December 31, 2018	
	Revenues	Profit/(Loss)	Revenues	Profit/(Loss)
PPC Renewables ROKAS S.A.	735	505	763	543
PPC Renewables TERNA Energiaki S.A.	1,071	369	1,493	866
PPC Renewables NANKO Energy – MYHE Gitani S.A.	517	159	701	306
PPC Renewables MEK Energiaki S.A.	1,132	665	1,163	704
PPC Renewables ELTEV S.A.SMIXIOTIKO	530	301	559	253
PPC Renewables EDF EN GREECE S.A.	2,757	507	2,611	278
Aioliko Parko LOYKO S.A.	-	(3)	-	(3)
Aioliko Parko MBAMBO VIGLIES S.A.	-	(4)	2	(4)
Aioliko Parko LEFKIVARI A.E.	-	(4)	-	(3)
Aioliko Parko AGIOS ONOUFRIOS S.A.	-	(4)	-	(2)
Aioliko Parko KILIZA S.A.	-	(4)	-	(3)
Oros Energiaki S.A.	187	36	49	(1)
GREENESCO Energiaki S.A.	181	(146)	90	(173)
VOLTERRA LYKOVOUNI SOLE SHAREHOLDER COMPANY S.A.	-	(104)	-	-
VOLTERRA K-R SOLE SHAREHOLDER COMPANY S.A.	1,485	164	-	-
Total	**8,595**	**2,437**	**7,431**	**2,761**

19. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

PPC balances with its subsidiaries as of December 31st, 2019 and December 31st, 2018 are as follows:

	December 31, 2019		December 31, 2018	
Subsidiaries	Receivables	(Payables)	Receivables	(Payables)
Subsidiaries				
PPC Renewables S.A.	1,420	-	886	-
HEDNO S.A.	309,426	(562,819)	770,720	(1,044,145)
LIGNITIKI MEGALOPOLIS S.A.	69,226	(1,309)	27,481	(343)
LIGNITIKI MELITIS S.A.	39,000	-	18,023	-
PPC Finance Plc.	-	(57)	-	(3,259)
PPC Elektrik	645	-	-	(62)
PPC Bulgaria JSCO	2	(1,808)	-	(1,863)
PPC Albania	230	(20)	160	-
EDS DOO Skopje	386	-	1,230	(131)
	420,335	**(566,013)**	**818,500**	**(1,049,803)**

The above mentioned balances of receivables and payables with the subsidiary PPC Finance Plc relate to its management costs which eventually burden the Parent Company.

Corporate transformation of the subsidiary Energy Delivery Solutions EDS Doo (EDS)

In July 2019, the Parent Company's Board of Directors approved the corporate transformation of the subsidiary EDS DOOEL Skopje from Single-Member LTD to a Société Anonyme (JSC).

It also approved the payment of Euro 1,800,000 as initial capital in order to cover the company's negative equity for the year 2018, to pay the amount required by the L. of Northern Macedonia for the transformation of the company into a Societe Anonyme and to create positive equity for the commencement of its operation as S.A. The above payment took place on 07.08.2019.

On December 31st, 2019, the Parent Company recognized a provision of expected credit loss on receivables for the subsidiaries "Lignitiki Megalopolis S.A." and "Lignitiki Melitis S.A." of € 65.6 mil. and € 38.8 mil.

PPC's transactions with its subsidiaries for the period ended December 31st, 2019 and December 31st, 2018, respectively, are as follows:

	December 31, 2019		December 31, 2018	
	Invoiced to	Invoiced from	Invoiced to	Invoiced from
Subsidiaries				
PPC Renewables S.A.	2,106	-	2,387	(1)
HEDNO S.A.	1,891,133	(2,135,018)	1,689,607	(2,057,736)
LIGNITIKI MEGALOPOLIS S.A.	112,372	(779)	56,171	(277)
LIGNITIKI MELITIS S.A.	45,526	-	27,305	-
PPC Finance Plc	-	(6,473)	-	(22,606)
PPC Elektrik	-	(3,119)	2	(4,981)
PPC Bulgaria JSCO	115	(44,449)	113	(44,024)
PPC Albania	-	(62)	-	(210)
EDS DOO Skopje	1,076	(3,056)	260	(954)
	2,052,328	**(2,192,956)**	**1,775,845**	**(2,130,789)**

The above mentioned amounts of invoices from the subsidiary PPC Finance Plc relate to its management costs which eventually burden the Parent Company.

Guarantee in favor of the subsidiary PPC Renewables S.A.

As of December 31st, 2019, the Parent Company has provided a guarantee for a total credit line of up to € 8 mil., through overdraft facilities, out of which PPC Renewables S.A. has used an amount of 465 thousands of Euro relating to letters of guarantee.

Guarantee in favor of the subsidiary Energy Delivery Solutions EDS Doo (EDS)

As of December 31st, 2019 the Parent Company has provided a guarantee, for a total credit line for EDS Group's loans up to the amount of € 22 mil. concerning working capital. As of December 31st, 2019 EDS has used from the above mentioned credit line an amount of Euro 19 mil. approximately, concerning disbursed loan amounts.

Guarantee in favor of the subsidiary Energy Delivery Solutions EDS Doo (EDS), to Electricity Suppliers

As of December 31st, 2019 the Parent Company has provided a guarantee for EDS's credit lines with the Electricity Suppliers, Energy Financing Team AG and Petrol D.D. up to an amount of € 3 mil.

Transactions and balances with other companies into which the Greek State participates

The following table presents transactions and balances with companies Hellenic Petroleum ("ELPE") and National Gas Company ("DEPA"), which are PPC's liquid fuel and natural gas suppliers, respectively, and into which the Greek State participates. Additionally, transactions and balances with DAPEEP S.A. (former EMO S.A.), HEnEx S.A., IPTO S.A., LARCO S.A. and ELTA S.A. are presented.

	1.1.2019 – 31.12.2019		1.1.2018 – 31.12.2018	
	Invoiced to	Invoiced from	Invoiced to	Invoiced from
ELPE	50,066	(159,346)	41,399	(187,381)
DEPA	330	(378,467)	337	(357,518)
DAPEEP S.A. (former EMO S.A.)	230,830	(309,685)	836,427	(1,211,599)
HEnEx S.A.	1,104,976	(2,459,270)	730,293	(1,507,581)
IPTO S.A.	169,703	(528,379)	144,737	(888,753)
LARCO S.A.	61,149	(2,929)	47,856	(8,501)

	December 31, 2019		December 31, 2018	
	Receivables	(Payables)	Receivables	(Payables)
ELPE	15,968	(24,996)	11,998	(27,700)
DEPA	-	(19,603)	-	(77,068)
DAPEEP S.A. (former EMO S.A.)	64,954	(382,174)	155,477	(133,144)
HEnEx S.A.	20,313	(61,197)	16,325	(70,034)
IPTO S.A.	208,774	(388,194)	126,919	(658,645)
LARCO S.A.	353,336	-	313,395	-

PPC's total receivables from LARCO S.A., relating to electricity bills, are fully covered by a provision.

In addition to the above mentioned transactions, PPC enters into commercial transactions with many state-owned entities, both profit and non for profit, within its normal course of business (sale of electricity, services received, etc.). All transactions with state-owned entities are performed at arm's length terms and are not disclosed, with the exception of transactions that the Group and the Parent Company enter into with the Hellenic Corporation of Assets and Participations S.A. (HCAP S.A.) and the companies in which HCAP S.A. participates. The balances and transactions for the year 2019 with HCAP S.A. and the companies, in which HCAP S.A. participates, are presented below:

	GROUP		PARENT COMPANY	
	December 31, 2019		December 31, 2019	
	Receivables	(Payables)	Receivables	(Payables)
ATHENS INTERNATIONAL AIRPORT S.A.	1,962	(54)	1,962	(31)
ELTA S.A.	6,538	(4,682)	-	(3,939)
ELTA COURIER S.A.	-	(192)	-	(166)
EYDAP S.A.	3,523	(14)	3,523	(3)
ETVA INDUSTRIAL PARKS S.A.	214	(33)	214	(28)
ODIKES SYNGKOINONIES S.A.	3,951	(3)	3,951	-
PUBLIC PROPERTIES COMPANY S.A.	4,491	-	4,491	-
URBAN RAIL TRANSPORT S.A.	24,441	-	24,441	-
C.M.F.O. S.A.	60	-	60	-
O.A.S.A. S.A.	2	-	2	-
E.Y.A.TH. S.A.	2,559	-	2,558	-
HELLENIC SALTWORKS S.A.	19	-	19	-
TOTAL	**47,760**	**(4,978)**	**41,221**	**(4,167)**

	GROUP		PARENT COMPANY	
	1.1.2019 – 31.12.2019		1.1.2019 – 31.12.2019	
	Invoiced to	Invoiced from	Invoiced to	Invoiced from
HCAP S.A.	13	-	13	-
ATHENS INTERNATIONAL AIRPORT S.A.	5,295	(192)	5,095	(192)
ELTA S.A.	21,435	(22,456)	170	(16,395)
ELTA COURIER S.A.	8	(217)	8	(131)
EYDAP S.A.	16,284	(161)	16,155	(119)
ETVA INDUSTRIAL PARKS S.A.	1,031	(40)	889	(36)
THESSALONIKI INTERNATIONAL FAIR S.A.	823	(84)	823	(81)
ODIKES SYNGKOINONIES S.A.	2,952	(11)	2,951	-
PUBLIC PROPERTIES COMPANY S.A.	1,938	(1)	1,938	(1)
URBAN RAIL TRANSPORT S.A.	17,318	(369)	17,318	(368)
C.M.F.O. S.A.	968	-	968	-
O.A.S.A. S.A.	21	-	21	-
CENTRAL MARKET OF THESSALONIKI S.A.	229	-	229	-
HELLENIC CASINO OF PARNITHA S.A.	263	-	263	-
E.Y.A.TH. S.A.	10,957	(5)	10,924	-
HELLENIC SALTWORKS S.A.	198	-	198	-
MANAGEMENT OF INDUSTRIAL PARK OF KASTORIA	3	-	3	-
GAIAOSE S.A.	1	-	1	-
A.E.DI.K	14	-	14	-
TOTAL	**79,751**	**(23,536)**	**57,981**	**(17,323)**

	GROUP		PARENT COMPANY	
	December 31, 2018		December 31, 2018	
	Receivables	(Payables)	Receivables	(Payables)
HCAP S.A.	1	-	1	-
ATHENS INTERNATIONAL AIRPORT S.A.	11,105	(39)	11,061	(39)
ELTA S.A.	7,337	(7,584)	0	(6,355)
ELTA COURIER S.A.	1	(96)	1	(80)
EYDAP S.A.	3,240	(7)	3,240	(2)
ETVA INDUSTRIAL PARKS S.A.	209	(221)	209	(24)
THESSALONIKI INTERNATIONAL FAIR S.A.	11	-	11	-
ODIKES SYNGKOINONIES S.A.	2,559	(1)	2,555	-
PUBLIC PROPERTIES COMPANY S.A.	4,039	-	4,035	-
URBAN RAIL TRANSPORT S.A.	22,422	-	22,422	-
C.M.F.O. S.A.	24	-	24	-
O.A.S.A. S.A.	-	(4)	-	(4)
CENTRAL MARKET OF THESSALONIKI S.A.	-	-	-	-
HELLENIC CASINO OF PARNITHA S.A.	-	-	-	-
E.Y.A.TH. S.A.	3,325	(3)	3,325	-
HELLENIC SALTWORKS S.A.	-	-	-	-
MANAGEMENT OF INDUSTRIAL PARK OF KASTORIA	-	-	-	-
GAIAOSE S.A.	-	-	-	-
A.E.DI.K	3	-	3	-
HRADF	2	-	2	-
MARINA ZEAS	1	-	1	-
PPC RENEWABLES-TERNA ENERGIAKI S.A.	-	-	-	-
TOTAL	**54,279**	**(7,955)**	**46,890**	**(6,504)**

	GROUP		PARENT COMPANY	
	1.1.2018 – 31.12.2018		1.1.2018 – 31.12.2018	
	Invoiced to	Invoiced from	Invoiced to	Invoiced from
HCAP S.A.	-	-	-	-
ATHENS INTERNATIONAL AIRPORT S.A.	4,527	(198)	4,312	(198)
ELTA S.A.	18,741	(23,628)	34	(19,192)
ELTA COURIER S.A.	5	(211)	5	(171)
EYDAP S.A.	15,837	(197)	15,202	(132)
ETVA INDUSTRIAL PARKS S.A.	941	(39)	941	(35)
THESSALONIKI INTERNATIONAL FAIR S.A.	633	(130)	633	(130)
ODIKES SYNGKOINONIES S.A.	2,694	(3)	2,691	-
PUBLIC PROPERTIES COMPANY S.A.	1,693	(1)	1,693	-
URBAN RAIL TRANSPORT S.A.	15,601	(1)	15,601	-
C.M.F.O. S.A.	873	-	873	-
O.A.S.A. S.A.	15	-	15	-
CENTRAL MARKET OF THESSALONIKI S.A.	203	-	203	-
HELLENIC CASINO OF PARNITHA S.A.	930	-	930	-
E.Y.A.TH. S.A.	10,223	(29)	10,223	-
HELLENIC SALTWORKS S.A.	173	-	173	-
MANAGEMENT OF INDUSTRIAL PARK OF KASTORIA	3	-	3	-
GAIAOSE S.A.	1	-	1	-
A.E.DI.K	14	-	14	-
HRADF	-	-	-	-
MAPINA ZEAS	-	-	-	-
PPC RENEWABLES-TERNA ENERGIAKI S.A.	1	-	1	-
TOTAL	**73,108**	**(24,437)**	**53,548**	**(19,858)**

For the collection of electricity bills, PPC cooperates with the Hellenic Post (ELTA S.A.), which possesses the license required by law.
The balance of the amounts collected from electricity bills that ELTA S.A. had not timely paid to PPC until December 31st, 2018 amounted to € 15,686. The above amount includes all charges included in the electricity bills issued by PPC.
At the beginning of 2019, PPC received part of the above amount and the remaining amount was offset with Parent Company's debts relating to the provision by ELTA S.A. of Postal Services for the collection, sorting, transport and distribution of PPC's postal items throughout the Hellenic Territory. As of December 31st, 2019, there is no claim of PPC for the above reason.

Management remuneration

Management Members remuneration (Board of Directors and General Managers) for the twelve month period ended on December 31st, 2019 and December 31st, 2018 is as follows:

	GROUP		COMPANY	
	2019	**2018**	**2019**	**2018**
Remuneration of the Board of Directors' members				
- Remuneration of executive members	433	292	80	57
- Remuneration of non-executive members	227	177	-	-
- Compensation / Extraordinary fees	290	-	65	-
- Employer's Social Contributions	200	149	49	37
- Other Benefits	150	132	94	104
	1,300	**750**	**288**	**198**
Remuneration of the Deputy Chief Executive				
Officers and General Managers				
- Regular remuneration	681	622	514	456
- Employer's Social Contributions	180	173	136	127
- Compensation / Extraordinary fees	4	4	4	4
	865	**799**	**654**	**587**
Total	**2,165**	**1,549**	**942**	**785**

Remuneration to members of the Board of Directors does not include standard salaries and employer's social contribution, relating to the representatives of employees that participate in the Parent Company's Board of Directors. Also, it does not include the benefit of the electricity supply based on the PPC personnel tariff to the executive members of the Board of Directors, the Deputy Chief Executive Officers and the General Managers.

20. MATERIALS, SPARE PARTS AND SUPPLIES, NET

	GROUP		COMPANY	
	2019	**2018**	**2019**	**2018**
Lignite	86,804	45,722	67,674	38,450
Liquid fuel	210,567	200,741	206,327	196,396
Materials and consumables	743,991	722,219	509,992	492,140
Purchased materials in transit	7,853	12,424	7,333	11,724
	1,049,215	**981,106**	**791,326**	**738,710**
Provision for materials' and spare parts' impairment	(318,320)	(214,828)	(260,403)	(169,644)
Total	**730,895**	**766,278**	**530,923**	**569,066**

During 2019, the Group and the Parent Company established additional provisions for slow moving materials and spare parts amounting to € 12,710 and € 7,606 respectively (2018: € 8,023 and € 7,063 respectively).
In the context of immediate lignite phase-out, the Parent Company established an additional provision of €83,153 for impairment of materials - spare parts located in the warehouses of the lignite power stations and its mines as they are not expected to be used in the production procedure.
Materials, spare parts and supplies of the Group and the Parent Company are held free of encumbrances.

21. TRADE RECEIVABLES, NET

	GROUP		COMPANY	
	2019	**2018**	**2019**	**2018**
High voltage	554,299	500,373	539,329	490,875
Medium and low voltage	2,580,383	2,718,082	2,573,915	2,718,083
Customers' contributions	2,896	2,866	2,896	2,866
Other energy suppliers	200,839	206,079	-	-
	3,338,417	**3,427,400**	**3,116,140**	**3,211,824**
Provision for expected credit losses	(2,654,926)	(2,689,872)	(2,536,927)	(2,571,917)
Total	**683,491**	**737,528**	**579,213**	**639,907**

High voltage customer balances relate to (a) receivables from sales of energy to 58 companies with 92 installations (power supplies), including large industrial companies, which are invoiced at the end of each calendar month, based on individual agreements and actual metering and (b) receivables from exports to customers abroad.

Medium voltage customers are mainly industrial and commercial companies. Billing is made on a monthly basis and it is based on actual meter readings. Low voltage customers are mainly residential and small commercial companies.
The majority of low voltage customers are billed every four months based on actual meter readings, while interim bills are issued every two months based mainly on the energy consumed during the corresponding prior period.

There are different types of tariffs for both medium and low voltage customers based on different types of energy use (commercial, residential, etc).
The provision for expected credit losses for the high voltage customers is established by making a personalized assessment of the expected credit loss per customer.
For the determination of expected credit losses regarding the receivables from Medium and Low voltage customers, the Group and the Parent Company use credit loss provision table based on the ageing of the balances, based on the historical data of the Group and the Parent Company for credit losses, adjusted for future factors with respect to debtors and the economic environment.

The movement of the provision for expected credit losses is as follows:

	GROUP		COMPANY	
	2019	2018	2019	2018
As at January 1	**2,689,872**	**2,855,340**	**2,571,917**	**2,755,357**
-Transfer part of provision to contract assets (effect of IFRS 15)	-	(26,867)	-	(26,867)
- Effect of IFRS 9	-	5,488	-	5,734
As at January 1	2,689,872	2,833,961	2,571,917	2,734,224
- Increase/(decrease) in provision	(34,947)	(144,089)	(34,990)	(162,307)
As at December 31	**2,654,925**	**2,689,872**	**2,536,927**	**2,571,917**

At December 31st, 2019 and December 31st, 2018, the ageing analysis of the invoiced trade receivables and the expected credit loss, is as follows:

Ageing analysis of the trade receivables balances (Group)

31.12.2018	Non Past due balance	< 45 days	45 – 90 days	90 – 180 days	180 – 365 days	>365 days	Total
Expected credit loss percentage	14.21%	23.52%	52.46%	74.65%	95.16%	94.30%	78.50%
Total receivables	350,645	227,194	133,450	241,684	332,431	2,141,996	3,427,400
Expected credit loss	49,832	53,430	70,003	180,423	316,345	2,019,839	2,689,872

31.12.2019	Non Past due balance	< 45 days	45 – 90 days	90 – 180 days	180 – 365 days	>365 days	Total
Expected credit loss percentage	12.18%	22.41%	43.90%	62.25%	87.84%	98.81%	79.53%
Total receivables	365,524	189,801	127,668	219,609	288,068	2,147,747	3,338,416
Expected credit loss	44,518	42,537	56,049	136,704	253,027	2,122,090	2,654,925

Ageing analysis of the trade receivables balances (Parent Company)

31.12.2018	Non Past due balance	< 45 days	45 – 90 days	90 – 180 days	180 – 365 days	>365 days	Total
Expected credit loss percentage	14.21%	25.04%	52.46%	74.65%	95.16%	98.02%	80.08%
Total receivables	350,645	213,354	133,450	241,684	332,431	1,940,260	3,211,824
Expected credit loss	49,832	53,430	70,003	180,423	316,345	1,901,884	2,571,917

31.12.2019	Non Past due balance	< 45 days	45 – 90 days	90 – 180 days	180 – 365 days	>365 days	Total
Expected credit loss percentage	14.28%	24.28%	46.34%	67.08%	88.14%	99.33%	81.41%
Total receivables	311,598	175,151	120,943	203,758	287,036	2,017,653	3,116,140
Expected credit loss	44,496	42,533	56,049	136,682	252,998	2,004,168	2,536,927

22. CONTRACT ASSETS

	GROUP		COMPANY	
	2019	2018	2019	2018
Unbilled revenue	479,741	545,868	479,741	548,008
Provision for expected credit losses	(54,830)	(63,526)	(54,830)	(63,526)
Total	**424,911**	**482,342**	**424,911**	**484,482**

Revenues from the supply of power to High, Medium and Low voltage customers during the interval from the last measurement or billing until the reporting date are accounted for as energy consumed but not yet billed (unbilled revenue). At each reporting date and taking into account that the billing which is based on measurement data of the last month of the period, is carried out in the first days of the next month with respect to High and Medium Voltage customers, the total value of energy of that month is recognized as accrued income for the period, which is reversed in the following month, after billing has already been accounted for. Additionally, at each reporting date, the Parent Company estimates the unbilled revenue from Low Voltage customers, having developed a specific estimation method. The resulting amounts are accounted for as accrued income for the periods ending until the reporting date and reversed in the next month. All accrued income from the energy consumed but not yet billed is impaired at each reporting date with provision for expected credit losses. This provision is calculated on the basis of the possibility of default for non-past due trade receivables, arising from the expected credit loss provision table.
The movement of the provision for expected credit losses on the value of the unbilled revenue is as follows:

	GROUP		COMPANY	
	2019	2018	2019	2018
As at January 1	**63,526**	-	**63,526**	-
- Transfer part of provision for doubtful receivables (IFRS 15)	-	26,867	-	26,867
- Effect of IFRS 9	-	44,018	-	44,018
As at January 1	63,526	70,885	63,526	70,885
- Increase/(decrease) in provision	(8,696)	(7,359)	(8,696)	(7,359)
As at December 31	**54,830**	**63,526**	**54,830**	**63,526**

23. OTHER RECEIVABLES, NET

	GROUP		COMPANY	
	2019	2018	2019	2018
Value Added Tax	62,064	71,082	51,033	65,876
Assessed taxes and penalties	32,198	40,319	31,867	40,310
Social security funds				
- in dispute	18,059	18,059	18,059	18,059
- current	3,196	3,195	3,195	3,195
State participation in employees' social security contributions	1,546	1,546	1,546	1,546
Pensioners' advances, in dispute	5,262	5,262	5,262	5,262
Loans to employees	7,026	7,860	4,012	4,495
Receivables from contractors	4,232	4,249	4,048	4,066
Receivables from PSOs	-	1	-	-
Receivables from PPCR	-	-	1,417	886
Receivables from HEDNO S.A.	-	-	-	-
Receivable from DAPEEP S.A. (former EMO S.A.)	-	22,333	-	22,333
Fiber optic rentals	-	5,548	-	5,548
Receivables from Lignite subsidiaries	-	-	104,426	40,885
Advances and prepayments	25,507	21,021	15,832	13,858
Accrued income	229,425	127,351	178,675	90,230
Other	107,767	91,744	88,839	72,439
	496,282	**419,570**	**508,211**	**388,988**
Provision for expected credit losses	(135,803)	(129,718)	(272,767)	(127,105)
Total	**360,479**	**289,852**	**235,444**	**261,883**

VAT return

Within 2019, requests for VAT returns were submitted to the tax authorities due to credit balances in VAT for tax periods 01.10.2018 to 31.03.2019, 01.04.2019 to 30.04.2019, 01.05.2019 to 30.06.2019, 01.07.2019 to 31.07.2019, 01.08.2019 to 31.08.2019, 01.09.2019 to 30.09.2019, 01.10.2019 to 31.10.2019 and 01.11.2019 to 30.11.2019. The above credit balances arise mainly from outflows subject to a VAT tax rate lower than the input VAT tax rate. The requested VAT returns of € 235 mil. was received by the Athens Tax Office for Commercial Companies after conducting corresponding partial tax audits. With the submission of the periodic VAT declaration of January 2020, the Company requested for VAT return of € 20 mil. which was collected within March 2020. Along with the submission of the periodic VAT declaration of February 2020 a new request for VAT return of € 10 mil. was submitted.

Reduction of VAT rate

The Appendix III of the VAT Code was replaced by the paragraph 1 of article 121 of L.4611/2019 and electricity is subject to the reduced VAT rate of 6%.
The effective date of the provision was set on May 20th, 2019.

Assessed taxes and penalties:

The amount represents additional income taxes and penalties assessed to the Parent Company.

An amount of € 31,644 corresponds to a paid special consumption tax with recourse

In the framework of an audit conducted by Audit Department of the Customs House for the period May 2010 to September 2012, an Imputation Act (Nr. 80/14/07.07.2015) of the Head of the 4th Customs Supervision Assembly of Piraeus was issued, which charged the Company with special consumption tax amounting Euro 9,790 which corresponds to self-consumption quantities for the audited period to Electricity Transmission System due to non-compliance with the terms and formalities mentioned in the Ministerial Decision (ΔΕΦΚ.5025777ΕΞ2010/17.6.2010) on the matter.
The Company paid the charged amounts and, at the same time, appealed against the aforementioned act before the Piraeus Administrative Court of Appeals, but since then compliant with the instructions of Ministry of Finance, PPC includes the self-consumption quantities of electricity in the Special Consumption Tax Statements which submits and pays with recourse the relevant tax on the monthly basis, while simultaneously files a corresponding lawsuit. A total amount of € 31,644 corresponds to a paid special consumption tax with recourse to date.

An amount of € 10,555 corresponds to amounts paid, which were imposed by the regular audit from the Centre for Auditing Big Companies for the years 2009-2011

Following a regular tax audit from the Centre for Auditing Big Companies, various accounting differences were added to the Company's taxable profits for the fiscal year 2012 (reporting period 01.01.2011 - 31.12.2011) and an income tax plus an inaccuracy tax totaling € 462 was charged.
A Fine of Withholding Tax of € 9,855 was imposed on the ground that PPC in the same fiscal year 2012 issued false salary statements to its staff, since it did not include the employees' benefits from the supply of electricity at reduced tariffs. Finally, two fines of € 900.00 were imposed due to late issue of purchase invoices and € 500.00 due to providing incomplete data to audit. The surcharges amounted to € 237.
On January 24th, 2018, against the aforementioned corrective acts an appeal was filed before the Dispute Resolution Division of the Independent Authority for Public Revenue. The latter did not issue a decision on the case and the Company filed an appeal before the Athens Administrative Court of Appeal on June 25th, 2018.
For the amount of € 10,555 an equal provision was established in the Financial Statements of 2018.
This appeal was heard on January 9th, 2019 and on June 20th, 2019 the Three-Member Athens Administrative Court of Appeal (5th Section) issued the decision No. 2566/2019 which accepted the Company's appeal.
For the amount of € 10,555 an equal provision was established in the Financial Statements 2018.
According to decision No. 2566/2019 the rejection of the Dispute Resolution Division No. 1606/26.01.2018 was cancelled, which was filed against the Final Acts of Fines Imposed on our Company from the tax audit for the period 2009-2011.

According to the aforementioned decision of the Athens Administrative Court of Appeal, PPC's appeal was accepted, since it was judged that the right of the Greek State to audit the disputed year was time-barred, while at the same time the Company had a tax certificate with "unqualified conclusion" by independent Certified Auditors.
Following the above and in compliance with the aforementioned decision of August 9th, 2019 a request was submitted to the Centre for Auditing Big Companies and we received a refund, through offsetting with withholding taxes of € 10,318, the imposed amounts which the Company had paid to the Greek State.

Social Security Funds in Dispute
The amount relates to social security contributions and deductions (during years 1983-1993) for employees who have worked with other employers before joining PPC. As PPC undertook the obligation to cover the whole amount of their pensions and other related benefits, part of their contributions to other social security funds mainly IKA (SII, i.e. Social Insurance Institute which was the major Greek social security fund) has been claimed by PPC.
Since the claim was not accepted by IKA, PPC resorted to the courts. Following an adverse court decision, PPC together with PPC – PIO (currently EFKA, Greek Single Social Security Institution) appealed against the said decision. The court rejected PPC's appeal, whereas PPC – PIO's (currently EFKA, Greek Single Social Security Institution) appeal against IKA is still pending. For the abovementioned amount, an equal provision has been established at the attached financial statements.

Advances to Pensioners in Dispute
The amount of € 5,262 represents an advance payment made in 1993 to pensioners. An equal provision has been established of this amount.

State Participation in Employees' Social Security Contributions:
The amount represents the State's contribution to the social security contributions of employees who started working after January 1st, 1993. For the above mentioned amount, an equal provision has been established.

The movement in the allowance for other receivables is as follows:

	GROUP		COMPANY	
	2019	2018	2019	2018
Balance, January 1	**129,718**	**90,885**	**127,105**	**89,497**
- Provision charge	11,952	41,310	151,529	40,085
- Reversal of unused provision	(5,867)	(2,477)	(5,867)	(2,477)
Balance, December 31	**135,803**	**129,718**	**272,767**	**127,105**

24. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	GROUP		COMPANY	
	2019	2018	2019	2018
-National Bank of Greece	21	8	21	8
- Evetam	250	250	250	250
- Euroasia Interconnector	51	51	51	51
- Attica Bank	929	262	557	157
Total	**1,251**	**571**	**879**	**466**

On December 31st, 2019 the total change in fair value of above financial assets was recorded in "Other reserves" in Equity. (Note 28)

25. CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2019	2018	2019	2018
Cash in hand	418	446	397	421
Cash at banks	119,157	175,218	50,064	88,909
Time deposits	167,342	75,351	155,000	23,000
Total	**286,917**	**251,015**	**205,461**	**112,330**

Interest earned on cash at banks and time deposits is accounted for on an accrual basis and amounted to € 2,386 (2018: € 5,237), for the Group and to Euro 799 (2018: € 1,782) for the Parent Company and is included in financial income in the accompanying statements of income (Note 12).

All cash and cash equivalents are denominated in Euro.

Additionally on December 31st, 2019 the Group and the Parent Company kept in a pledged deposit account an amount of € 67,752 (2018: € 81,681). The amounts involved relate to (a) the pledged account kept in NBG in favor of the European Investment Bank (EIB) in order to cover existing financing lines and (b) the pledged account for a pledged deposit in favor of the Consortium of Banks for financing the project of PTOLEMAIDA V. From the above amount, € 2,905 is not related to pledged deposits of loan agreements.

26. SHARE CAPITAL

Under L. 2773/1999 and P.D. 333/2000, PPC was transformed, into a société anonyme.
On December 31st, 2017, 2018 and 2019 PPC's share capital amounted to € 575,360 divided into 232,000,000 common shares of Euro two and forty-eight cents (€ 2.48) per value each.
On March 20th, 2018, the automatic and free of charge transfer of 79,165,114 PPC's shares (34,123%) by the Greek State to Hellenic Corporation of Assets and Participations S.A. (HCAP) was completed, in implementing the provisions of par. 20 of Article 380 of L.4512 / 2018, as amended the paragraph 1 of Article 197 of L. 4389/2016. It is noted that, following the above change, HCAP S.A. holds directly the 34.123% of PPC's shares and indirectly the 17% through HRADF. The total percentage of voting rights of HCAP S.A. is 51.123%.
The total percentage of the Greek State, remains indirectly, as above 51.123%.

27. LEGAL RESERVE

Under Greek corporate law, corporations are required to transfer a minimum of 5% of their annual net profit as reflected in their financial statements to a legal reserve, until such reserve equals one-third of the paid-in share capital. This reserve cannot be distributed through the life of the corporation.

28. OTHER RESERVES

	GROUP		COMPANY	
	2019	2018	2019	2018
Tax free	7,458	7,362	7,458	7,362
Specially taxed reserves	95,597	95,597	95,597	95,597
Actuarial losses of personnel benefits /Foreign exchange differences	(138,452)	(95,667)	(76,579)	(47,305)
Financial assets measured at fair value through other comprehensive income (Note 24)	7,630	6,634	150	(263)
Lignite Subsidiaries' reserve	79,655	79,655	-	-
Total	**51,888**	**93,581**	**26,626**	**55,391**

29. DIVIDENDS

Pursuant to the provisions of the Code for Societe Anonyme L.4548/18, companies are required to pay dividends of at least 35% of after-tax profit, after necessary deductions for the formation of the legal reserve, and other credit accounts in the income statement that do not arise from realized earnings. By decision of the General Meeting which is obtained with an increased quorum and majority that rate may be reduced, but not below 10%. The non-distribution of a dividend is possible by decision of the General Meeting of Shareholders, which is obtained with an increased quorum and a majority of 80% of the capital represented in the meeting. Furthermore, Greek corporate law (L. 4548/18 art. 159) requires certain conditions to be met for the dividend distribution.
Based on L.4646/2019 which amended the articles 40 and 64 of L. 4172/2013, the distributable earnings approved by the General Meetings are subject to a withholding tax of 5% since 01.01.2019.
Given that the fiscal year 2019 was closed at a loss, there is no mandatory the distributing of the minimum dividend, in accordance with article 161 of L.4548/2018, as in force.

30. LONG-TERM BORROWING

	GROUP		COMPANY	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Bank Loans	1,942,663	1,819,182	1,911,000	1,819,182
Bonds Payable	2,078,769	2,158,026	2,066,589	2,158,036
Unamortized portion of loan issuance fees	(93,120)	(71,945)	(93,120)	(71,945)
Total Long-Term Borrowing	**3,928,312**	**3,905,263**	**3,884,469**	**3,905,273**
Less current portion:				
- Bank Loans	229,848	223,182	229,848	223,182
- Bonds Payable	202,712	502,546	202,722	502,556
Unamortized portion of loan issuance fees	(15,209)	(10,971)	(15,209)	(10,971)
Total Short-Term portion of loans and borrowings	**417,351**	**714,757**	**417,361**	**714,767**
Total long term portion of loans and borrowings	**3,510,961**	**3,190,506**	**3,467,108**	**3,190,506**

It is noted that in the above table the short-term borrowing of Note 37 is ignored.

During the period January 1st, 2019 – December 31st, 2019, the Parent Company proceeded to debt repayments of loan installments amounting to Euro 684.09 mil. including repayment in May 2019 of the International Bond, amounting to € 350 mil.

From January 1st, 2019 to December 31st, 2019, the Parent Company drew an amount of € 169.46 mil. from a Bond Loan of a total amount of € 680 mil., with a consortium of foreign banks supported by the German Export Credit Insurance Organization ''Euler Hermes'', for financing part of the construction cost of the new Lignite Unit "Ptolemaida V".

In January 2019, the Parent Company signed a loan agreement with the European Investment Bank (EIB) amounting to € 155 mil. and then drew the relevant amount to carry out investments relating to the modernization and strengthening of the Mainland's and Islands' Distribution Network in Greece for the period 2017-2020, under a total funding of € 255 mil., bearing the Greek State's guarantee.

In February 2019, an amount of € 50 mil. from the Parent Company's loan in the form of a Revolving Credit Facility (RCF) (initial amount of € 65 mil.), was extended by one year, i.e. until February 2020 with interim repayments of € 15 mil. within 2019.

In March 2019, PPC Renewables S.A. drew an amount of € 12.2 mil. from a financing line of up to € 17.5 mil. In April 2019, PPC Renewables S.A. drew an amount of € 34 mil. from the European Investment Bank (EIB), (from a total financing line of € 85 mil.) for the financing of 18 RES projects (wind and hydroelectric), of a total capacity of 87MW. Of these projects, 12 are old and will be rebuilt, and the remaining 6 are new projects.
Of these 18 projects 9 have already been put into operation, while most of the rest is expected to be completed in 2020.

In April 2019, the Parent Company drew a Secured Common Bond Loan, in the form of credit in readiness (standby), with a consortium of Greek Banks, amounting to € 200 mil., of three years duration with the option of one year extension under conditions, which was used to repay the international bond maturing in May 2019.

In June 2019, PPC drew a new loan amounting to € 160 mil. from the Black Sea Trade and Development Bank, of five years duration, with a balloon repayment at the loan's maturity bearing the Greek Republic's guarantee. The loan will be used to fund PPC's investment plan.

The Parent Company is exploring possible opportunities to access the international capital markets, depending on market conditions.

The category "Bonds Payable" of the above table includes the amount of € 574.99 mil. which concerns the partial financing of the construction cost of the Unit PTOLEMAIDA V and it is recorded in the category "Project Financing" of Floating Rate in the following table.

The total amount of interest expenses on loans for the period ended December 31st, 2019, is included in the account financial expenses in the Statement of Income (Note 11).

A further analysis of the long term borrowing of the Group and the Parent Company is presented in the table below:

	GROUP		COMPANY	
	2019	2018	2019	2018
Bank loans and bonds				
- Fixed rate	160,000	349,800	160,000	349,810
- Floating rate	1,503,799	1,368,477	1,491,599	1,368,477
European Investment Bank				
- Fixed rate	1,768,333	1,559,182	1,734,333	1,559,182
- Floating rate	16,667	260,000	16,667	260,000
Project Financing				
- Fixed rate	574,990	439,749	574,990	439,749
Total	**4,023,789**	**3,977,208**	**3,977,589**	**3,977,218**

The long-term borrowing represents secured and unsecured liabilities of the Parent Company.
Specifically, there are:

- Collaterals, in the form of pledged deposits, totaling € 64.8 mil.
- Regarding the Syndicated Secured Common Bond Loan with Greek Banks amounting to € 175 mil., maturing 2021 and the Syndicated Secured Common Bond Loan, in the form of credit in readiness (standby), with Greek Banks, amounting to € 200 mil., maturing 2021, there is a pledge of PPC's receivables from corporate customers amounting to € 250 mil. each.
- Regarding the Syndicated Secured Common Bond Loan, in the form of credit in readiness (standby), with Greek Banks, amounting to € 200 mil., maturing 2022, in addition to the pledge of PPC's receivables from corporate customers amounting to € 250 mil. there is also a pledge of the shares held by the Parent Company in the Share Capital of PPC RENEWABLES S.A..

Certain loan agreements, with an outstanding balance as at December 31st, 2019 of € 2,141 mil., for the Parent Company, include financial covenants, the non-compliance of which may lead to an event of default.

For the provision of a guarantee by the Greek State in favor of PPC S.A. to all loans with the European Investment Bank, the Parent Company pays a guarantee commission to the Greek State.

The annual principal payments of the long-term borrowing required to be made subsequent to December 31st 2019 are as follows:

	GROUP		COMPANY	
	2019	2018	2019	2018
Within one year	433,477	772,212	432,571	755,738
In the second year	597,702	362,432	595,889	362,432
Between three and five years	2,005,706	1,929,706	1,994,689	1,929,706
After five years	986,904	959,342	954,440	959,342
Total	**4,023,789**	**4,023,692**	**3,977,589**	**4,007,218**

In the above debt redemption program, an amount of € 30.8 is included which concerns specific purpose financing for using it as collateral for existing financing lines, and for which the Parent Company keeps an equal amount in a pledged deposit account (Note 25).

Credit rating of PPC from rating agencies
In November 2019, the Credit house S&P upgraded PPC's credit rating to "B-" with stable outlook from "CCC+".
On December 31st, 2019, PPC's credit rating from ICAP credit house is set to "F".
On December 31st, 2019, the Group is in compliance with the financial ratios included in its loan agreements.

31. EMPLOYEE BENEFITS

a) SUPPLY OF ELECTRICITY AT REDUCED TARIFFS

The Group's employees and pensioners are entitled to the supply of electricity (which the Parent Company provides) at reduced tariffs. Such reduced tariffs to pensioners are considered to be retirement obligations and are calculated at the discounted value of the future retirement benefits deemed to have accrued at year-end based on the employees earning retirement benefit rights steadily throughout the working period. The relevant retirement obligations are calculated on the basis of financial and actuarial assumptions.
Net costs for the period are included in the payroll cost in the accompanying income statement consisting of the present value of the benefits earned in the year, interest cost on the benefit obligation, as well as past service cost. The actuarial gains or losses are now recorded in comprehensive income statement. Retirement benefit obligations are not funded.

For the purpose of assessing the impact of this change on the Group's liabilities, in the individual data used to calculate the actuarial liability, included the estimate of the reduction in the cost of electricity supply at reduced tariffs from the application of Article 11 of L. 4643/19 in the individual electricity consumptions in 2019.

According to Article 11 of L. 4643/2019, from January 1st, 2020 the supply of electricity at reduced tariffs to pensioners of the Group changes. In particular, "A special electricity tariff can be applied to employees and pensioners of PPC S.A., PPC's subsidiaries and IPTO S.A., exclusively for the pricing of electricity consumption where supply charges are applied. In any case, the discount on the charge for electricity consumption resulting from the application of the above special electricity tariff shall not exceed thirty percent (30%)."

The Parent Company's Board of Directors, at its meeting on January 21st, 2020, set the discount at thirty percent (30%).

Taking into account the specific data, it was estimated, on December 31st, 2019, that the reduction in the actuarial liability due to the change in the supply of electricity at reduced tariffs amounted to Euro 237,282 for the Group (Parent Company: € 144,113). The specific change was characterized as Negative Past Service Cost, which according to IAS 19, was recognized in the Results of the fiscal year 2019.

The results of the actuarial study regarding the supply of electricity at reduced tariffs for the fiscal year ended December 31st, 2019 and December 31st, 2018 are as follows:

	GROUP		COMPANY	
	2019	2018	2019	2018
Changes in the Present Value of the Liability				
Liability at the beginning of the year	343,395	405,919	207,327	244,745
Current Service cost	3,973	5,275	2,375	2,535
Interest cost	6,145	6,026	3,459	4,161
Past Service Cost	(237,282)	-	(144,113)	-
Actuarial (gains)/losses	50,546	(58,128)	32,164	(34,407)
Benefits provided	(16,252)	(15,698)	(9,779)	(9,707)
Liability at the end of the year	**150,526**	**343,395**	**91,433**	**207,327**
Components that burden the results				
Current Service cost	3,973	5,275	2,374	2,535
Interest cost	6,145	6,026	3,459	4,161
Recognition of past service cost	(237,282)	-	(144,113)	-
Total	**(227,164)**	**11,302**	**(138,280)**	**6,696**
Statement of Comprehensive income				
Cumulative amount, at the beginning of the year	145,003	203,131	80,681	115,088
Actuarial (gains)/losses	50,546	(58,128)	32,164	(34,407)
Cumulative amount, at the end of the year	**195,549**	**145,003**	**112,845**	**80,681**

Assumption values in the Actuarial Study

Valuation date	Discount rate	Tariff increases	Profit margin	Expectancy of future services
31/12/2019	0.70%	0.00%	2020: 1.00% 2021+: 5.60%	13.62
31/12/2018	1.60%	2019: 2.00% 2020: 0.00% 2021: 0.06%	2019: (0.80)% 2020: 9.60% 2021+:11.30%	9.94

Sensitivity disclosures

	Percentage change
Increase in discount rate by 0.5%	(6.8)%
Decrease in discount rate by 0.5%	7.6%

b) PROVISION FOR SEVERANCE PAY

According to the provision of Article 25 of L. 4491 / 66 "Regarding the Insurance of PPC's Staff" an one-off allowance is paid to the beneficiaries of pension (who are insured employees leaving PPC) in proportion to the years of actual service to PPC. This one-off allowance, according to the special provision of par. 3 of the same article, is offset against any compensation paid due to termination of the employment contract, or because the insured employees reached the age limit or due to another reason for leaving, according to the provisions of the law.

The provisions of PPC's Staff Regulations (SR/ PPC) which was ratified by Article 2 of legislative decree 210/1974 and has the force of law, and specifically in Articles 34, 35, 36 and 37, it is defined that the Company's permanent staff, who for whatever reason its contract is terminated (automatically or through termination of an employment contract), no compensation is payable if entitled to an one-off allowance from the relevant insurance organization. If the one-off allowance is less than the compensation, then only the difference between the compensation and the one-off allowance is paid.

In any case, and when an employer is, in accordance with Article 2 § 1 of L. 173/1967, "public or government owned entities or Businesses and Utilities (PPC, OTE etc.)" the owed compensation due to dismissal of L. 2112/1920 that would be paid, if not the above, in any way of employees leaving from the company and because of this, shall be subject to the limitations imposed by the abovementioned provisions in respect of its upper limit, which according to article 33 of L. 1876/1990, as amended by the provisions of article 21 § 13 of L. 3144/2003, is currently set at Euro 15 (fifteen thousand Euro).

With L. 4533/2018 (OG A ' 7527/4/2018), the provision of Article 25 (par.3) of L. 4491/1966 (OG A ' 1) as well as any other general or specific provision of the law or the Labor Regulation which provides for the offsetting of employees' severance payment with the one-off allowance to which employees are entitled by the relevant insurance organization, were abolished.

Based on the above, PPC S.A. and its subsidiaries, starting from the fiscal year 2018, will hereafter pay a severance payment, which should not exceed € 15 (fifteen thousand Euros) to the insured employees who leave due to termination of the employment contract, or because they reached the age limit, or due to other reason that the law provides.

The above is a defined benefit plan in accordance with the provisions of IAS 19. The present value of the liability assumed by PPC S.A. and its subsidiaries, calculated using actuarial methods, is a past service cost for service provided in previous periods.

The actuarial study results for the calculation of the severance liability for the fiscal year ended December 31st, 2019 and December 31st, 2018 are as follows:

	GROUP		COMPANY	
	2019	2018	2019	2018
Changes in the Present Value of the Liability				
Liability, at the beginning of the year	164,347	-	90,668	-
Current Service Cost	1,517	164,347	951	90,668
Interest Cost	2,630	-	1,451	-
Cost of cuts/settlements/termination of service	11,060	-	4,980	-
Actuarial (gains)/losses	8,858	-	6,354	-
Benefits Provided	(35,775)	-	(20,070)	-
Liability, at the end of the year	**152,637**	**164,347**	**84,334**	**90,668**
Components that burden the results				
Current Service Cost	1,517	164,347	951	90,668
Interest Cost	2,630	-	1,451	-
Cost of cuts/settlements/termination of service	11,060	-	4,980	-
Total	**15,207**	**164,347**	**7,382**	**90,668**

Statement of Comprehensive income				
Cumulative amount, at the beginning of the year	-	-	-	-
Actuarial (gains)/losses	8,858	-	6,354	-
Cumulative amount, at the end of the year	**8,858**	**-**	**6,354**	**-**

Assumptions values in the Actuarial Study

Valuation date	Discount rate	Salary Increase	Inflation	Resignations	Future Service Expectancy
31/12/2019	**0.70%**	**2.00%**	**2.00%**	**0%**	**8.5**
31/12/2018	**1.60%**	**2.00%**	**2.00%**	**0%**	**11.24**

Sensitivity Analysis

	Percentage change
Increase in the discount rate by 0.5%	(4.0)%
Decrease in the discount rate by 0.5%	4.3%
Increase in the expected salary increase by 0.5%	0.3%
Decrease in the expected salary increase by 0.5%	(0.4)%

In addition to the aforementioned benefits, the subsidiary PPC Renewables S.A. has recognized a provision of Euro 129 for severance pay of its directly recruited staff who leave from the company (2018: € 82).
Finally, it should be mentioned that based on the PPC's BoD Decision No. 4/2020, an additional payment (Retirement Incentive) equal to € 7 thousand is provided to those employees who leave the Group having established the right to a full pension from a social security institution. The aforementioned decision concerns approximately 1,100 employees and the expected cost is € 7.7 mil.

	GROUP		COMPANY	
	2019	2018	2019	2018
Litigation with employees / third parties (Note 40)	320,140	300,936	277,769	262,704
Decommissioning and removal costs of Power Plants', Mines' and Wind Parks' facilities and mines' land restoration costs	410,193	27,849	409,321	27,662
Provision of loss from non-cancellable projects (Note 15)	45,700	-	45,700	-
PPC-PIO fixed assets	2,400	2,400	2,400	2,400
Other	2,261	698	1,845	0
Total	**780,694**	**331,883**	**737,035**	**292,766**

During the year ended December 31st, 2019, the Group and the Parent Company established an additional provision for litigation with employees and third parties amounting to € 19,204 and € 15,065 respectively.

Provision of Decommissioning and removal of Power Plants', Mines' and Wind Parks' facilities and provision for mines' land restoration

Due to the Group's and Parent Company's commitment within 2019 to dismantle all the power plants' and mining facilities, to remove their equipment and to fully restore mines' lands when the facilities cease to operate, the Group and the Parent Company, recognized a relevant liability (provision) in their financial statements. The provision is recognized at the present value of future cash flows that will be required to settle the relevant liabilities. The provision of decommissioning of units and mines has not taken into account any income from the sale of machinery, spare parts and materials or from the utilization of land.

The movement of the provision for the decommissioning of Units, Mines and Wind Parks is as follows:

	GROUP				
	Provision for mines' land restoration	Provision of dismantling of mining facilities/ equipment	Provision of decommissioning of power plants	Provision for Wind Parks' restoration	Total
Balance, January 1, 2019	27,662	-	-	698	**28,360**
Change in future outflows (fixed assets)	89,129	10,042	30,458	139	**129,768**
Change in future outflows through income statement	-	14,933	111,402	-	**126,334**
Change in future outflows through comprehensive income statement	-	37,104	90,859	-	**127,963**
Used/Unused provision	(3,069)	-	-	-	**(3,069)**
Finance cost (Note 11)	802	-	-	34	**836**
Balance, December 31, 2019	**114,524**	**62,079**	**232,718**	**872**	**410,193**
	Provision for mines' land restoration	**Provision of dismantling of mining facilities/ equipment**	**Provision of decommissioning of power plants**	**Provision for Wind Parks' restoration**	**Total**
Current portion	-	-	3,321	-	**3,321**
Non-current portion	114,524	62,078	229,397	872	**406,872**
Balance, December 31, 2019	**114,524**	**62,079**	**232,718**	**872**	**410,193**

Group					
	Provision for mines' land restoration	Provision of dismantling of mining facilities/ equipment	Provision of decommissioning of power plants	Provision for Wind Parks' restoration	Total
Balance, January 1, 2018	**28,530**	**-**	**-**	**1,295**	**29,825**
Change in future outflows (fixed assets)	451	-	-	-	**451**
Change in future outflows through income statement	-	-	-	-	-
Change in future outflows through comprehensive income statement	-	-	-	-	-
Used/Unused provision	(2,703)	-	-	(628)	**(2,703)**
Finance cost (Note 11)	1,384	-	-	31	1,415
Balance, December 31, 2018	**27,662**	**-**	**-**	**698**	**28,360**
	Provision for mines' land restoration	Provision of dismantling of mining facilities/ equipment	Provision of decommissioning of power plants	Provision for Wind Parks' restoration	Total
Current portion	3,069	-	-	-	**3,069**
Non-current portion	24,593	-	-	698	**25,291**
Balance, December 31, 2018	**27,662**	**-**	**-**	**698**	**28,360**

Parent Company					
	Provision for mines' land restoration	Provision of dismantling of mining facilities/ equipment	Provision of decommissioning of power plants	Provision for Wind Parks' restoration	Total
Balance, January 1, 2019	**27,662**	**-**	**-**	**-**	**27,662**
Change in future outflows (fixed assets)	89,129	10,042	30,458	-	**129,629**
Change in future outflows through income statement	-	14,933	111,402	-	**126,334**
Change in future outflows through comprehensive income statement	-	37,104	90,859	-	**127,963**
Used/Unused provision	(3,069)	-	-	-	**(3,069)**
Finance cost (Note 11)	802	-	-	-	**802**
Balance, December 31, 2019	**114,524**	**62,079**	**232,718**	**-**	**409,321**
	Provision for mines' land restoration	Provision of dismantling of mining facilities/ equipment	Provision of decommissioning of power plants	Provision for Wind Parks' restoration	Total
Current portion	-	-	3,321	-	**3,321**
Non-current portion	114,524	62,079	229,397	-	**406,000**
Balance, December 31, 2019	**114,524**	**62,079**	**232,718**	**-**	**409,321**

Parent Company					
	Provision for mines' land restoration	Provision of dismantling of mining facilities/ equipment	Provision of decommissioning of power plants	Provision for Wind Parks' restoration	Total
Balance, January 1, 2018	28,530	-	-	-	**28,530**
Change in future outflows (fixed assets)	451	-	-	-	**451**
Change in future outflows through income statement	-	-	-	-	-
Change in future outflows through comprehensive income statement	-	-	-	-	-
Used/Unused provision	(2,703)	-	-	-	(2,703)
Finance cost (Note 11)	1,384	-	-	-	1,384
Balance, December 31, 2018	**27,662**	-	-	-	**27,662**
	Provision for mines' land restoration	Provision of dismantling of mining facilities/ equipment	Provision of decommissioning of power plants	Provision for Wind Parks' restoration	Total
Current portion	3,069	-	-	-	**3,069**
Non-current portion	24,593	-	-	-	**24,593**
Balance, December 31, 2018	**27,662**	**-**	**-**	**-**	**27,662**

On December 31st, 2019, the present value of the provision for decommissioning of the Group's and Parent Company's units and mines was calculated discounting the land remediation cost, the cost of dismantling the existing equipment/machinery, the cost of demolition of buildings and collection of any waste by using an inflation rate 2% and discount rate 6.5%. Below is a sensitivity analysis of the units' and mines' decommissioning provision from the change of the discount rate used.

	Present value of the provision of decommissioning		Sensitivity analysis on discount rate			
			2019		2018	
	2019	2019	+0.25%	-0.25%	+0.25%	-0.25%
Provision of decommissioning of units and mines	409,322	27,662	400,139	418,837	27,170	28,168
Balance, December 31, 2019	**409,322**	**27,662**	**400,139**	**418,837**	**27,170**	**28,168**
Positive / (Negative) effect on the Results of the Group and the Company			**9,182**	**(9,515)**	**492**	**(506)**

33. SUBSIDIES

GROUP		Subsidies
Net book value	**December 31, 2017**	**208,719**
- Transfer to revenues		(14,532)
- Transfer to revenues due to cancellation of projects (Sykia-Peukofito)		(7,863)
	December 31, 2018	**186,324**
- Transfer to revenues (Note 9)		(13,747)
	December 31, 2019	**172,577**
PARENT COMPANY		
		Subsidies
Net book value	**December 31, 2017**	**204.610**
- Transfer to revenues		(12,269)
- Transfer to revenues due to cancellation of projects (Sykia-Peukofito)		(7,863)
- Discontinued Operation		(15,724)
	December 31, 2018	**168,754**
- Transfer to revenues (Note 9)		(11,910)
	December 31, 2019	**156,844**

34. LONG-TERM CONTRACT LIABILITIES

As stated in Note 4, the Group and the Parent Company classify Customers' Contributions and Customers' Advances for Electricity Consumption to Long-Term Contract Liabilities under the provisions of IFRS 15. The following table presents in detail the corresponding figures, as well as the balance on December 31st, 2019 and December 31st, 2018 of the Long-Term Contract Liabilities.

	Group	Company
Balance, January 1, 2018	**2,420,927**	**2,420,927**
Customers' Contributions received	63,332	63,332
Transfer to revenues	(85,167)	(85,167)
Accrued Customers' Advances for Electricity Consumption	(22,968)	(22,968)
Balance, December 31, 2018	**2,376,124**	**2,376,124**
Customers' Contributions received	59,473	59,473
Transfer to revenues	(86,865)	(86,865)
Accrued Customers' Advances for Electricity Consumption	(17,036)	(17,036)
Balance, December 31, 2019	**2,331,696**	**2,331,696**

35. PROVISIONS OF DECREASE IN ASSETS FAIR VALUE

Provisions of decrease in assets fair value include the following:

	Group	Company
	2019	2018
Additional provisions for materials' and spare parts' impairment (Note 20)	83,153	83,153
Impairment of mines' land and construction in progress	515,487	488,091
Impairment of investment in the new unit Ptolemaida V (Note 15)	589,007	589,007
Provisions of onerous contracts (Note 15)	45,700	45,700
Devaluation of fixed assets (Note 15)	672,438	546,620
Impairment of decommissioning provision of Units and Mines	66,671	66,671
Decommissioning provision of Units and Mines (Note 32)	126,334	126,334
Total	**2,098,790**	**1,945,576**

36. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2019	2018	2019	2018
Trade Payables:				
Suppliers and contractors	686,984	620,601	418,679	303,946
Municipalities' duties	134,344	152,752	134,344	152,752
Social security funds, other	28,070	32,999	16,047	18,443
Greek TV	30,028	31,528	30,028	31,528
DAPEEP S.A.	282,115	-	282,115	-
Taxes withheld	35,822	32,461	17,297	16,490
Excise Tax	8,148	8,899	8,148	8,899
Credit customers' balances	66,403	59,500	66,307	59,500
IPTO S.A.	162,791	478,256	162,791	478,256
HEDNO S.A.	-	-	187,372	235,846
Bank of Crete	12,053	12,053	12,053	12,053
Lignite Levy	140,823	139,933	135,129	139,129
HEnEx S.A.	40,884	53,709	40,884	53,709
Other	60,769	71,416	12,624	10,944
Total	**1,689,234**	**1,694,107**	**1,523,818**	**1,521,495**

From 01.04.2019 DAPEEP was responsible for the clearing and collection of ETMEAR and the Weighted Variable Cost of Thermal Units while in 2018 until 31.03.2019 IPTO was.

37. SHORT-TERM BORROWINGS

	GROUP		COMPANY	
	2019	2018	2019	2018
Binding overdraft facilities				
- Credit lines available	18,630	46,483	-	30,000
- Unused portion		-	-	-
- Used portion	18,630	46,483	-	30,000

38. SHORT-TERM CONTRACT LIABILITIES

As stated in Note 4, based on the provisions of IFRS 15, the Group and the Parent company classify the received advances from the NOME-type auctions for forward products in the "Short-term Contract Liabilities".
On July 2nd, 2018 the State Treasury paid to PPC S.A., the amount of 36. TRADE AND OTHER PAYABLES 538,300 as a prepayment for the value of the electricity consumed by the government owned entities for the year 2019. The clearing of the prepayment program for the year 2018 was implemented on April 30th, 2019.
On March 12th, 2019 the Parent Company received from the Greek State, the amount of € 550,700 as a prepayment for the value of the electricity consumed by the government owned entities for the year 2019.
This amount is gradually reimbursed following the electricity bills payment by the General Government entities. The clearing of the amounts is expected to be implemented on April 30th, 2020.
The following table shows in detail the corresponding figures, as well as the balance of the Short-term Contract Liabilities on December 31st, 2019 and December 31st, 2018.
In December 2019 the amount of € 83,642 was reimbursed to the Parent Company by the competent Administrators which concerned the Retrospective ETMEAR (Special fee for the reduction of CO_2 emissions) Clearance, due to reduction of charges from January 1st, 2019. This amount will be reimbursed to customers in 2020 through electricity bills.

	Group	
	2019	2018
Balance, January 1	**216,693**	**11,644**
Received advances from NOME auctions during the year	59,312	55,566
Received advance from the Greek State for the value of the electricity consumed by the government owned entities	550,700	538,300
ETMEAR of year 2019 to be reimbursed to the customers	83,642	-
Transfer to income proportion of received advances from NOME auctions	(66,218)	(48,938)
Decrease in the Greek State's advance for the value of the electricity consumed by the government owned entities	(405,219)	(339,879)
Balance, December 31st	**438,910**	**216,693**

	Parent Company	
	2019	2018
Balance, January 1	**216,693**	**11,644**
Received advances from NOME auctions during the year	59,312	55,566
Received advance from the Greek State for the value of the electricity consumed by the government owned entities	550,700	538,300
ETMEAR of year 2019 to be reimbursed to the customers	83,642	-
Transfer to income proportion of received advances from NOME auctions	(66,218)	(48,938)
Decrease in the Greek State's advance for the value of the electricity consumed by the government owned entities	(405,219)	(339,879)
Balance, December 31st	**438,910**	**216,693**

It is noted that on February 28th, 2020 the State Treasury paid to PPC S.A., the amount of € 586,500 and its clearing is expected to take place in the same way until April 30th, 2021.

39. ACCRUED AND OTHER CURRENT LIABILITIES

	GROUP		COMPANY	
	2019	2018	2019	2018
Accrued interest on loans and borrowings	17,192	25,967	17,192	25,967
Natural gas and liquid fuel purchases	28,944	64,009	28,945	64,089
Energy purchases	526	4,216	-	-
Expropriation costs	18,444	-	18,444	-
Personnel day off and overtime	61,142	68,867	38,905	43,499
RAE fees	10,410	10,420	10,410	10,420
Purchase of Emission Allowances	434,980	383,658	434,980	383,658
Discounts on Medium Voltage customers	6,707	4,500	6,707	4,500
IPTO S.A.	16,629	55,101	16,629	53,470
HEDNO S.A.	-	-	66,025	37,583
Variable Insurance Margin	24,636	149,801	24,636	149,801
Other	98,570	27,372	64,490	12,326
Total	**718,180**	**793,911**	**727,363**	**785,313**

40. COMMITMENTS, CONTINGENCIES AND LITIGATION

OWNERSHIP AND INSURANCE OF PROPERTY

Major matters relating to the ownership of the Group's assets, are as follows:

1. The Parent Company has completed the registration of its property. These assets (almost entirely) are registered at the relevant land registries over the country and the cadastral application is monitored. The update of Parent Company's existing integrated information system for fixed assets management is in progress.
2. In a number of cases, expropriated land, as presented in the expropriation statements, differs (in quantitative terms), with what the Parent Company considers as its property.
3. Agricultural land acquired by the Parent Company through expropriation in order to be used for the construction of hydroelectric power plants, must be transferred to the State at no charge, following a decision of the Parent Company's Board of Directors and a related approval by the Ministry of Development, if such land is no longer needed by the Parent Company for the fulfilment of its purposes according to article 9, of L. 2941/01.
4. According to article 15 of L. 4273/14 (O.G./A/146), the compulsory expropriation of real estate in areas where exclusive research and exploitation rights have been granted to PPC S.A., is declared in favor of the Greek State with expenses of the applicant who declared the expropriation. Following the completion of expropriation, the aforementioned areas are transferred to the Greek State's ownership and PPC (which pays the compensations) uses them for the mining of the lignite deposit.

The property, plant and equipment of the Group are located all over Greece. The Group does not carry any form of insurance coverage on its fixed assets in operation (except for its information technology equipment), resulting to the fact that if a sizable damage is incurred to its property, it might affect its profitability. Materials, spare parts as well as liabilities against third parties are not insured.

LITIGATION AND CLAIMS

The Group is a defendant in several legal proceedings arising from its operations. The total amount claimed as at December 31st, 2019, amounts to € 826 mil. as further detailed below:

1. **Claims with contractors, suppliers and other claims:** A number of contractors and suppliers have raised claims against the Group. These claims are either pending before courts or under arbitration and mediation proceedings. The total amount involved is € 397 mil. In most cases the Group has raised counter claims, which are not reflected in the accounting records, until the time of collection.

2. **Fire incidents and floods:** A number of individuals have raised claims against the Group for damages incurred as a result of alleged electricity-generated fires and floods. The total amount involved is € 56 mil.

3. **Claims by employees:** Groups' Employees are claiming the amount of € 65 mil., for allowances and other benefits that according to the employees should have been paid by PPC.

4. **PPC's lawsuit against ETAA (former TSMEDE)**
   ETAA (former TSMEDE) by its Decision 7/2012 has imposed on PPC the amount of € 27.4 mil. applying article 4 of L. 3518/2006, relating to employer contributions due to the Main pension Branch for the period 01.01.2007 – 30.04.2012 and pertaining to the engineers insured before 01.01.1993 to the above mentioned Insurance Fund, that have been employed by PPC for the above mentioned period.
   Against the above mentioned 7/2012 decision of the Insurance Fund in question, PPC has filed legally and timely the 05.09.2012 appeal to the Athens Administrative Court of First Instance. The discussion of the appeal took place on 03.11.2014. The preliminary ruling 11872/2016 was issued, which obliges TSMEDE to produce to the Court the documents referred to the judgment and then the case will be discussed again in order to issue

a final decision. Already the case was determined to be discussed at the hearing on April 9th, 2019 and was postponed for October 8th, 2019 and it was postponed again for January 14th, 2020 in which it was postponed for May 26th, 2020. Since its employees – who are engineers- are insured mandatorily to PPC's Insurance Fund based on L. 4491/1966, thus resulting to PPC paying on their behalf to the above mentioned Insurance Fund the corresponding employer contributions while insurance for the above mentioned engineers in ETAA is optional and is done by choice, with them paying the corresponding insurance contributions provided for engineers that are independently employed, the Parent Company considers that the possibilities of a negative outcome of its appeal are minimal and therefore has not established a provision.

5. Lawsuits and extrajudicial documents of IPTO against PPC S.A.

In February 2015, IPTO filed against PPC, two lawsuits for a total amount of € 540 mil. for amounts due from the Parent Company's participation in the wholesale electricity market. In particular:

- By its first lawsuit IPTO is asking for an amount of € 242.7 mil. (with interest) for amounts due which the Parent Company collects from supply bills and conveys to IPTO, that in turn conveys them to EMO. Interest for the above mentioned overdue sums amounts to € 22 mil.
- By its second lawsuit, IPTO is asking for the payment of € 232.6 mil. (with interest) for amounts due which the Parent Company collects from supply bills and conveys to IPTO. Interest for the above mentioned overdue sums amounts to € 40 mil.

The hearing of these lawsuits took place on 28.2.2019 before the Multimember Court of First Instance in Athens and a decision is pending.

On its side, PPC has served an extrajudicial document to IPTO, requesting the payment of a total amount of € 14 mil. The above mentioned amount corresponds to overdue interest of invoices which incorporate debts to PPC from March 2012 until the 02.02.2015. IPTO, up to this date, has not answered to this extrajudicial document.

In December 2016, IPTO filed against PPC a new lawsuit by which IPTO asks the Parent Company to be obliged to pay an amount of € 406.4 mil. (with interest) for overdue receivables arising from the Company's participation in the wholesale electricity market and relate to specific non-competitive charges of IPTOs' invoices. Moreover, IPTO asks the Parent Company to be obliged to pay an amount of € 59 mil. corresponding to interest litigation plus the relevant stamp duty. In this lawsuit, the Company submitted proposals within the given time limit and a decision is pending.

All of the above lawsuits' principal amounts have been paid and in any case are being recorded in the Company's liabilities, so there is no reason to establish a provision.

On November 29th, 2018, IPTO S.A. served an extrajudicial document to PPC S.A. with which IPTO S.A. asks the Parent Company:

- to pay-off debts of € 495.3 mil. from PPC's participation in the wholesale electricity market for the period January 2018 to August 2018, which have become overdue, plus overdue interest amounting to € 8.8 mil.
- to pay overdue interest amounting to € 83.4 mil, arising from the overdue payment of the Parent Company's debts from its participation in the wholesale electricity market for the period August 2016 to September 2018.

Of the above amounts, only € 82 mil. concerns IPTO S.A. while for the remaining amounts, DAPEEP S.A. (former EMO S.A.) has become a sole successor.

6. Alleged claims of former EMO (LAGIE), against PPC S.A. due to deficits of the Day Ahead Schedule (DAS)

Due to the deficits created by the suppliers ENERGA POWER TRADING S.A. and HELLAS POWER S.A. during 2011 and 2012, PPC was obliged under RAE's Decision 285/2013 [whose legality was confirmed by the State Council's decision 1761/2016], as well as by the Power Exchange Code for Electricity, to pay a total amount of € 126.3 mil. (after a final clearing according to Article 61 of the Power Exchange Code for Electricity) within 2017 (PPC's BoD Decision No.146/21.12.2016) that approved the payment of the debt with an advance payment and partially in twelve (12) equal monthly interest-free installments starting from January 1st, 2017.

A. Although EMO explicitly accepted the proposed debt settlement, in December 2016, it filed a lawsuit against PPC asking approximately the residual amount of € 78 mil., plus interest. In February 2017, PPC filed a counter lawsuit claiming EMO to be ordered to pay the amount of € 126 mil. plus an amount of 100 thousands of Euro for PPC's moral damage. On these lawsuits, the Multimember Court of First Instance in Athens issued the decision 4810/2018 which accepted EMO's lawsuit and rejected PPC's counterclaim. An appeal is examined by PPC.

B. In December 2017, EMO sent to PPC two new Information Notes on the allocation of the monthly deficits of the Day Ahead Schedule (DAS), totaling 833 thousands of Euro. With the attached letters, EMO claimed that its new claims arose from the second settlement of the Deficit in 2011 and 2012, due to the disappearance or insolvency of the previous third electricity suppliers of that time. In this context, in March 2018, PPC filed before the Multimember Court of First Instance in Athens its lawsuit against EMO, requesting a declaration that it does not owe the above-mentioned amount and EMO to be condemned to pay an amount of 50 thousands of Euro as a compensation due to PPC's moral damage. In May 2018 EMO filed its counterclaim. The two opposite lawsuits were judged and a decision is pending.

For the above amounts, on December 31st, 2019, the Group and the Parent Company have established provisions amounting to € 320 mil. and € 278 mil., respectively (2018: Group: € 301 mil. and Parent Company: € 263 mil.), which are considered adequate for the expected losses arising from the final judgment.

Lawsuit of former EMO against HEDNO in which a notice was served to PPC

On June 19th, 2017, HEDNO S.A. served a notice to PPC on EMO's lawsuit against HEDNO S.A. With this notice HEDNO S.A. asks PPC S.A. to intervene in favor of HEDNO S.A. in the trial in which EMO claims from HEDNO S.A. overdue amounts from invoices issued. In particular, EMO S.A. with its lawsuit claims amounts with interest from partially paid and unpaid invoices which incorporate receivables from the RES Special Account in the Non-Interconnected Islands (mainly debts from ETMEAR, PVs on rooftops, RES Generation in the Non-Interconnected Islands and balancing of the Special Account in the Non-Interconnected Islands). The claim from EMO's part amounts to approximately € 140 mil. while interest due for late payment amounts to € 3.9 mil.

The Multimember Court of First Instance in Athens, with its decision 1302/2019, rejected in favor of PPC HEDNO's notice to PPC as unlawful considering that there is no relationship of procedural guarantee between HEDNO and PPC, and that, on the contrary, the only relationship that connects them is conventional. In particular, the Court considered that according to the NII Code there is no obligation of PPC to pay-off HEDNO's lenders other than PPC's contractual obligations towards HEDNO regarding the timely payment of invoices under the NII Load Representatives contract.

The decision has not yet been served on PPC. HEDNO is likely to file an appeal.

Corrective settlements of IPTO, concerning the Special Account of art. 143, of L. 4001/2011

According to L.4152/2013, RES energy purchases in the Interconnected System are paid through the market operation, on the higher amount of either their revenue from DAS plus deviations or the value of energy they inject to the system multiplied by the weighted average variable cost of the conventional thermal power plants.

This amendment started being applied from August 14th, 2013, when RAE's Decision 366/2013 was published in the O.G., amending the relevant articles of the Power Exchange Code and specifying the methodology of calculations, with which the provision of the law was implemented. In October 2013, IPTO sent to PPC S.A. corrective clearing statements for May, June, July and part of August of 2013, totaling to an amount of € 48.2 mil., which was derived from the retrospective application of the relevant methodology. PPC's lawsuit against IPTO for the invoices in question was accepted by the Multimember Court of First Instance in Athens (Decision 2260/2016) and is considered that PPC does not have to pay the invoices issued totaling € 54.4 mil., which incorporate claims for the weighted average variable cost of the conventional thermal power plants for months May to August 2013. IPTO has filed an appeal which is heard on 19.03.2020 following a postponement from 04.04.2019 requested by DAPEEP.

However, other decisions have been issued (Athens Court of Appeal 5413/2017 and Multimember Court of First Instance in Athens 702/2016 as well as professors Ant.Metaxa and Kyr.Papanikolaou opinions) in corresponding cases that justify our point of view and are against IPTO. According to a new regulatory framework, the relevant claims now concern DAPEEP.

Old Bank of Crete

The dispute with the old "Bank of Crete" is dating back to 1989, when the bank was under liquidation. More precisely, by a mandatory action of the then trustee of the Bank, PPC's deposits were mandatorily converted to stake-holding in the share capital of the Bank and to obligatory credit to the Bank. PPC by its July 22nd, 1991 lawsuit against the bank asked to be compensated for GRD 2.2 billion approximately, (€ 6.5 mil.) for the reason that the above mentioned Act of the trustee of the Bank was held invalid.

Moreover, PPC had outstanding loan balances, received under six (6) loan agreements for which it was agreed upon to be repaid gradually through installments. On June 10th, 1991, although PPC has paid the overdue installments, the Bank has terminated all of the above mentioned loan agreements and thus on that date the claim against PPC became overdue for the whole amount of the loans. For that reason, against PPC's above mentioned lawsuit, the Bank has proposed an offset of its claim resulting by the above mentioned loans, amounting to GRD 4 bil. approximately, and furthermore has asked the payment of this amount by PPC by its lawsuit dated 28.12.1995.

The Court of First Instance postponed the hearing of the Bank's lawsuit against PPC until the final outcome of the hearing, which started with PPC's lawsuit against the Bank.

PPC's lawsuit against the Bank was rejected by the Court of First Instance and PPC appealed against the said Decision of the Court which was also rejected by the Court of Appeals. The above mentioned decision was brought to review by PPC before the Supreme Court, which accepted it and in consequence the case was again brought to trial before the Court of Appeals, which ordered that an accounting expert report should take place. After the said expert report the Court's decision was held partially in PPC's favor (Court of Appeals decision 2005). However, a petition for review before the Supreme Court was filed against the aforementioned Decision which was then accepted by the Supreme Court and then was resubmitted to the Court of Appeals which by its inconclusive decision (Nr. 4093/2009) ordered the completion of the accounting expert report.

The official expert report was completed in May 2012. The hearing of the case would have taken place on October 25th, 2012, but it was postponed for September 26th, 2013, due to the strike of both judges and lawyers. The case was heard on the latter date.

Decision 3680/2014 of the Athens Court of Appeals was issued, which only partially accepts PPC's lawsuit while essentially accepting the results of the ordered by the Court above mentioned official expert report, as following: a) the amount due by the Bank of Crete to PPC at the time of the filing of the lawsuit by PPC on 22.07.1991 amounted to GRD 1,268,027,987 and b) The amount due by PPC to the Bank of Crete on 01.07.1991 due to the termination of the above loan agreements by the Bank and after the proposed by the Bank offsetting of its counterclaim against the above-mentioned PPC's claim, amounted to GRD 2,532,936,698. Therefore, the above decision of the Court of Appeals recognizes that on 22-7-1991 the amount due by PPC to the Bank of Crete was 2,532,936,698 - 1,268,027,987 = GRD 1,264,908,711. On June 19th, 2017, PPC appealed against the above mentioned decision (Decision 3680/2014 of the Court of Appeals in Athens), the hearing date of which had been scheduled on March 18th, 2019 before the Supreme Court. This hearing was postponed for March 9th, 2020. The case was heard on the latter date and a decision is pending. It is noted that until the final judgment on the appeal, the discussion of the aforementioned (December 28th, 1995) lawsuit of the Bank of Crete against PPC remains suspended. In case that the Supreme Court accepts PPC's appeal, then it will judge the case again and the decision which will issue will be irrevocable. PPC, with its appeal, requests to be recognized that the Bank's loans to PPC had not been credited to overdraft facilities and therefore the Bank's termination of the loan agreements on 10-6-1991 was invalid.

This means that the Bank's lawsuit against PPC will be rejected (because this lawsuit is based precisely on the fact that the Bank's claims from the loans had been credited to overdraft facilities which the Bank legally closed with a complaint on 10-6-1991, and consequently PPC owed to the Bank that year the amount of GRD 2,532,936,698 which is reduced due to the proposed by the Bank offsetting of its claim against PPC's counterclaim amounting to GRD 1,268,027,987, and so the difference is 2,532,936,698 - 1,268,027,987 = GRD 1,264,908,711).

However, this does not mean that PPC can request from the Bank the amount of GRD 1,268,027,987, because this PPC's claim was settled until 1996 with offsettings proposed by PPC against the Bank's counterclaims that the latter had against PPC from the above loans and which arose when each installment of these loans became overdue (see above no. 8). Therefore, if PPC's appeal is accepted, then neither the Bank has a claim against PPC nor the PPC against the Bank.

However, if PPC's appeal is rejected, then the assumptions of the decision taken by the Court of Appeal will become irrevocable and therefore the court that has undertaken the second lawsuit, i.e. the Bank's lawsuit against PPC, is obliged to accept that on 22-7-1991 PPC owed to the Bank of Crete the amount of GRD 1,264,908,711 due to the closing of the overdraft facilities on 10-6-1991, and the court will condemn PPC to pay this amount to the Bank with overdue interest (with different interest-bearing dates per loan amount, from the year 1993 until 1995) and with quarterly compounding until the repayment (see above), since deducting from the amount due the payments that (according to information from PPC's Accounting Department) PPC made to the Bank in repayment of the loan installments, when they became overdue.

Therefore, the amount due by PPC to the Bank of Crete cannot be calculated now in case the Bank's lawsuit against PPC is accepted. Accounting expert report may be needed here as well.

LARCO Tariffs

With the submission of the amendment plan - addition to a Bill, which concerned LARCO's Issues Arrangements and in order not to be hindered, for reasons of public interest, the process of privatization of LARCO, as described in the above amendment plan, PPC's Board of Directors decided to continue the electricity supply to LARCO, under the following conditions: a) the fully and timely payment of electricity bills upon the entry into force of the law and b) the signing of the Electricity Supply Contract, with the special administrator immediately after its appointment. Already, after the publication of the relevant article 21 of L.4664/14.02.2020 and the appointment of the special administrator in LARCO, actions for the signing of the Electricity Supply Contract with the special administrator of the Company are in progress. It is noted that as of 31.12.2019, a provision against LARCO has been established, amounting to € 353.3 mil.

PPC's claims from HALYVOURGIKI S.A.

PPC filed an application for a payment order before the Court of First Instance in Athens against the company under the name "HALYVOURGIKI S.A.", in which PPC claimed from HALYVOURGIKI to pay the total amount of € 30,473,320.80 plus interest from the day following the expiry of the final bill issued after the termination of the Electricity Supply Contract between PPC S.A. and HALYVOURGIKI S.A. and until repayment, plus the amount of € 15,237 for court costs.

The payment order No. 1769/2019 of the Single-Member Court of First Instance in Athens was issued which orders "HALYVOURGIKI S.A." to pay to PPC the above total amount. PPC notified the payment order in question to "HALYVOURGIKI S.A." and further, on 15.03.2019 proceeded to serve the writ of garnishment for conservative seizure in the banks under the above payment order against "HALYVOURGIKI S.A."
Subsequently, on 22.03.2019, an application for suspension of "HALYVOURGIKI S.A." against PPC S.A. was served to PPC, following a request for a temporary injunction, the hearing of which took place on 26.03.2019. Following the discussion of the case, the application in question was rejected by the competent President of the Court of First Instance in Athens.

PPC, upon expiry of the deadline of the statements of a third party on behalf of the banks to whom proceeded to conservative seizure, at the request of "HALYVOURGIKI S.A.", proceeded to the bank EUROBANK in a partial withdrawal of imposed conservative seizure up to the amount corresponding to the payroll cost of that company's employees. The company in question filed a caveat, which was discussed in early October 2019. The caveat in question is expected to be approved by a relevant court's decision.

Furthermore, on 15.02.2019, "HALYVOURGIKI S.A." filed against PPC an appeal for arbitration before the ICC (INTERNATIONAL COURT OF ARBITRATION) "due to PPC's failure to comply with the obligations under the Shareholders Agreement of 2009" between PPC S.A. and "HALYVOURGIKI S.A.", requesting PPC to be condemned to pay the amount of two hundred and seventy million (270,000,000) Euro for consequential damage, which according to the appeal in question, "HALYVOURGIKI S.A." suffered with interest from the service of this appeal, plus one million (1,000,000) Euro for moral damage which according to "HALYVOURGIKI S.A." suffered (Case 24270/AYZ).

Both "HALYVOURGIKI S.A." and PPC S.A. appointed their arbitrators (each party appointed its arbitrator). Deadline for PPC's reply in order to define the group of its legal representatives as well as to collect the data needed to defend its positions, was set by the ICC on April 25th, 2019. On April 23rd, PPC submitted its Reply to the above Appeal of "HALYVOURGIKI S.A." and requested the rejection of the Appeal entirely and "HALYVOURGIKI S.A." to be obliged with the guarantee measure for the amount of € 1,000,000 and to be condemned to pay the total court costs of the Arbitration. Subsequently, following the exemption requests against the appointment of the proposed arbitrators, the two appointed Arbitrators, in their joint letter to the Arbitration Court dated 14.05.2019, stated that they were unable to appoint a Third Arbitrator jointly and requested from the Arbitration Court to appoint the Third Arbitrator, pursuant to Article 12 par. 5 of the International Arbitration Rules ICC Rules 2017. Furthermore, (on 10.08.2019) the Parties submitted their comments on the appointment of Third Arbitrator in the trial in question.

Finally, the Arbitration Court sent to the Parties a proposal for the appointment of an Arbitrator, who has lawfully submitted to the Parties her Independence Declaration citing the cases in which she has been involved in relevant legal proceedings and the Court invited the Parties, until 10.09.2019, to submit any objections to the appointment of the said Arbitrator.

Neither PPC nor the defendant raised any objections. Therefore, the ICC court ratified the appointment of the said Third Arbitrator. Following this, on 16.10.2019, the first meeting of the Arbitration Court was held where the TERMS OF REFERENCE of the Arbitration were agreed. PPC suggested the Bifurcation of the case, (meaning that there is an interim decision of the Court regarding the Responsibility claimed by the Plaintiff-Claimant and if the Court's Decision is in favor of this claim, then this decision should be followed by an examination of possible damages and amounts). The Court, by its decision, accepted the Bifurcation while the time frame regarding the procedure of evidence was set until October 2020.

More specifically, "HALYVOURGIKI S.A." submitted its Proposals-Memorandum (Statement of Claim on Liability) on 14.02.2020 while PPC has to submit its Memorandum (Statement of Defense on Liability) accordingly on 10.04.2020.

However, "HALYVOURGIKI S.A." requested a short postponement due to COVID-19 and the Arbitration Court decided to postpone the deadline of Memorandum for 30.4.2020.

Other High Voltage Tariffs
However, given the fact that the supply contracts with the High Voltage customers for the energy consumed in the period 2016-2017 expired on 31.12.17, PPC, in December 2017, sent letters to all High Voltage customers, with a proposal to extend the existing Supply Contract for the period 2016 - 2017, until 28.02.2018, in the framework of the Electricity Code and contractual relationships.
Subsequently, PPC's Board of Directors, by its related decision, approved the extension of the High Voltage Tariffs until 28.2.2019 and on 26.6.18 PPC's EGM approved the extension of the discounts, which were approved by EGM's decision on 7.12.2015, until 28.2.2019. In this context, a new round of meetings with High Voltage customers was held to inform them on the above issues. Out of the total of 91 supplies that electrify installations of 58 High Voltage customers, electricity supply contracts relating to 72 supplies of 48 High Voltage customers were signed, while for one customer with one supply, namely HALYVOURGIKI S.A., a cessation of the representation has taken place on 17.12.2018 due to debts.

PPC's BoD, with its decision no. 34/19.3.2019 approved the submission of proposals to High Voltage customers (except MYTILINEOS S.A.-GROUP OF COMPANIES and LARCO S.A. whose pricing terms were approved by the competent bodies to be valid until 31.12.2020) for the adjustment of the existing tariffs by + 10%, in order for supply contracts to be signed for the period 1.03.2019 - 31.12.2020. Already, on 04.04.2019, an agreement to sign a High Voltage supply contract with the companies of VIOHALKO Group by the end of 2020 has been reached. Furthermore, in July 2019 PPC announced the agreement to sign a High Voltage supply contract with AGET HERACLES, member of the Lafarge Holcim Group, for its installations which are connected to High Voltage.

Key features are, among other things, the supply contract of 3 years duration until the end of 2020 and the increase in tariffs by 10%. Cooperation with AGET HERACLES also expands to the grant of sign for the guarantee of origin of electricity from renewable energy sources (GREENPASS), the use of which is part of the Group's strategy and commitment for sustainable development and responsible entrepreneurship. A supply contract for the period 2018 – 2020 was also signed with the High Voltage customer TITAN CEMENT COMPANY S.A., who after the negotiation and the relevant agreement, withdrew the complaint - interim measures against PPC, which had filed before RAE.

CONTINGENCIES AND COMMITMENTS

Pricing terms of "MYTILINEOS S.A. GROUP OF COMPANIES"

By the October 5th, 2016 Decision of the EGM of PPC's Shareholders the customer's ALOUMINION (now MYTILINEOS S.A. - GROUP OF COMPANIES) pricing terms for the period 1.7.2016 - 31.12.2020 as well as the pricing for the clearing of the period 1.1.2014 - 30.6.2016 were approved. Based on the Decision of the EGM, a Supply Agreement was signed on October 20th, 2016 between ALOUMINION and PPC. Under the signed agreement, MYTILINEOS S.A. - GROUP OF COMPANIES proceeded to a prepayment of € 100 mil. for electricity bills for the first contractual period (July 1st, 2016 to June 30th, 2017), as well as to a prepayment of the estimated amounts for the second contractual period (July 1st, 2017 to June 30th, 2018), the third contractual period (July 1st, 2018 to June 30th, 2019) and the fourth contractual period (July 1st, 2019 to June 30th, 2020).

PPC's relation to its personnel's Social Security Funds

Despite the fact that under the current legislation the Group does not have any obligation to cover in the future any deficit between revenues and expenses to PPC's personnel Social Security Funds, there can be no assurance that this regime will not change in the future.

PPC's audit by the European Commission's Directorate-General for Competition

Since February 2017, a European Commission's Directorate-General for Competition audit of the Parent Company is in progress in accordance with Article 20 of the Regulation 1/2003 of the European Union. The audit is carried out pursuant to a relevant Commission's decision dated February 1st, 2017 for alleged abuse of a dominant position on the wholesale market for the production of electricity from 2010 onwards. This audit is in progress.

ENVIRONMENTAL OBLIGATIONS

Key uncertainties that may impact the final level of environmental investment which the Group will be required to undertake, over the forthcoming decade, include:

1. During 2017, the Joint Ministerial Decision regarding the Environmental Terms for HPP Messochora was issued under which PPC is obliged to undertake protection projects for the preservation of part of the Messochora Village (Sector D). Along with the procedure for the expropriation (a) of the remaining areas which will be flooded by the Reservoir and the Sectors A, B, and C of Messochora Village in favor of PPC, (b) the expropriation of the expansion area - relocation area of the village in favor of the Municipality of Pyli, and (c) the fulfillment of the remaining obligations introduced by the new Joint Ministerial Decision, the preparation of Tender Documents for the remaining projects, is planned, with a slight transfer of the estimated operation of the Project from 2022 to the first months of 2023. This transfer is due to unexpected delays in the expropriation procedures in favor of PPC and in favor of Municipality of Pyli.

   On 31.12.2019 the aggregate expenditure amount for HPP Messochora amounted to € 281 mil., while an estimated additional amount of Euro 84 mil. will be required in order to complete the project.

2. In December 2010, the new Directive (2010/75/ EU) was issued for industrial emissions (Industrial Emissions Directive – IED), revising Directives IPPC and 2001/80/ EC, which is effective from January 6th, 2011. Following the provisions of Article 32 of Directive 2010/75/EU, a Transitional National Emissions Reduction Plan (TNERP) for the period 2016-2020 was elaborated and officially submitted by Greece to the EU at the end of 2012. The TNERP was approved by the EU on November 26th, 2013. In December 2013, PPC submitted to the Ministry of Environment and Energy an application for limited changes to the TNERP, along with its declaration to use the limited life-time derogation (Article 33) for certain Power Plants. After the approval from the Ministry of Environment and Energy the revised TNERP was resubmitted on March 18th, 2014 by the Greek authorities and was approved by the EU on July 7th, 2014. The Joint Ministerial Decision for TNERP was issued in August 2015 (Nr. 34062/957/E103/2015). Finally, according to the above, SES Agios Dimitrios, as well as the disinvested Units of Meliti and Megalopolis 3 and 4 are included in the TNERP, while SES Amyntaion and Kardia will use the limited life-time derogation.

3. In 2011 began the process of revising the Reference Document on Best Available Techniques Manual for Large Combustion Plants within the framework of Directive 2010/75/EU, and is coordinated by the EIPPCB (European IPPC Bureau). With the European Commission's decision 2017/1442 on 31.07.2017, the Conclusions on Best Available Techniques for Large Combustion Plants – BREF LCP were determined under Directive 2010/75/EU. The Decision was published in the Official Journal of the European Union on August 17th, 2017. Following the adoption, of the legally binding, conclusions of the revised Manual, additional investments in PPC's major thermal stations may be required.

   It is noted, however, that possible decisions on additional investments will now be made taking into account the developments arose by the recent ratification of the new National Energy and Climate Plan (NECP, Government's Council for the Economic Policy/4/31.12.2019, OG 4893/B'/31.12.2019), which provides for the lignite phase-out of the country until 2028, as well as the expressed will of PPC for the final shutting-down of the normal operation of its existing lignite fired power plants until 2023.

4. On November 28th, 2015 Directive 2015/2193 of the European Parliament and the Council of November 25th, 2015 was published in the Official Journal of the European Union, on the limitation of emissions of certain pollutants into the air from Medium Combustion Units, regardless of the type of fuel used. As Medium Combustion Units, are defined units with a rated thermal input equal to or greater than 1 MWth and less than 50 MWth. Pollutants in question are sulfur dioxide (SO_2), Nitrogen oxides (NOx) and dust, while rules for the monitoring of emissions of carbon monoxide (CO_2) are defined. Production units of such a size, operate mainly in the islands (engines and turbines). Also, in many of PPC's SES, there are many G/S and auxiliary boilers, but with limited operating time.

   The provisions of the new Directive should be thoroughly examined by the competent departments of PPC, so as together with the competent Greek authorities to timely promote the appropriate strategies for the electrification of the islands with technically and economically viable solutions which should also be promptly implemented, and in any case before the expiry of the deadline laid down by the Directive. Indicatively, major projects such as the islands' interconnection, should be planned and implemented in such a way as to fully cover the needs of all islands in electricity, while any remaining production units will be used as a backup solution and will be operating only in an emergency, not exceeding 500 hours of operation per year.

5. The extent of land contamination has to be assessed for many of PPC's installations, following the provisions of art. 22 of Directive 2010/75/EU. At present, there appears to be no requirement for remediation projects at PPC's sites for the foreseeable future, and it is unlikely that this will be required at the mining sites or at the lignite-fired power stations. Remediation, however, may be required, at some of the company's oil-fired power stations in the future. In the context of the decommissioning of the Unit Agios Georgios in Keratsini, a remediation study for the land and the underground water in the Unit was submitted in November 2016 and was approved by the Competent Authorities in July 2017. The remediation cost is estimated at € 212,700.

6. PPC has performed limited studies on the presence of asbestos-containing materials, at its premises. Upon submission by PPC of a full environmental impact assessment study, the Ministry of Environment issued in May 2004 the environmental permit for the construction and operation by PPC, in its premises in Ptolemaida area of an environmentally – controlled Industrial Waste Management Area for the management and final disposal of asbestos containing construction materials, from the plants of the Northern System. With the real estate transfer contract no. 37244 / 05.06.2015, which is legally transcribed, PPC transferred full ownership of the Industrial Waste Management Area, located at the Kardia Mine of the Western Macedonia Lignite Centre, in DIADYMA S.A. From the date of signing the contract, DIADYMA S.A. is responsible for the Area's management. It should be noted that any dismantling/removal of asbestos-containing materials from PPCs' premises is carried out by companies licensed for this purpose.

7. In April 2018 the Environmental Terms for Klidi and Megalopolis Mines were issued. These mines belong to the two subsidiaries "LIGNITIKI MELITIS S.A." and "LIGNITIKI MEGALOPOLIS S.A." respectively. At the beginning of January 2020, the Council of State announced the revocation of the Environmental Terms of SES Melitis, resulting in its decommissioning. The approval of the new Environmental Terms is expected within May 2020.

8. The Environmental Terms for Amyntaio Mine are expected to be issued.

9. During March and May 2013, CO_2 emission licenses were issued for all 31 PPC installations, for the 3rd implementation phase of the European Union Emissions Trading System (EU ETS phase III, from January 1st, 2013 to December 31st, 2020). In November 2015 the license of the Lignite Centre of Western Macedonia thermal station was revoked due to its decommissioning. In May 2017 the licenses of Ptolemaida and Agios Georgios thermal stations were revoked due to their decommissioning. In February 2018 the CO_2 emission license of the Power Plant in South Rhodes was issued. Following the establishment of subsidiaries LIGNITIKI MELITIS S.A. and LIGNITIKI MEGALOPOLIS S.A., SES Melitis belongs now to LIGNITIKI MELITIS S.A. SES Megalopolis A belongs to LIGNITIKI MEGALOPOLIS S.A. while SES Megalopolis B was separated in SES Megalopolis Unit IV, belonging to LIGNITIKI MEGALOPOLIS S.A. and in SES Megalopolis Unit V, belonging to the Parent Company PPC S.A. As a result of these modifications, PPC's bound installations (including the aforementioned installations of subsidiaries) amount to thirty (30).
   On 31.03.2019, the verification of the annual emissions reports of 30 bound plants of PPC for 2018 by accredited third party verifiers was completed and the reports were promptly submitted to the Competent Authority, according to the current legislation. The total verified emissions for 2018 amounted to 29.52 Mt CO_2.

   In addition to the environmental obligations arising from the Environmental Terms Approval of the power stations, PPC in 2019 undertook voluntarily to dismantle all the power plants' and mining facilities and remove their equipment when these cease to operate. For the aforementioned obligations necessary provisions are recognized (note 32).

INVESTMENTS

A new diesel engine Power Plant 115.4 MW in South Rhodos burning of heavy fuel oil with low sulphur content
The construction of the new diesel engine Power Plant 115.4MW in South Rhodos burning of heavy fuel oil with low sulphur content is in the stage of completion and all Units have been put into Commercial Operation and a Completion Protocol of the Project's Commercial Operation was signed.
Performance tests were executed and the initial Report for the said tests was submitted by the THIRD PARTY. This initial Report is examined by the Thermal Projects Engineering – Construction Department.
The Contractor submitted a request for the Project's Temporary Acceptance.

Hybrid Project in Ikaria
The Hybrid Energy Project in Ikaria "Naeras", of 6.85 MW total capacity, is an innovative project which was inaugurated on June 5th, 2019. Naeras combines the utilization of two renewable energy sources, Wind and Hydroelectric. The construction of the project started in 2009. The delay in the completion of the project is due to contractual dissents with the contractor. In 2018, at the request of the contractor the two parties proceeded to a "friendly settlement procedure". The entire project has been connected to HEDNO's electricity network and operates since the beginning of 2019. The automated operation of the Project is expected to be completed during the first half of 2020.
It is estimated that "Naeras" will produce clean energy of about 9.8 GWh/year. The expected submarine energy interconnection of Ikaria with Samos, will enable us to make greater use of the "Naeras" energy produced. Finally, "Naeras" generates significant economic, environmental and social benefits to the island of Ikaria.

Research, Development and Exploitation of Geothermal potential
PPC Renewables has leased from the Greek State the geothermal potential Research and Management rights of four (4) public mining sites: a) Milos-Kimolos-Polyagos, b) Nisyros, c) Lesvos and d) Methana.
While maintaining the exclusive Research and Management rights, the subsidiary PPC Renewables S.A. sought a Strategic Partner to co-exploit the geothermal potential of the above areas through an international tender. The submission of binding offers was completed in August 2018 and the Highest Bidder and the Reserved Bidder were announced in September 2018. The final qualification of the "Preferred Partner" will take place once the procedures for the necessary approvals as provided by the law and corporate structure of PPC Renewables S.A. are completed.

Biomass project in Amyntaio, Florina
The tender for the selection of a Strategic Partner for the project "Installation and Operation of a Biomass Combustion Plant for the production of electricity and thermal energy" in Amyntaio, Florina is in progress.
The first phase of the international tender was completed in 2018. The organization of the second phase of the tender is pending.

Successful participation of the Photovoltaic Plant "Iliaka Parka Ditikis Makedonias 1 S.A." in RAE's Tender Procedure in July 2019

PPC Renewables S.A. has participated successfully in RAE's Tender Procedure which took place in July 2019, ensuring a Reference Price for the Photovoltaic Plant of its 100% subsidiary "Iliaka Parka Ditikis Makedonias 1 S.A." of 14,99 MW capacity, which is going to be installed at the location Paliabela in the Prefecture of Kozani. The company proceeded in early 2020 to an international open tender for the study, supply, transportation, installation and commissioning of this project, including and the required Substation.

Successful participation of the Photovoltaic Plant "Iliaka Parka Ditikis Makedonias 2 S.A." in RAE's Tender Procedure in December 2019

PPC Renewables S.A. has participated successfully in RAE's Tender Procedure which took place in December 2019, ensuring a Reference Price for the Photovoltaic Plant of its 100% subsidiary "Iliaka Parka Ditikis Makedonias 2 S.A." of 14,99 MW capacity, which is going to be installed at the location Xiropotamos in the Prefecture of Kozani. The company is in the process of conducting an international open tender for the study, supply, transportation, installation and commissioning of this project, including and the required Substation.

Successful participation of the Photovoltaic Plant "Iliako Velos 1 S.A." in RAE's Tender Procedure in April 2020

PPC Renewables S.A. has participated successfully in RAE's Tender Procedure which took place in April 2020, ensuring a Reference Price for the Photovoltaic Plant of its 100% subsidiary "Iliako Velos 1 S.A." of 200 MW capacity, which is going to be installed at the location West Macedonia Lignite Center (WMLC) in the Prefecture of Kozani. The company is in the process of conducting an international open tender for the study, supply, transportation, installation and commissioning of this project, including the expansion of two (2) Substations 33kV/ 150kV (Haravgi Substation and Agios Christoforos Substation) with the implementation of three new transformer gates.

Repowering of 9 Wind Parks in Aegean Sea and Construction of a new Wind Park in Tigani of Mykonos

In 2018 the old Wind Parks were decommissioned and the execution of a Contract concerning the Study, Supply, Transportation, Installation and Commissioning of Ten (10) Wind Parks in Aegean Sea of 19.80 MW total capacity with a total budget of € 28.1 mil. was started. These Wind Parks are: Sigri of Lesvos, Ag. Ioannis of Karpathos, Vigla of Lemnos, Potamia of Chios, Prophet Elias of Psarra, Melanios of Chios, Pythagorio of Samos, Perdiki of Ikaria, Marmari of Evia and Tigani of Mykonos. Moreover, the Contract for the Study and Construction of Infrastructure Projects of Wind Parks, with a total budget of € 5.9 mil. is executed.

In 2019, the Wind Parks: Ag. Ioannis of Karpathos, Perdiki of Ikaria, Pythagorio of Samos, Tigani of Mykonos, Marmari of Evia (5 out of 6 Wind Turbines), Prophet Elias of Psarra, Potamia of Chios and Sigri of Lesvos have been repowered and electrified. The Wind Parks Melanios are expected to be completed in the first half of 2020 while Wind Park in Lemnos until the end of 2020, as it is in the licensing phase.

Repowering of Wind Park in Monis Toplou Sitia Crete

The decommissioning of the Wind Park in Monis Toplou Sitia Crete at the location Palaiopyrgos - Perdikes was completed. The Contract for the Study, Supply, Transportation, Installation and Commissioning of a new Wind Park of 7.50 MW total capacity is in progress while the contract for the Infrastructure Projects is expected to be signed until March. At the same time the licensing process is in progress.

Wind Park in Aera of Karditsa

During 2018, a tender for the Study, Supply, Transportation, Installation and Commissioning of One (1) Wind Park at the locations of "Aera" of the Municipality of Mouzaki and "Afentiko" of the Municipality of Argithea and One (1) High Voltage Center 20 / 400 KV, Power 100 MVA of closed type with gas insulated equipment, at the location "Diaselo-Pr. Elias" of the Municipality of Mouzaki, Regional Unit of Karditsa, was completed. The project is of 27.6 MW total capacity. The construction began in February 2019, but there were significant delays in its implementation due to the time-consuming administrative procedures required to update/amend the Environmental Terms Approval. The amended Environmental Terms Approval has already been issued and the remaining required permits are expected to be issued soon. Semi-commercial operation is expected to begin in autumn 2020.

Repowering of SHPP Louros

The works for the repowering of the SHPP Louros have been completed. The decision by the Ministry of Energy, for the SHPP Louros to be subject to a radical renovation regime, pursuant to paragraph 22 of article 3 of L. 4414/2018, was issued. It is estimated that the renovated Station will be put into Semi-Commercial Operation within second quarter of 2020.

Tenders for new Wind Parks

Wind Park in Xerakia, Kefalonia

The tender for the "Study, Supply, Transportation, Installation and Commissioning of One (1) Wind Park of 10 MW total capacity at the location of Xerakia-Dilinata of the Municipality of Kefalonia, region of Ionian Islands" was completed and "AMERESCO ENERGY HELLAS S.A." was declared as the contractor for the Supply.

The tender for the "Study and Construction of Infrastructure Projects of One (1) Wind Park of 9.2 MW total capacity at the location of Xerakia-Dilinata of the Municipality of Kefalonia, region of Ionian Islands" was completed and the joint venture "AMERESCO ENERGY HELLAS - RES INVEST- ENERGY PROFIT" was declared as a temporary contractor.

The two Contracts are in the early stages of implementation.

Wind Park in Mamados Tinos

During 2020, the tender for the Wind Park in Mamados Tinos is expected to be launched again, as the tender which was launched in August 2017 was declared barren.

Tenders for new Small Hydro Power Plants (SHPP)

Repowering of SHPP Vermio

The tender for the renovation of SHPP Vermio, of 1.96 MW capacity with a budget of € 4.045 mil. is in progress and the Joint Venture "EYDROMOS S.A.- GH CONSTRUCTIONS IKE" has been appointed as a temporary contractor of the project.

Construction of SHPP Smokovo II

The Tender for the Construction of SHPP Smokovo II, of 3.2 MW capacity with a budget of € 4.3 mil. was completed on 16.07.2019 and the Joint Venture "EYDROMOS S.A.- GH CONSTRUCTIONS IKE" was declared as a contractor of the project.

Construction of Small Hydro Plant (SHP) Makrochori II
The tender for the Construction of SHP Makrochori II with a budget of € 7.75 mil. is in progress.

International Partnerships with other Groups for the joint development of RES Projects
In the context of broader turn of PPC Group in the field of renewable energy sources and its declared extroversion, PPC Renewables signed a Memorandum of Understanding (MoU) with MASDAR TAALERI GENERATION D.O.O. (MTG). According to MoU, both parties will jointly explore the possibilities of cooperation in the construction and development of RES projects in Greece focusing on wind and photovoltaic projects. The development of the projects will be in accordance with the corporate practices of each party based on the optimal cooperation structure and the most appropriate business model.
A Memorandum of Understanding (MoU) was also signed with EDPR, a subsidiary of ENERGIAS DE PORTUGAL S.A. (EDP), which aims to build and develop RES Projects in Greece with an installed capacity of at least 400 MW.
In May 2019 the Parent Company signed a Memorandum of Cooperation with the company AKUO ENERGY SAS in order to explore the possibility of cooperation in the development of RES projects in Greece and in other geographical areas where the parties will agree to.
AKUO ENERGY SAS is an RES company and owns assets under construction or in operation around the world. It has strong know-how for the development, financing, construction and operation of projects exploiting wind, solar and hydroelectric energy as well as biomass.
Finally, in March 2020, PPC Group signed a Memorandum of Understanding with RWE for the development of RES projects in Greece through PPC Renewables S.A., in the context of its lignite phase-out strategy and its broader turn in the field of renewable energy.

41. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Fair value and fair value hierarchy
The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuing technique:
Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.
Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
Level 3: techniques which use inputs that have a significant effect on the recorded fair value and are not based on observable market data.

During the reporting period there were no transfers between level 1 and level 2 fair value measurement, and no transfers into and out of level 3 fair value measurement.

The following tables compare the carrying amount of the Group's and the Parent Company's financial instruments that are carried at amortized cost and their fair value as well as tangible (fixed assets) which are measured periodically at revalued amounts:

	Carrying amount		Fair value	
Group	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Financial Assets				
Trade receivables	683,491	737,528	683,491	737,528
Restricted cash	67,752	81,681	67,752	81,681
Cash and cash equivalents	286,917	251,015	286,917	251,015
Financial Liabilities				
Long-term borrowings	3,928,312	3,905,263	3,928,312	3,900,733
Trade payables	1,689,234	1,694,107	1,689,234	1,694,107
Short term borrowings	18,630	46,483	18,630	46,483

	Carrying amount		Fair value	
Parent Company	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Financial Assets				
Trade receivables	579,213	639,907	579,213	639,907
Restricted cash	67,752	81,681	67,752	81,681
Cash and cash equivalents	205,461	112,330	205,461	112,330
Financial Liabilities				
Long-term borrowings	3,884,469	3,905,273	3,884,469	3,900,743
Trade payables	1,523,818	1,521,495	1,523,818	1,521,495
Short term borrowings	-	30,000	-	30,000

The fair value of financial assets at fair value through other comprehensive income, of restricted cash, as well as of cash and cash equivalents, equals their carrying amounts.
The fair value of trade receivables and trade accounts payable approximates their carrying amounts.

The fair value of the remaining financial assets and financial liabilities is based on future cash flows discounted using either direct or indirect observable inputs and are included in the Level 2 of the fair value hierarchy.

The fair value of tangible assets (except mines, lakes and construction in progress which are valued at their cost less accumulated depreciation and impairment losses) is included in Level 3 of the fair value hierarchy.

As of December 31st, 2019, the Group and the Parent Company held the following financial instruments measured at fair value:

Financial Assets	Fair value		Fair value Hierarchy
	31.12.2019	31.12.2018	
Group			
Financial Assets at fair value through Other Comprehensive income	1,251	571	Level 1
Parent Company			
Financial Assets at fair value through Other Comprehensive income	879	466	Level 1

Financial Risk Management

Fair Value

The amounts reflected in the accompanying balance sheets for cash, current assets and current liabilities approximate their respective fair values due to their short-term maturity.
The fair values of financial Assets at fair value through Other Comprehensive income that are traded on stock markets are based on their quoted market prices at the balance sheet date.
The carrying values of long-term borrowing approximate their fair value because these loans are in local currency and mainly of floating interest rate.
For all derivatives, the fair values are confirmed by the financial institutions with which the Group has concluded the relative contracts.

Interest rate risk and foreign currency risk

The Group's and the Parent Company's debt obligations consist of bank loans, bonds and overdraft facilities. It is the Group's and the Parent Company's policy to have a balanced distribution of the loan portfolio between fixed and floating interest rates according to the prevailing conditions and to hedge on a case by case basis through derivatives, solely to mitigate risk, against the fluctuation of floating interest rates and/or foreign currency exchange rates affecting their debt portfolio. As of December 31st, 2019 no derivative transactions exist for loans or debt hedging.

Furthermore, the fluctuation of the Euro against the U.S. dollar exchange rate may adversely impact the prices of the Parent Company's liquid fuel purchases (diesel and heavy fuel oil). As oil prices are expressed in U.S. dollars, the Parent Company is exposed to foreign currency risk in the event of an appreciation of the U.S. dollar against the euro. In order to mitigate the foreign currency risk arising from liquid fuel purchases, the Parent Company examines the possibility of undertaking, on a case by case basis and according to the prevailing market liquidity circumstances, hedging transactions for this risk. It should be noted that any undertaken hedging transactions may not provide full or adequate protection against these risks.

	Increase / Decrease in basis points (%)	Effect on profit before tax (Group)	Effect on profit before tax (Company)
2019			
Euro	50	(10.43)	(10.42)
Euro	(50)	10.43	10.42
2018			
Euro	50	(10.49)	(10.49)
Euro	(50)	10.49	10.49

Liquidity Risk

Liquidity risk is connected with the need to ensure adequate cash flows for the financing of the Group's and the Parent Company's operations, including working capital needs, capital expenditure, as well as the servicing of the Group's and the Parent Company's debt.

The Group's and the Parent Company's working capital needs may increase due to a number of factors, including:

- The increased delays in the payment or even non-payment of electricity bills in particular from those customers with interruption of a supply contract.
- The obligation to pay Renewables levy (ETMEAR), Special Consumption Tax on electricity as well as VAT when due, irrespective of whether relevant amounts have been collected or not.
- The burden associated with the collection of taxes and levies that are not related to the sale of electricity, such as municipal taxes and levies that are currently collected through electricity bills and the inability to pay for the electricity consumption amounts without paying at the same time amounts due to third parties.
- The continuous increase in the number of citizens included in the register of vulnerable customers that based on decisions of the State enjoy special privileges regarding: (a) the longer period for paying their bills (40 days from the date of issue), b) the settlement of their debts in many installments and free of interest, c) the limited penalties in the case of non-payment of bills and installments, since the supply of electricity cannot be disconnected due to debt, in their residence, almost throughout the year.
- Regulatory decisions on the operation of the wholesale market, which burden the cost of purchasing electricity for PPC as an electricity Supplier.
- The potential increase of commercial losses (non-technical losses), due to the non-suppression of incidents of electricity theft and arbitrary reconnection of electricity supply in cases of electricity disconnection due to debt.

The above factors may have a material adverse impact on the Group's and the Parent Company's liquidity as well as on their ability to finance new or ongoing projects. It should also be noted that the Group's and the Parent Company's borrowing costs for accessing and finding liquidity (for refinancing existing debt and / or new liquidity) on both domestic and international level are affected by the state of the Greek economy in recent years.

The contractual maturities of the main financial liabilities (borrowings), not including interest payments are as follows:

(In mil. Euro)	On demand	3 months	3 to 12 months	≥1 to 5 years	> 5 years	Total
Year ended 31st December 2018 (Group)						
Overdraft facilities	-	30.0	-	-	-	**30.0**
Short term borrowings	-	-	-	-	-	**-**
Long term borrowings	-	133.45	592.28	2,292.14	959.34	**3,977.21**
	-	**163.45**	**592.28**	**2,292.14**	**959.34**	**4,007.21**
Year ended 31st December 2019 (Group)						
Overdraft facilities						
Short term borrowings						
Long term borrowings	-	154.38	279.096	2,603.41	986.904	**4,023.79**
	-	**154.38**	**279.096**	**2,603.41**	**986.904**	**4,023.79**
Year ended 31st December 2018 (Company)						
Overdraft facilities	-	30.0	-	-	-	**30.0**
Short term borrowings	-	-	-	-	-	**-**
Long term borrowings	-	133.45	592.29	2,292.14	959.34	**3,977.22**
	-	**163.45**	**592.29**	**2,292.14**	**959.34**	**4,007.22**
Year ended 31st December 2019 (Company)						
Overdraft facilities						
Short term borrowings						
Long term borrowings	-	154.38	278.19	2,590.58	954.44	**3,977.59**
	-	**154.38**	**278.19**	**2,590.58**	**954.44**	**3,977.59**

Risk from exposure to the Banking Sector

The Group and the Parent Company may be exposed to risks arising for the Greek banking sector (for example limitations effected by the Single Supervisory Mechanism (SSM) of the ECB on loans for Public Entities).

It should be noted that as of 31.12.2019 the Parent Company's debt obligations towards the Greek Banking sector amounted to 37.5% of their total loan obligations.

Market risk

The sensitivity analysis on liquid fuel, natural gas, liquid fuel, CO_2 and system marginal price is as follows.
It concerns the estimation of 2020 for PPC S.A. due to COVID-19.

	Parent Company				
	Heavy fuel oil (tones)	Diesel (klit)	Natural Gas (m3)	CO_2 (tones)	System Marginal Price (MW/h)
Change in price unit	+ 1 € (+ one Euro)	+ 1 € (+ one Euro)	+ 0.01 € (+ one Cent of Euro)	+ 1 € (+ one Euro)	+ 1 € (+ one Euro)
Impact	825 thousands Euro	292 thousands Euro	Euro 15.3 mil.	Euro 5.8 mil.	Euro 15.6 mil.

The change in the $/€ rate by 5 cents of the dollar is estimated to affect the expenditure for liquid fuels and natural gas as well as profit before tax for the year 2019 by € 22.6 mil.
In 2020, the annual CO_2 emissions are estimated at 14.0 mil. t. (7.2 mil. t from lignite, 3.3 mil. t. from Natural Gas, 3.5 mil. t. from liquid fuels) with an average price € 20.5/t.
The purchased allowances amount to 8.2 mil. t. with an average price of € 19.13/t.
Therefore, the change in the purchase price of new CO_2 emission allowances by +/- Euro 1.0/t changes the relative expenditure by approximately € 5.8 mil.

Progression of net debt ratio

The Group's net debt/equity ratio is as follows:

	2019	2018
Long-term borrowing	3,510,961	3,190,506
Current portion of long-term borrowing	417,351	714,757
Short-term borrowing	18,630	46,483
Cash	(286,917)	(251,015)
Pledged deposits	(64,847)	(79,705)
Financial assets measured at fair value through other comprehensive income	(1,251)	(571)
Unamortized portion of loans' issuance fees	93,120	71,945
TOTAL	**3,687,047**	**3,692,400**
Shareholders' equity	**3,040,592**	**3,943,080**
Net debt/equity ratio	**121%**	**94%**

It is noted that the deducted amounts of the pledged deposits in the above table refer only to pledged deposits related to loan agreements.
In long-term borrowing, as presented above, the unamortized portion of loan issuance fees of € 93 mil., approximately is not included (2018: 72 mil. approximately) (Note 30).

42. LEASES

Leases: the Group and the Parent Company as Lessee

The Group and the Parent company have signed contracts for the lease of property, transportation assets, other equipment and vessels that they use for their activity.

Part of the leases of transportation assets and other equipment fall under the recognition exemption as they concern either short-term leases or low-value leases. Property leases relate to leases with a lease term between 2 and 10 years, while time-chartered vessels concern leases with a lease term 18 to 24 months.

Lease liabilities are secured by the lessor's title deeds. There are contracts that include terms for extension or early termination of the lease and terms for an increase in lease payments based on the consumer price index (variable lease payments).

The impact on the Group's and the Parent Company's financial statements from the adoption of IFRS 16 is as follows:

Impact on the statement of financial position on January 1st, 2019

- An initial recognition of Right of Use assets amounting to € 81,522 for the Group and € 51,062 for the Parent Company.
- An initial recognition of financial lease liabilities amounting to € 80,933 for the Group and € 51,062 for the Parent Company.

Impact on the statement of financial position on December 31st, 2019

- A Right of Use assets balance amounting to € 67,193 for the Group and € 41,084 for the Parent Company.
- A financial lease liability balance amounting to € 67,691 for the Group and € 42,065 for the Parent Company.

Impact on the Income Statement on December 31st, 2019

- A Depreciation charge increase amounting to € 22,624 for the Group and € 16,999 for the Parent Company.
- A financial expense (interest) increase amounting to € 3,115 for the Group and € 2,172 for the Parent Company.
- An operating lease expense reduction amounting to € 24,620 for the Group and € 18,189 for the Parent Company.

The cost of right-of-use assets and the value of the financial lease liabilities of the right-of-use assets as well as their movement during the period are as follows:

ASSETS	GROUP				
	PROPERTY	OTHER EQUIPMENT	TRANSPORTATION ASSETS	VESSELS	TOTAL
01.01.2019	**58,243**	**4,630**	**6,751**	**11,928**	**81,552**
Additions	2,219	1,937	350	3,914	8,421
Reductions	(155)	-	-	(155)	
Depreciation expense	(9,173)	(3,486)	(904)	(9,061)	(22,624)
31.12.2019	**51,134**	**3,080**	**6,197**	**6,782**	**67,193**
LIABILITIES					
01.01.2019	**57,624**	**4,630**	**6,751**	**11,928**	**80,933**
Additions	2,219	1,937	350	3,915	8,421
Early termination	(157)	-	-	-	(157)
Finance cost	2,388	183	83	460	3,115
Payments	(10,645)	(3,618)	(956)	(9,400)	(24,620)
31.12.2019	**51,428**	**3,132**	**6,229**	**6,903**	**67,691**
LIABILITIES					
Current	8,378	2,643	1,644	5,657	18,322
Non-current	43,050	488	4,585	1,246	49,369
LIABILITIES					
Up to 12 months	8,378	2,643	1,644	5,657	18,322
1 to 5 years	25,698	488	4,585	1,246	32,017
More than 5 years	17,352	-	-	-	17,352

ASSETS	PARENT COMPANY				
	PROPERTY	OTHER EQUIPMENT	TRANSPORTATION ASSETS	VESSELS	TOTAL
01.01.2019	**35,830**	**2,346**	**958**	**11,928**	**51,062**
Additions	974	1,937	350	3,914	7,176
Reductions	(155)	-	-	-	(155)
Depreciation expense	(5,270)	(2,023)	(644)	(9,061)	(16,999)
31.12.2019	**31,379**	**2,260**	**664**	**6,782**	**41,084**
LIABILITIES					
01.01.2019	**35,830**	**2,346**	**958**	**11,928**	**51,062**
Additions	974	1,937	350	3,915	7,176
Early termination	(157)	-	-	-	(157)
Finance cost	1,560	117	36	460	2,172
Payments	(6,015)	(2,103)	(670)	(9,400)	(18,189)
31.12.2019	**32,192**	**2,296**	**674**	**6,903**	**42,065**
LIABILITIES					
Current	4,762	1,808	554	5,657	**12,780**
Non-current	27,430	488	120	1,246	**29,285**
LIABILITIES					
Up to 12 months	4,762	1,808	554	5,657	**12,780**
1 to 5 years	15,917	488	120	1,246	**17,772**
More than 5 years	11,513	-	-	-	**11,513**

The amounts recorded in the Statement of Income are as follows:

PARENT COMPANY	31.12.2019
Right-of-use assets depreciation expense	16,998
Finance cost	2,173
Short term-lease expenses	4,771
Low-value lease expenses	98
Total	**24,040**
GROUP	**31.12.2019**
Right-of-use assets depreciation expense	22,624
Finance cost	3,115
Short term-lease expenses	5,711
Low-value lease expenses	225
Total	**31,675**

The Group and the Parent company paid for leases in 2019 the total amount of € 31,675 and € 24,040 respectively. The Group and the Parent Company have the option for some leases, to extend the lease term of the contract or to terminate the lease. The Group and the Parent company assess whether it is reasonably certain to exercise the relevant option taking into account all the factors that create economic incentive for them to exercise the option of renewal or termination.
On December 31st, 2019 the Group and the Parent company from their assessment concluded that for all lease contracts which give the option to extend, they will exercise this option, while for those contracts which give the option to terminate, they will not exercise it.

	Group		Company	
Group	2019	2018	2019	2018
Minimum future lease payments of operating leases recognised as expense	81,130	85,522	48,287	58,413

As at December 31st, 2019, the Group's outstanding commitments for minimum future lease payments under non-cancellable operating leases approximate the current year's lease expenses, which are not expected to change significantly during the next years. Operating lease payments represent mainly rentals payable by the Group for its offices, machinery, land, transportation assets and furniture and other equipment. Offices' rentals are fixed for an average term of twelve years while rentals for machinery and transportation assets are fixed for an average term of 1 and 3 years, respectively.

43. SUBSEQUENT EVENTS

In addition to those presented in other notes, the following events occurred from December 31st, 2019 until the date of approval of the Financial Statements:

Repayment of loans and new loans

During the period January 1st, 2020 – April 23rd, 2020, the Parent Company proceeded to debt repayments of loan installments amounting to € 114.4 mil. and drew an amount of € 12.3 mil. from a Bond Loan of a total amount of € 680 mil., with a consortium of foreign banks supported by the German Export Credit Insurance Organization ''Euler Hermes'', for financing part of the construction cost of the new Lignite Unit "Ptolemaida V".
In February 2020, an amount of € 40 mil. from a loan with balance on 31.12.2019 of € 50 mil. in the form of a Revolving Credit Facility (RCF) maturing 2/2020 was extended by one year, i.e. until February 2021 with interim repayments of € 30 mil. within 2020.
In January 2020, the Parent Company signed a loan agreement with the European Investment Bank (EIB) amounting to Euro 100 mil. to carry out investments relating to the modernization and strengthening of the Mainland's and Islands' Distribution Network in Greece for the period 2017-2020, under a total funding of € 255 mil., bearing the Greek State's guarantee. The Parent Company drew the relevant amount in February 2020.
In February 2020, the subsidiary PPC RENEWABLES drew an additional amount of € 2 mil. from NBG's total credit line of € 17.5 mil.

Share Capital Increase of PPC's 100% subsidiaries under the name "Lignitiki Melitis S.A." and "Lignitiki Megalopolis S.A."

In February 2020, the Parent Company's Board of Directors, at the request of the Subsidiary, decided to increase the share capital of its 100% subsidiary under the name "Lignitiki Melitis S.A." by € 15,000,000 with the issuance of 3,750,000 common shares with a nominal value of four (4) Euros per share and an issue price of four (4) Euros per share. The amount of the share capital increase was decided to be paid in three (3) monthly installments of Euro six (6), five (5) and four (4) mil. respectively. On March 3rd, 2020 the Parent company paid the first installment amounting to € 6,000,000 and on March 27th, 2020 paid the second installment amounting to € 5,000,000.
Furthermore, in April 2020 the Parent Company's Board of Directors decided to further increase the share capital of its subsidiaries amounting to € 104,426,088.00 with corresponding capitalization of the liabilities of the subsidiaries to the Parent Company. Specifically, it was decided to increase the Share Capital of "Lignitiki Megalopolis S.A." by € 65,604,088 with the issuance of 16,401,022 common shares with a nominal value of four (4) Euros per share and an issue price of four (4) Euros per share, while for the subsidiary "Lignitiki Melitis S.A." it was decided to increase the Share Capital by € 38,822,000 with the issuance of 9,705,500 common shares with a nominal value of four (4) Euros per share and an issue price of four (4) Euros per share.
The above two decisions are subject to their approval by the respective unsolicited Extraordinary General Meeting of Shareholder.

Establishment of the new company under the name "PPC Project Mesogeion Sole Shareholder Company S.A."

In March 2020 the Parent Company's Board of Directors decided the establishment of the 100% subsidiary company "PPC Project Mesogeion Sole Shareholder Company S.A." whose purpose is the implementation

of the lease contract of the former camp "PLESSA MICHAEL" which was awarded to PPC S.A. by the National Defense Fund (NDF) after a public tender and generally, the undertaking of the best possible way of its use and exploitation, the necessary, according to the tender, demolition of existing buildings and construction of new ones as well as the relocation of PPC's Services to it.
The lease of the abovementioned property will have a lease term 50 years with the option of 10 years extension. The company's share capital amounted to € 25,000 divided into 250 common shares with a nominal value of € 100 per share. The total amount of the above share capital will be paid by the sole founder PPC S.A. The Board of Directors will consist of (3) to (5) Members, for a five-year term.

COVID-19 Pandemic
On December 31st, 2019, the World Health Organization (WHO) was informed of limited cases of pneumonia, of unknown cause, detected in Wuhan, Hubei. On January 7th, 2020, the Chinese authorities identified a new type of coronavirus (COVID-19) as the cause. On January 23rd, 2020, the first COVID-19 cases have been confirmed in Hong Kong. As of December 31st, 2019, the development and spread of COVID-19 has led to the emergence of numerous related events. On March 11th, 2020, the WHO declared the COVID-19 a pandemic.

From mid-March, the Greek government began taking measures both to reduce the spread of COVID-19 (closure of educational institutions and businesses, extensive cessation of economic activity, ban on the movement of all citizens, cessation of the works in the worksite of the new Ptolemaida Unit V, etc.) and mitigate the economic impact of the COVID-19 pandemic on affected businesses and individuals (provision of extraordinary allowances and aids, protection of labor relations, extension of the deadline and suspension of tax and insurance debts collection, etc.).

Since, as at December 31st, 2019 it was not yet known how the situation was going to develop, the Management estimates (according to the provisions of IAS 10 - Events after the reporting period) that the COVID-19 pandemic does not constitute an adjusting event for the fiscal year ended December 31st, 2019 figures.

PPC S.A., already from the initial appearance of the new COVID-19 pandemic, implements a series of actions aiming to inform employees, raising their awareness on the prevention and protection measures, providing them with the appropriate Personal Protective Equipment (PPE), protecting both them and their families and at the same time ensuring its business continuity.

Indicatively:

- At the stage of the still mild condition, the Company:
  - Posted on PPC's portal, informative material related to the new coronavirus. This material continues to be updated on the portal until today.
  - Sent to all staff an information document (printed and electronic) for COVID-19 with accompanying instructions from NATIONAL PUBLIC HEALTH ORGANIZATION (NPHO).
  - Started updating the existing Plan of Operations dated to the year 2009 (referring to the influenza pandemic H1N1 virus), referring in the first phase to the stages of the mild and moderate condition.
- At the stage of the moderate condition, the Company:
  - Sent to all employees a new document (printed and via email) with instructions for their protection.
  - Activated the following measures, in the context of the policy for dealing with a possible epidemic:
    - Intensive disinfection and cleaning in the workplace.
    - Cancellation of trips abroad, suspension of participation in conferences, postponement of educational programs and meetings, activation of teleconferences.
    - Extraordinary supplies of Personal Protective Equipment (PPE) and other materials related to the protection from the coronavirus (masks, gloves, antiseptics, cleaners, etc.).
    - Support of PPC's employees through PPC's IT Security Team and the Company's resident doctors.
- At the stage of the pandemic, the Company:
  - Set up a Crisis Management Committee to deal with COVID-19.
  - Included in the Plan of Operations the stage of the pandemic and brought it in its final form entitled "Operational plan of PPC's readiness to deal with pandemic from the new coronavirus COVID-19".
  - Further strengthened measures already imposed at the previous stage.
  - Based on its Operational Plan, determined the critical minimum staff for the operation of the Company per sector of activity.
  - Activated a telephone line to inform the staff about the coronavirus.
  - Suspended the operation of restaurants and canteens.
  - Is in constant communication with its business units sending Personal Protective Equipment (PPE) (gloves, masks, uniforms, etc.) according to their needs. The Company also proceeds to extraordinary supplies of additional quantities of PPE, in order to avoid the lack of them, especially in the critical staff groups.
  - Issues informative material and instructions for the provision of a special purpose day off and a special day off in case of a suspected, probable or confirmed case, for vulnerable groups to stay at home, for the disinfection, for the use of the PPE, for the out-of-office work, as well as for the monitoring of the incidents in the contractors' staff.
  - Statistically monitors the evolution of the number of cases (probable, suspected or confirmed) concerning its employees, strictly protecting its employees' personal data.

The other subsidiaries of the Group take similar to the above measures.
PPC also took extraordinary measures in order to relief electricity consumers, amending its tariffs from March 26th, 2020 and for the duration of a quarter. These extraordinary measures are as follows:

- Abolition of the fixed charge in all Low Voltage tariffs.
- Abolition of the second consumption range of the electricity charge in tariffs Γ1 and Γ1N, for the consumption within the peak period (i.e. the second scale of the tariffs Γ1 and Γ1N equals the first scale for the consumption within the peak period).
- Abolition of the € 1 charge for every printed bill.
- Readjustment of the discount on each issued electronic bill, from Euro 1 for bimonthly bills and € 0.50 for monthly bills to € 5 for bimonthly bills and € 2.50 for monthly bills.
- For vulnerable customers which are included in the categories B & Γ, the Company applies an 8% discount on the competitive component of their bill.
- Application of an 8% discount in all Business Tariffs for the consumption of more than 2,000kWh within the peak period.

From the above measures, it is estimated that there will be a reduction in revenues from electricity sales amounting to approximately € 40 mil.

Due to the fact that the majority of the impacts mainly comes from the measures, taken both worldwide and Greece since mid-March 2020 to reduce the spread of the pandemic and to mitigate the economic impact on businesses and individuals, it is likely that the Group's and the Parent Company's operation, financial position, operating results, cash flows and the implementation of their business and investment plans will be affected.
For this reason, the Group's and the Parent Company's Management daily monitors developments and measures taken regarding the rapid spread of COVID-19 and studies any adverse or positive impacts that may arise, making estimates for the following:

- The evolution of the electricity demand
- The availability of the Power Production Units
- The evolution of the expenditures (energy balance, payroll, other expenses etc.)
- The evolution of the revenues from electricity sale and other revenues (revenues from the use of Distribution Network)
- The evolution of the expected cash flows
- The possibility of breach of contracts by the suppliers (due to extraordinary events)
- The possibility of reduced electricity bills collection
- The possibility of changing the investment plan

For the impacts expected from the measures already taken, in order to limit the spread of COVID-19, Management reassessed the budgeted financial figures for 2020 and first half of 2021, making assumptions about the evolution of the main figures of the electricity market (liquid fuels and natural gas prices, CO_2 allowance prices, System Marginal Price, etc.), as well as for the expected evolution of electricity sales. The measures taken until now to avoid the spread of COVID-19 do not seem to have an adverse economic impact on the Group and the Parent company. On the contrary, there is an increase in operational profitability due to a significant reduction in energy balance expenditures, which exceeds revenue reduction, while at the same time the adverse impact from delayed electricity bills collection is offset.
In the context of the above reassessment, a sensitivity analysis was carried out on the basic assumptions (liquid fuels prices, CO_2 allowance prices, System Marginal Price and collection of electricity bills) resulting in the burdening of 2020 and first half of 2021 revised financial figures, due to COVID-19, which, however, does not affect the Management's assessment that the Group and the Parent Company may continue as a going concern.
It is noted that under the above conditions the Company is in compliance with financial covenants included in its loan agreements until June 30th, 2021.

APPENDIX I

UNBUNDLED FINANCIAL STATEMENTS

Under the provisions of L. 4001/2011
and the approved methodology
of the Regulatory Authority for Energy.

SYSTEM INTEGRATION UNBUNDLED BALANCE SHEETS
DECEMBER 2019

(expressed in million euro)

	ADMINISTRATION		MINES		GENERATION		DISTRIBUTION NETWORK		SUPPLY		ELIMINATIONS		TOTAL PPC	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	31/12/2018 (restated)*
ASSETS														
NON-CURRENT ASSETS														
Tangible Assets	429,4	95,9	422,1	1.315,9	4.463,2	5.302,0	4.792,5	3.584,5	36,4	19,6	74,2	203,4	10.217,7	10.521,3
Intangible Assets	3,8	4,3	17,7	0,9	56,7	178,4	0,0		3,7	7,0	(16,9)	(0,9)	65,1	189,6
Investments in subsidiaries	221,2	451,9	0,0		0,0		0,0		0,0	0,0	0,0	0,0	221,3	451,9
Investments in associates	1,0	1,0	0,0		0,0		0,0		0,0				1,0	1,0
Available for sale financial assets	0,8	0,4									0,1	0,1	0,9	0,5
Deferred tax assets								116,2	591,6	678,2	(393,7)	(697,1)	197,9	97,3
Other non-current assets	7,8	18,5			101,2	101,2					(88,8)	(48,2)	20,1	71,5
Administration non-current assets	(664,0)	(572,0)	40,9	80,5	488,3	286,3	116,6	188,3	16,1	17,0	2,1			
TOTAL NON-CURRENT ASSETS	**0,0**	**0,0**	**480,7**	**1.397,3**	**5.109,4**	**5.867,8**	**4.909,1**	**3.889,0**	**647,9**	**721,7**	**(423,2)**	**(542,7)**	**10.723,9**	**11.333,1**
CURRENT ASSETS														
Materials, spare parts and supplies, net	8,3	7,7	37,2	87,2	526,9	471,2					(41,4)	3,0	530,9	569,1
Trade receivables, net	36,8	34,7	1,9	12,7	378,4	679,4	77,0	135,1	1.516,4	1.989,1	(1.006,3)	(1.726,6)	1.004,1	1.124,4
Other receivables, net	56,8	42,9	0,0	14,7	0,0	(3,9)	(3,8)	1,1	(10,6)	44,8	(1,4)	58,3	40,9	157,8
Other current assets	10,0	24,6	4,5	4,2	82,6	57,1	18,2	0,9	10,1	60,8	69,2	(43,6)	194,5	104,1
Cash and cash equivalents	0,0	58,7	30,1	16,5	150,1	74,5	75,0	11,6	117,9	73,3	(99,9)	(40,6)	273,2	194,0
Administration current assets	(111,8)	(168,6)	1,3	3,2	10,5	32,9	1,2	4,0	98,7	128,5				
Receivables from financial activities	0,0		0,0	38,9	0,0	585,4				1.141,7		(1.766,0)		
Assets held for sale												0,0		0,0
TOTAL CURRENT ASSETS	**0,0**	**0,0**	**75,0**	**177,4**	**1.148,4**	**1.896,6**	**167,6**	**152,7**	**1.732,5**	**3.438,2**	**(1.079,8)**	**(3.515,5)**	**2.043,7**	**2.149,3**
TOTAL ASSETS	**0,0**	**0,0**	**555,7**	**1.574,6**	**6.257,8**	**7.764,5**	**5.076,6**	**4.041,7**	**2.380,4**	**4.159,9**	**(1.502,9)**	**(4.058,3)**	**12.767,6**	**13.482,4**
EQUITY AND LIABILITIES														
EQUITY														
Share Capital			76,7	76,7	296,2	296,2	181,2	181,2	21,2	21,2			575,4	575,4
Share Pemium			14,7	14,7	56,8	56,8	34,7	34,7	0,4	0,4			106,7	106,7
Legal reserve	22,7	22,7	15,3	15,3	55,8	55,8	34,1	34,1	0,3	0,3			128,3	128,3
Fixed assets' statutory revaluation surplus included in share capital			(141,3)	(141,3)	(498,1)	(498,1)	(304,9)	(304,9)	(3,1)	(3,1)	0,0		(947,3)	(947,3)
Revaluation surplus	68,6	61,7	339,9	505,2	2.379,9	2.364,6	1.842,2	771,9	28,4	23,5			4.659,0	3.726,8
Other Reserves	(42,7)	(43,2)	5,1	15,7	36,5	51,5	30,2	30,2	(2,5)	1,2			26,6	55,4
Retained earnings	93,2	97,1	(1.420,6)	(463,8)	(1.991,5)	(608,2)	406,2	328,4	1.113,6	823,3	63,8	(3,0)	(1.862,8)	179,8
Administration equity	(141,9)	(138,4)	19,2	18,9	83,3	83,8	33,2	32,8	2,9	2,8	(3,4)			
TOTAL EQUITY	**(0,0)**	**(0,0)**	**(1.091,0)**	**41,4**	**418,9**	**1.802,5**	**2.257,1**	**1.108,5**	**1.161,3**	**869,7**	**(60,4)**	**3,0**	**2.685,8**	**3.825,0**
NON-CURRENT LIABILITIES														
Interest bearing loans and borrowings			387,0	2,0	1.823,0	2.703,2	1.325,5	522,0	9,5	24,3	(77,9)	(61,0)	3.467,1	3.190,5
Post retirement benefits	84,1	84,9	35,6	79,9	42,7	105,0			13,3	28,2		0,0	175,8	298,0
Provisions	39,3	29,3	224,6	75,1	323,6	44,6			147,7	143,8	1,8	0,0	737,0	292,8
Deferred tax liability	(437,1)	(438,1)	117,2	200,3	654,2	934,8	59,5				(393,7)	(697,0)		
Deferred customers' contributions and subsidies	(0,1)		0,0		124,4	133,3	1.889,4	1.919,8			504,1	491,7	2.517,8	2.544,9
Other non-current liabilities	17,2	0,2	1,4	0,2	65,9	142,5		23,6	825,3	687,4	(909,8)	(853,8)	0,0	0,0
Administration non-current liabilities	296,6	323,8	(67,8)	(67,8)	(87,9)	(107,8)	(88,7)	(95,3)	(52,8)	(52,9)	0,7	0,0		
TOTAL NON-CURRENT LIABILITIES	**(0,0)**	**0,0**	**698,1**	**289,6**	**2.945,9**	**3.955,7**	**3.185,7**	**2.370,1**	**942,9**	**830,7**	**(874,8)**	**(1.120,0)**	**6.897,8**	**6.326,2**
CURRENT LIABILITIES														
Trade and other payables	82,1	102,8	243,2	257,0	214,2	(7,8)	111,7	128,7	1.689,7	2.299,0	(817,0)	(1.258,2)	1.523,8	1.521,5
Short – term borrowings				0,3	0,0	9,5		20,1		0,1	(0,0)	(0,0)	(0,0)	30,0
Current portion of interest bearing loans and borrowings	0,0		42,2	142,1	216,6	407,2	171,4	136,4	15,2	40,2	(15,2)	(11,0)	430,1	714,8
Dividends payable													0,0	0,0
Income taxes payable	4,2	3,3	21,5	21,5	30,5	30,5	2,1	2,1	5,5	5,5	0,0	(0,0)	63,8	62,9
Accrued and other current liabilities	58,4	75,1	(0,6)		552,0	638,3	(0,1)		290,3	194,7	(172,7)	(122,8)	727,4	785,3
Derivatives Liability	(0,0)				(0,0)						438,9	216,7	438,9	216,7
Administration current liabilities	(144,7)	(181,2)	7,8	13,2	6,4	10,3	6,5	7,9	124,1	149,8	(0,0)	(0,0)	(0,0)	(0,0)
Liabilities from financial activities				809,4		918,4		268,0		229,8	0,0	1.766,0	0,0	
TOTAL CURRENT LIABILITIES	**0,0**	**(0,0)**	**314,1**	**1.243,5**	**1.019,7**	**2.006,3**	**291,6**	**563,1**	**2.124,7**	**2.459,4**	**(566,1)**	**(2.941,2)**	**3.184,0**	**3.331,2**
Other movements between activities	0,0	(0,0)	634,5	(0,0)	1.871,6	(0,0)	(657,7)	(0,0)	(1.848,5)	(0,0)	(0,0)	(0,0)	(0,0)	**(0,0)**
TOTAL LIABILITIES AND EQUITY	**0,0**	**0,0**	**555,7**	**1.574,6**	**6.257,8**	**7.764,5**	**5.076,6**	**4.041,7**	**2.380,4**	**4.159,9**	**(1.502,9)**	**(4.058,3)**	**12.767,6**	**13.482,4**

* Some figures are restated compared to those published in annual financial statements as of December 31st, 2018 and include the figures of the Discontinued Operations which from July 18th, 2019 do not meet the criteria of IFRS 5 (See Note 5).

INTERCONNECTED SYSTEM UNBUNDLED BALANCE SHEET
DECEMBER 2019

(expressed in million euro)

	MINES		GENERATION		DISTRIBUTION NETWORK		SUPPLY		TOTAL	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
ASSETS										
NON-CURRENT ASSETS										
Tangible Assets	422,1	1.315,9	3.317,0	4.270,1	4.034,5	2.964,9	32,9	17,0	7.806,5	8.567,9
Intangible Assets	17,7	0,9	32,0	151,8			2,5	6,0	52,1	158,7
Investments in subsidiaries	0,0		0,0		0,0		0,0		0,0	
Available for sale financial assets										
Deferred tax assets						88,8	506,6	582,5	506,6	671,3
Other non-current assets			101,2	101,2					101,2	101,2
Administration non-current assets	40,9	80,5	447,2	220,7	104,9	158,1	14,1	14,8	607,1	474,2
TOTAL NON-CURRENT ASSETS	**480,7**	**1.397,3**	**3.897,4**	**4.743,8**	**4.139,4**	**3.211,8**	**556,1**	**620,3**	**9.073,5**	**9.973,2**
CURRENT ASSETS										
Materials, spare parts and supplies, net	37,2	87,2	319,1	306,3					356,3	393,5
Trade receivables, net	1,9	12,7	306,5	240,7	65,7	116,8	1.278,0	1.650,4	1.652,0	2.020,7
Other receivables, net	0,0	14,7	0,0	16,4	(2,3)	(5,5)	(16,7)	34,1	(19,0)	59,7
Other current assets	4,5	4,2	146,1	54,6	14,0	(1,7)	(2,4)	14,7	162,2	71,7
Cash and cash equivalents	30,1	16,5	122,5	59,7	67,6	5,3	85,4	23,8	305,6	105,3
Administration current assets	1,3	3,2	5,2	16,3	0,9	3,2	85,9	111,6	93,2	134,3
Receivables from financial activities		38,9		533,2				392,9		965,0
TOTAL CURRENT ASSETS	**75,0**	**177,4**	**899,4**	**1.227,3**	**145,9**	**118,0**	**1.430,1**	**2.227,5**	**2.550,3**	**3.750,1**
TOTAL ASSETS	**555,7**	**1.574,6**	**4.796,7**	**5.971,0**	**4.285,2**	**3.329,9**	**1.986,2**	**2.847,8**	**11.623,9**	**13.723,3**
EQUITY AND LIABILITIES										
EQUITY										
Share Capital	76,7	76,7	228,6	228,6	158,1	152,6	18,5	18,5	481,9	476,5
Share Pemium	14,7	14,7	43,8	43,8	30,3	29,3	0,4	0,4	89,2	88,2
Legal reserve	15,3	15,3	43,1	43,1	29,8	28,7	0,3	0,3	88,5	87,4
Fixed assets' statutory revaluation surplus included in share capital	(141,3)	(141,3)	(384,4)	(384,4)	(265,7)	(256,6)	(2,9)	(2,9)	(794,3)	(785,2)
Revaluation surplus	339,9	505,2	1.734,6	1.871,5	1.556,8	657,3	26,1	20,5	3.657,4	3.054,5
Other Reserves	5,1	15,7	28,7	38,4	26,4	25,5	(2,2)	1,0	57,9	80,6
Retained earnings	(1.420,6)	(463,8)	(2.168,2)	(895,1)	389,8	296,3	359,5	295,6	(2.839,5)	(767,0)
Administration equity	19,2	18,9	64,3	65,1	29,2	27,9	2,3	2,3	115,0	114,2
TOTAL EQUITY	**(1.091,0)**	**41,4**	**(409,4)**	**1.011,1**	**1.954,6**	**961,0**	**401,9**	**335,6**	**856,1**	**2.349,1**
NON-CURRENT LIABILITIES										
Interest bearing loans and borrowings	387,0	2,0	1.525,3	2.126,4	1.140,2	340,4	8,4	4,9	3.061,0	2.473,7
Post retirement benefits	35,6	79,9	36,8	77,6			10,5	24,6	82,9	182,1
Provisions	224,6	75,1	288,6	33,2	(0,1)		139,2	137,6	652,2	245,9
Deferred tax liability	117,2	200,3	488,7	730,5	55,5				661,4	930,8
Deferred customers' contributions and subsidies	0,0	(0,0)	124,3	133,2	1.640,1	1.617,7	(0,0)		1.764,4	1.750,9
Other non-current liabilities	1,4	0,2	117,8	142,1	(0,0)	20,1	652,1	564,0	771,3	726,4
Administration non-current liabilities	(67,8)	(67,8)	(58,8)	(73,6)	(74,3)	(78,4)	(39,9)	(39,9)	(240,7)	(259,7)
TOTAL NON-CURRENT LIABILITIES	**698,1**	**289,6**	**2.522,8**	**3.169,4**	**2.761,3**	**1.899,8**	**770,3**	**691,2**	**6.752,4**	**6.050,0**
CURRENT LIABILITIES										
Trade and other payables	243,2	257,0	181,1	(21,2)	82,3	64,8	1.526,1	1.710,1	2.032,6	2.010,7
Short – term borrowings	(0,0)	0,3	(0,0)	2,0	(0,0)	10,8	(0,0)	0,0		13,1
Current portion of interest bearing loans and borrowings	42,2	142,1	184,6	356,4	147,4	117,6	14,0	40,2	388,2	656,3
Dividends payable										
Income taxes payable	21,5	21,5	23,9	23,9	1,7	1,6	29,7	18,9	76,8	66,0
Accrued and other current liabilities	(0,6)		463,0	554,6	(0,0)		214,6	167,7	677,0	722,3
Administration current liabilities	7,8	13,2	5,1	8,7	5,3	6,1	75,8	114,0	94,1	141,9
Liabilities from financial activities		809,4		866,2		268,0		(229,8)		1.713,8
TOTAL CURRENT LIABILITIES	**314,1**	**1.243,5**	**857,7**	**1.790,5**	**236,6**	**469,1**	**1.860,3**	**1.821,0**	**3.268,7**	**5.324,1**
Other movements between activities	634,5	(0,0)	1.825,7	(0,0)	(667,3)	(0,0)	(1.046,3)	(0,0)	746,6	(0,0)
TOTAL LIABILITIES AND EQUITY	**555,7**	**1.574,6**	**4.796,7**	**5.971,0**	**4.285,2**	**3.329,9**	**1.986,2**	**2.847,8**	**11.623,8**	**13.723,3**

CRETE UNBUNDLED BALANCE SHEET
DECEMBER 2019
(expressed in million euro)

	GENERATION		DISTRIBUTION NETWORK		SUPPLY		TOTAL	
	2019	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**
ASSETS								
NON-CURRENT ASSETS								
Tangible Assets	492,4	347,5	401,0	272,3	1,6	1,1	895,0	621,0
Intangible Assets	10,7	14,8	0,0		0,6	0,4	11,3	15,2
Investments in subsidiaries	0,0		0,0		0,0		0,0	0,0
Available for sale financial assets								
Deferred tax assets				14,5	34,9	41,6	34,9	56,0
Other non-current assets								
Administration non-current assets	17,9	25,8	5,9	12,5	1,0	1,1	24,8	39,3
TOTAL NON-CURRENT ASSETS	**521,0**	**388,1**	**407,0**	**299,3**	**38,1**	**44,1**	**966,1**	**731,5**
CURRENT ASSETS								
Materials, spare parts and supplies, net	89,7	62,9					89,7	62,9
Trade receivables, net	44,6	236,6	6,0	7,0	133,5	166,8	184,1	410,3
Other receivables, net	0,0	(14,5)	2,7	2,4	(4,9)	5,7	(2,2)	(6,4)
Other current assets	(69,2)	2,1	2,3	1,4	5,6	25,0	(61,3)	28,6
Cash and cash equivalents	9,6	2,2	5,0	2,7	20,7	15,6	35,3	20,4
Administration current assets	2,8	8,4	0,2	0,4	6,8	9,2	9,9	18,0
Receivables from financial activities						333,5	0,0	333,5
TOTAL CURRENT ASSETS	**77,6**	**297,6**	**16,2**	**13,9**	**161,7**	**555,7**	**255,5**	**867,2**
TOTAL ASSETS	**598,6**	**685,7**	**423,1**	**313,1**	**199,8**	**599,9**	**1.221,5**	**1.598,8**
EQUITY AND LIABILITIES								
EQUITY								
Share Capital	26,0	26,0	11,8	11,8	1,3	1,3	39,1	39,1
Share Pemium	5,0	5,0	2,3	2,3	0,0		7,3	7,2
Legal reserve	4,9	4,9	2,2	2,2	0,0	0,0	7,1	7,1
Fixed assets' statutory revaluation surplus included in share capital	(43,8)	(43,8)	(20,0)	(20,0)	(0,0)		(63,7)	(63,7)
Revaluation surplus	332,5	233,5	157,1	50,5	1,3	1,3	490,8	285,3
Other Reserves	3,0	4,9	2,0	2,0	(0,2)	0,1	4,8	6,9
Retained earnings	173,9	150,5	(6,4)	(9,5)	295,6	195,4	463,0	336,4
Administration equity	8,7	8,6	2,2	2,2	0,2	0,2	11,1	10,9
TOTAL EQUITY	**510,2**	**389,6**	**151,0**	**41,4**	**298,3**	**198,3**	**959,5**	**629,4**
NON-CURRENT LIABILITIES								
Interest bearing loans and borrowings	104,8	147,0	95,0	108,0	0,5	(0,0)	200,3	255,0
Post retirement benefits	2,7	10,5	(0,0)		1,5	1,8	4,2	12,3
Provisions	15,9	3,9	(0,0)		4,8	3,7	20,7	7,6
Deferred tax liability	87,0	92,2	5,0				92,0	92,2
Deferred customers' contributions and subsidies	0,1	0,1	133,9	134,3	(0,0)		134,0	134,4
Other non-current liabilities	(28,5)	0,0	(0,0)	1,5	90,5	53,0	62,1	54,6
Administration non-current liabilities	(16,7)	(17,9)	(9,0)	(9,8)	(2,3)	(2,3)	(28,0)	(30,0)
TOTAL NON-CURRENT LIABILITIES	**165,3**	**235,8**	**224,8**	**234,0**	**95,1**	**56,2**	**485,2**	**526,0**
CURRENT LIABILITIES								
Trade and other payables	10,4	1,8	14,1	23,3	106,6	317,1	131,1	342,2
Short – term borrowings	0,0	1,7	(0,0)	4,7	(0,0)	0,1	0,0	6,5
Current portion of interest bearing loans and borrowings	11,0	7,3	12,3	8,9	0,6		23,9	16,2
Dividends payable								
Income taxes payable	2,2	2,2	0,2	0,2	(7,8)	(6,7)	(5,4)	(4,3)
Accrued and other current liabilities	53,7	46,9	(0,0)	(0,0)	37,9	16,8	91,5	63,7
Administration current liabilities	0,3	0,4	0,4	0,6	15,9	18,0	16,6	19,0
Liabilities from financial activities								
TOTAL CURRENT LIABILITIES	**77,6**	**60,3**	**27,0**	**37,7**	**153,2**	**345,3**	**257,8**	**443,3**
Other movements between activities	(154,5)	(0,0)	20,3	(0,0)	(346,7)	(0,0)	(481,0)	(0,0)
TOTAL LIABILITIES AND EQUITY	**598,6**	**685,7**	**423,1**	**313,1**	**199,8**	**599,9**	**1.221,5**	**1.598,8**

OTHER NON INTERCONNECTED ISLANDS UNBUNDLED BALANCE SHEET (INCL. RHODES)
DECEMBER 2019
(expressed in million euro)

	GENERATION		DISTRIBUTION NETWORK		SUPPLY		TOTAL	
	2019	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**
ASSETS								
NON-CURRENT ASSETS								
Tangible Assets	653,8	684,3	357,0	347,3	1,9	1,5	1.012,7	1.033,1
Intangible Assets	14,1	11,8			0,7	0,6	14,7	12,4
Investments in subsidiaries	0,0		0,0				0,0	0,0
Available for sale financial assets								
Deferred tax assets	0,0	0,0	1,0	12,9	50,0	54,1	51,0	67,1
Other non-current assets	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Administration non-current assets	23,2	39,8	5,8	17,7	1,1	1,1	30,0	58,5
TOTAL NON-CURRENT ASSETS	**691,0**	**736,0**	**363,7**	**377,9**	**53,7**	**57,2**	**1.108,4**	**1.171,1**
CURRENT ASSETS								
Materials, spare parts and supplies, net	118,0	102,0	0,0	0,0	0,0	0,0	118,0	102,0
Trade receivables, net	27,3	202,1	5,3	11,4	104,9	171,8	137,5	385,3
Other receivables, net	0,0	(5,8)	(4,2)	4,2	11,0	5,0	6,8	3,4
Other current assets	5,6	0,5	1,9	1,2	6,9	21,1	14,5	22,8
Cash and cash equivalents	18,0	12,7	2,4	3,7	11,8	33,9	32,2	50,2
Administration current assets	2,5	8,2	0,1	0,4	6,1	7,7	8,7	16,3
Receivables from financial activities	0,0	52,2	0,0	0,0	0,0	415,4	0,0	467,5
TOTAL CURRENT ASSETS	**171,5**	**371,7**	**5,6**	**20,8**	**140,7**	**655,0**	**317,7**	**1.047,5**
TOTAL ASSETS	**862,5**	**1.107,7**	**369,3**	**398,7**	**194,4**	**712,2**	**1.426,1**	**2.218,6**
EQUITY AND LIABILITIES								
EQUITY								
Share Capital	41,6	41,6	11,4	16,9	1,4	1,4	54,3	59,8
Share Pemium	8,0	8,0	2,2	3,2	0,0		10,2	11,2
Legal reserve	7,8	7,8	2,2	3,2	0,0	(0,0)	10,0	11,0
Fixed assets' statutory revaluation surplus included in share capital	(69,9)	(69,9)	(19,2)	(28,4)	(0,2)	(0,2)	(89,3)	(98,4)
Revaluation surplus	312,8	259,5	128,3	64,0	1,0	1,8	442,1	325,3
Other Reserves	4,8	8,2	1,9	2,8	(0,1)	0,1	6,6	11,0
Retained earnings	2,8	136,5	22,9	41,6	458,6	332,3	484,3	510,3
Administration equity	10,2	10,1	1,8	2,8	0,4	0,4	12,4	13,2
TOTAL EQUITY	**318,1**	**401,8**	**151,5**	**106,1**	**461,1**	**335,6**	**930,7**	**843,5**
NON-CURRENT LIABILITIES								
Interest bearing loans and borrowings	192,8	429,8	90,3	73,7	0,5	19,3	283,7	522,9
Post retirement benefits	3,2	16,9		(0,0)	1,4	1,8	4,6	18,8
Provisions	19,2	7,5	0,1	(0,0)	3,7	2,5	23,0	10,0
Deferred tax liability	78,4	112,1	(0,0)	(0,0)	(0,0)	(0,0)	78,4	112,1
Deferred customers' contributions and subsidies	0,0	0,0	115,5	167,8	(0,0)	0,0	115,5	167,8
Other non-current liabilities	(23,4)	0,3	(0,0)	1,9	82,7	70,4	59,2	72,7
Administration non-current liabilities	(12,5)	(16,3)	(5,3)	(7,1)	(10,7)	(10,7)	(28,6)	(34,1)
TOTAL NON-CURRENT LIABILITIES	**257,8**	**550,4**	**200,5**	**236,3**	**77,5**	**83,4**	**535,9**	**870,1**
CURRENT LIABILITIES								
Trade and other payables	22,7	11,6	15,4	40,5	56,9	271,8	95,1	324,0
Short – term borrowings	(0,0)	5,8	(0,0)	4,5	(0,0)	0,0	(0,0)	10,4
Current portion of interest bearing loans and borrowings	21,0	43,5	11,7	9,8	0,5	0,0	33,2	53,3
Dividends payable	(0,0)	(0,0)	(0,0)	(0,0)	(0,0)	(0,0)	(0,0)	(0,0)
Income taxes payable	4,4	4,4	0,2	0,3	(16,5)	(6,7)	(11,9)	(2,1)
Accrued and other current liabilities	35,3	36,8	(0,0)	(0,0)	37,8	10,1	73,1	46,9
Administration current liabilities	0,9	1,2	0,7	1,2	32,4	17,9	34,1	20,3
Liabilities from financial activities	(0,0)	52,2	(0,0)	(0,0)	(0,0)	(0,0)	(0,0)	52,2
TOTAL CURRENT LIABILITIES	**84,4**	**155,5**	**28,0**	**56,3**	**111,2**	**293,2**	**223,6**	**505,0**
Other movements between activities	202,1		(10,7)		(455,5)		(264,0)	
TOTAL LIABILITIES AND EQUITY	**862,5**	**1.107,7**	**369,3**	**398,7**	**194,4**	**712,2**	**1.426,1**	**2.218,6**

INTERCONNECTED SYSTEM UNBUNDLED INCOME STATEMENT
DECEMBER 2019

	MINES		GENERATION		DISTRIBUTION NETWORK		SUPPLY		ELIMINATIONS		TOTAL PPC	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
REVENUES												
Revenues from 3rd Parties												
Energy sales to customers							3.793,7	3.765,2	468,4	467,9	4.262,1	4.233,1
PSO's revenues from customers							466,7	467,2	(466,7)	(467,2)		
Energy exports							1,8	0,7	(1,8)	(0,7)		
Energy sales to wholesale market			2.037,3	2.022,9					(2.037,3)	(2.022,9)		
Transitional Flexibility Assurance Mechanism			24,8	16,9					(24,8)	(16,9)		
Other Services to wholesale market			11,3	9,3					(11,3)	(9,3)		
Sales from Lignite	8,7	6,5							(8,7)	(6,5)		
Network rentals					291,5	271,7			(291,5)	(271,7)		
Customer's contribution					86,9	85,2			(86,9)	(85,2)		
ETMEAR's revenues							502,6	655,8	(502,6)	(655,8)		
PSO's revenues from Administrators							544,8	590,6	(544,8)	(590,6)		
Other Sales	6,1	5,2	10,3	7,6			27,8	31,1	429,9	316,4	474,2	360,4
Allocated Administration Revenues	8,7	8,9	10,7	9,7			3,8	2,5	(23,2)	(21,0)		
Interdepartmental Revenues												
Lignite yard & ash revenue	9,6	15,3							(9,6)	(15,3)		
Energy							62,0	68,9	(62,0)	(68,9)		
Lignite	277,0	425,3							(277,0)	(425,3)		
REVENUES	**310,1**	**461,3**	**2.094,5**	**2.066,4**	**378,4**	**356,9**	**5.403,0**	**5.582,0**	**(3.449,7)**	**(3.873,1)**	**4.736,3**	**4.593,5**
Expenses (3rd Parties)												
Payroll Cost	83,3	171,1	120,7	248,5			26,5	41,4	61,7	147,1	292,1	608,0
Own production lignite			272,0	431,6					(305,8)	(418,1)	(33,8)	13,5
Third party lignite - Hard coal			3,8	24,8					(3,8)	(24,8)		
Natural Gas			431,4	383,6					0,0	(0,0)	431,4	383,6
Liquid fuel			659,3	666,0					(0,0)	(0,0)	659,3	666,0
Materials & Consumables	20,5	30,1	49,0	53,2			0,7	0,8	0,2	0,2	70,5	84,3
Depreciations	134,4	129,7	265,6	312,2	210,8	206,7	16,2	4,8	9,4	7,3	636,5	660,6
Energy Purchases from third party			4,6	1,2			890,5	719,0	(895,1)	(720,2)		
Energy imports							146,5	136,9	(146,5)	(136,9)		
Energy Purchases to wholesale market			0,6	1,0			2.535,2	2.776,6	(837,4)	(1.041,5)	1.698,4	1.736,0
Return of receivable ETMEAR to Administrators							504,4	552,7	(504,4)	(552,7)		
Return of receivable PSO to Administrators							475,4	487,2	(475,4)	(487,2)		
Transmission Network Fees							149,6	157,8	0,0	0,0	149,6	157,8
Distribution Network Fees					(0,1)	(0,1)	560,1	591,3	(291,5)	(271,7)	268,5	319,5
Utilities & Maintenance	76,8	102,9	41,2	31,5			18,1	23,6	8,2	11,7	144,3	169,7
Third party fees	1,0	1,0	9,2	10,8			31,6	23,7	12,8	11,6	54,6	47,1
Taxes and duties	0,5	22,7	16,3	33,1			3,5	3,6	(20,3)	(59,4)		
CO_2 emissions rights			411,9	301,4						0,0	411,9	301,4
Provisions	82,6	32,9	115,3	5,4	0,2	1,0	(33,3)	(75,6)	(78,7)	18,6	86,2	(17,7)
Financial expenses	6,4	7,1	113,5	141,2	45,5	31,2	3,2	4,0			168,7	183,5
Financial income	(0,1)	(0,5)	(1,9)	(9,1)	(0,5)	(2,0)	(69,9)	(99,7)	(0,1)	(0,3)	(72,5)	(111,5)
Income from PSO							(239,2)		44,6		(194,7)	
Other (income)/ expense, net	525,0	3,2	783,7	6,6	4,8	2,7	(19,7)	5,4	(1.237,8)	(60,4)	56,0	(42,6)
Devaluation of fixed assets lignite									286,3	0,0	286,3	0,0
Devaluation of fixed assets	256,3	31,5	430,4	121,1	139,0	74,5	5,7	8,7	1.114,2	0,0	1.945,6	235,8
Impairment loss of marketable securities				0,2						(0,2)		
Foreign currency gains/ (losses), net		0,1	1,1	0,7	(0,1)	0,0			(0,1)		1,0	0,7
Allocated Administration Expenses	45,8	92,1	54,8	99,0			20,0	31,6	(120,6)	(222,7)		
Interdepartmental Expenses												
Lignite yard & ash expenses			9,6	15,3					(9,6)	(15,3)		
Change in stock	(7,2)	(8,7)							7,2	8,7		
Energy	36,4	47,6	25,6	21,3					(62,0)	(68,9)		
PROFIT (LOSS) BEFORE TAX	**(951,6)**	**(201,4)**	**(1.723,2)**	**(834,0)**	**(21,4)**	**42,9**	**377,9**	**188,1**	**(5,4)**	**2,0**	**(2.323,7)**	**(802,5)**

INTERCONNECTED SYSTEM UNBUNDLED INCOME STATEMENT
DECEMBER 2019

	MINES		GENERATION		DISTRIBUTION NETWORK		SUPPLY		TOTAL	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
REVENUES										
Revenues from 3rd Parties										
Energy sales to customers							3.360,6	3.282,6	3.360,6	3.282,6
PSO's revenues from customers							401,7	392,7	401,7	392,7
Energy exports							1,8	0,7	1,8	0,7
Energy sales to wholesale market			1.082,9	1.296,3					1.082,9	1.296,3
Transitional Flexibility Assurance Mechanism			24,8	16,9					24,8	16,9
Other Services to wholesale market			11,3	9,3					11,3	9,3
Sales from Lignite	8,7	6,5							8,7	6,5
Network rentals					255,1	232,1			255,1	232,1
Customer's contribution			(3,2)		74,7	71,4			71,5	71,4
ETMEAR's revenues							442,7	563,2	442,7	563,2
PSO's revenues from Administrators							48,4	69,1	48,4	69,1
Other Sales	6,1	5,2	9,9	6,9			24,7	27,4	40,8	39,5
Allocated Administration Revenues	8,7	8,9	6,9	6,5			3,3	2,2	18,8	17,6
Interdepartmental Revenues										
Lignite yard & ash revenue	9,6	15,3							9,6	15,3
Energy							60,0	67,0	60,0	67,0
Lignite	277,0	425,3							277,0	425,3
REVENUES	**310,1**	**461,3**	**1.132,6**	**1.335,9**	**329,8**	**303,4**	**4.343,2**	**4.404,9**	**6.115,6**	**6.505,5**
Expenses (3rd Parties)										
Payroll Cost	83,3	171,1	80,3	179,2			23,3	36,3	186,9	386,6
Own production lignite			272,0	431,6					272,0	431,6
Third party lignite - Hard coal			3,8	24,8					3,8	24,8
Natural Gas			431,4	383,6					431,4	383,6
Liquid fuel			24,4	34,4					24,4	34,4
Materials & Consumables	20,5	30,1	27,2	29,4			0,6	0,7	48,4	60,2
Depreciations	134,4	129,7	191,6	242,8	182,9	174,0	14,7	4,2	523,6	550,7
Energy Purchases from third party				1,0						1,0
Energy imports							146,5	135,3	146,5	135,3
Energy Purchases to wholesale market			0,6				2.535,2	2.735,2	2.535,8	2.735,2
Return of receivable ETMEAR to Administrators							445,6	460,0	445,6	460,0
Return of receivable PSO to Administrators							410,3	419,7	410,3	419,7
Transmission Network Fees							149,6	157,9	149,6	157,9
Distribution Network Fees					(0,1)	(0,1)	488,1	515,3	488,0	515,2
Utilities & Maintenance	76,8	102,9	30,4	22,5			16,0	20,8	123,1	146,2
Third party fees	1,0	1,0	5,9	8,0			26,7	21,0	33,6	30,0
Taxes and duties	0,5	22,7	15,6	32,4			3,1	3,0	19,3	58,2
CO_2 emissions rights			330,9	259,4					330,9	259,4
Provisions	82,6	32,9	80,1	4,0	0,2	1,0	(38,5)	(34,4)	124,3	3,5
Financial expenses	6,4	7,1	77,4	113,1	34,2	21,7	3,1	3,1	121,2	145,0
Financial income	(0,1)	(0,5)	(1,3)	(7,3)	(0,4)	(1,4)	(62,5)	(87,2)	(64,2)	(96,3)
Other (income)/ expense, net	525,0	3,2	783,6	17,2	3,6	2,0	(56,2)	5,9	1.256,0	28,4
Devaluation of fixed assets	256,3	31,5	289,9	93,3	115,1	62,8	5,4	7,6	666,7	195,1
Impairment loss of marketable securities				0,2	0,0					0,2
Foreign currency gains/ (losses), net		0,1	0,8	1,2	(0,1)	0,0			0,8	1,3
Allocated Administration Expenses	45,8	92,1	35,5	67,8			17,2	25,6	98,5	185,4
Interdepartmental Expenses										
Lignite yard & ash expenses			9,6	15,3					9,6	15,3
Change in stock	(7,2)	(8,7)							(7,2)	(8,7)
Energy	36,4	47,6	23,6	19,4					60,0	67,0
PROFIT (LOSS) BEFORE TAX	**(951,6)**	**(201,4)**	**(1.580,5)**	**(637,5)**	**(5,7)**	**43,5**	**214,9**	**(25,2)**	**(2.322,9)**	**(820,7)**

CRETE UNBUNDLED INCOME STATEMENT
DECEMBER 2019

	GENERATION		DISTRIBUTION NETWORK		SUPPLY		TOTAL	
	2019	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**
REVENUES								
Revenues from 3rd Parties								
Energy sales to customers					231,7	226,2	231,7	226,2
PSO's revenues from customers					34,0	33,1	34,0	33,1
Energy sales to wholesale market	516,3	387,2					516,3	387,2
Other Services to wholesale market								
Network rentals			19,1	18,1			19,1	18,1
Customer's contribution	2,5		6,3	6,2			8,7	6,2
ETMEAR's revenues					32,0	47,7	32,0	47,7
PSO's revenues from Administrators					278,9	272,1	278,9	272,1
Other Sales	0,1	0,2			1,3	1,7	1,5	1,8
Allocated Administration Revenues	1,2	1,1			0,3	0,2	1,5	1,2
Interdepartmental Revenues								
Lignite yard & ash revenue								
Energy					1,2	1,1	1,2	1,1
Lignite								
REVENUES	**520,1**	**388,4**	**25,3**	**24,2**	**579,4**	**582,1**	**1.124,9**	**994,8**
Expenses (3rd Parties)								
Payroll Cost	14,3	26,1			1,9	2,8	16,2	28,9
Own production lignite								
Third party lignite - Hard coal								
Natural Gas								
Liquid fuel	387,9	360,8					387,9	360,8
Materials & Consumables	5,4	6,9			0,1		5,5	6,9
Depreciations	27,2	25,4	15,3	15,0	0,9	0,3	43,3	40,7
Energy Purchases from third party	3,7	0,6			486,7	377,0	490,4	377,6
Energy imports								
Energy Purchases to wholesale market						0,4		0,4
Return of receivable ETMEAR to Administrators					30,7	47,7	30,7	47,7
Return of receivable PSO to Administrators					29,7	32,9	29,7	32,9
Transmission Network Fees								
Distribution Network Fees					37,7	38,6	37,7	38,6
Utilities & Maintenance	3,1	1,8			1,1	1,4	4,2	3,2
Third party fees	0,5	0,5			2,5	1,5	3,0	1,9
Taxes and duties	0,3	0,3			0,2	0,3	0,5	0,6
CO_2 emissions rights	46,2	22,2					46,2	22,2
Provisions	26,0	1,5			3,3	(18,7)	29,3	(17,2)
Financial expenses	8,4	6,9	7,0	5,5			15,4	12,5
Financial income	(0,2)	(0,4)	(0,1)	(0,4)	(3,9)	(6,1)	(4,1)	(6,9)
Other (income)/ expense, net	(1,7)	(5,9)	0,9	0,1	(119,6)	0,6	(120,4)	(5,1)
Devaluation of fixed assets	22,4	10,7	9,3	4,8	0,2	0,5	31,8	16,1
Impairment loss of marketable securities								
Foreign currency gains/ (losses), net	0,1	(0,8)					0,1	(0,8)
Allocated Administration Expenses	6,5	10,1			1,6	3,2	8,1	13,3
Interdepartmental Expenses								
Lignite yard & ash expenses								
Change in stock								
Energy	1,2	1,1					1,2	1,1
PROFIT (LOSS) BEFORE TAX	**(31,1)**	**(79,5)**	**(7,0)**	**(0,9)**	**106,4**	**99,7**	**68,3**	**19,3**

OTHER NON INTERCONNECTED ISLANDS UNBUNDLED INCOME STATEMENT (INCL. RHODES)
DECEMBER 2019

	GENERATION		DISTRIBUTION NETWORK		SUPPLY		TOTAL	
	2019	2018	2019	2018	2019	2018	2019	2018
REVENUES								
Revenues from 3rd Parties								
Energy sales to customers					201,3	256,5	201,3	256,5
PSO's revenues from customers					31,0	41,3	31,0	41,3
Energy sales to wholesale market	438,1	339,4					438,1	339,4
Other Services to wholesale market								
Network rentals			17,4	21,6			17,4	21,6
Customer's contribution	0,7		5,9	7,6			6,6	7,6
ETMEAR's revenues					27,9	44,9	27,9	44,9
PSO's revenues from Administrators					217,5	249,5	217,5	249,5
Other Sales	0,3	0,6			1,7	2,0	2,0	2,6
Allocated Administration Revenues	2,7	2,1			0,2	0,1	2,9	2,2
Interdepartmental Revenues								
Lignite yard & ash revenue								
Energy					0,8	0,7	0,8	0,7
Lignite								
REVENUES	**441,8**	**342,1**	**23,2**	**29,2**	**480,4**	**595,1**	**945,4**	**966,3**
Expenses (3rd Parties)								
Payroll Cost	26,1	43,2			1,3	2,3	27,4	45,4
Own production lignite								
Third party lignite - Hard coal								
Natural Gas								
Liquid fuel	247,0	270,8					247,0	270,8
Materials & Consumables	16,4	16,8			0,1		16,4	16,8
Depreciations	46,9	44,0	12,6	17,6	0,7	0,3	60,3	61,9
Energy Purchases from third party	0,9	0,6			403,7	343,6	404,6	344,2
Energy imports								
Energy Purchases to wholesale market						40,9		40,9
Return of receivable ETMEAR to Administrators					28,1	44,9	28,1	44,9
Return of receivable PSO to Administrators					35,4	34,6	35,4	34,6
Transmission Network Fees								
Distribution Network Fees					34,4	37,5	34,4	37,5
Utilities & Maintenance	7,8	7,2			1,0	1,4	8,8	8,6
Third party fees	2,8	2,3			2,4	1,3	5,1	3,6
Taxes and duties	0,4	0,4			0,2	0,3	0,6	0,7
CO_2 emissions rights	34,8	19,8					34,8	19,8
Provisions	9,3	(0,1)			2,0	(22,5)	11,2	(22,7)
Financial expenses	27,8	21,1	4,3	4,0	0,1	1,0	32,1	26,0
Financial income	(0,5)	(1,4)		(0,3)	(3,5)	(6,4)	(4,0)	(8,0)
Other (income)/ expense, net	1,8	(4,8)	0,3	0,5	(83,2)	(1,2)	(81,1)	(5,4)
Devaluation of fixed assets	118,1	17,1	14,7	6,9	0,1	0,6	132,9	24,6
Impairment loss of marketable securities		0,0						
Foreign currency gains/ (losses), net	0,2	0,2					0,2	0,2
Allocated Administration Expenses	12,8	21,1			1,2	2,9	14,0	24,0
Interdepartmental Expenses								
Lignite yard & ash expenses								
Change in stock								
Energy	0,8	0,7					0,8	0,7
PROFIT (LOSS) BEFORE TAX	**(111,5)**	**(117,0)**	**(8,7)**	**0,3**	**56,6**	**113,7**	**(63,6)**	**(3,0)**

CONSOLIDATED AND SEPARATE BALANCE SHEET AS OF DECEMBER 31st, 2019

(All amounts in millions of Euro)

	COMPANY		HEDNO		OTHER COMPANIES		ELIMINATIONS		GROUP	
	31/12/2019	31/12/2018 (restated)*	31/12/2019	31/12/2018	31/12/2019	31/12/2018 (restated)*	31/12/2019	31/12/2018 (restated)*	31/12/2019	31/12/2018 (restated)*
ASSETS										
Non – Current Assets:										
Tangible assets	10.217,7	10.521,3	90,7	27,2	360,5	999,0	(29,0)	(516,7)	10.639,9	11.030,7
Intangible assets, net	65,1	189,6	2,1	3,7	7,2	1,0	6,6	6,2	80,9	200,5
Investments in subsidiaries	221,3	451,9	-	-	(0,0)	(0,0)	(221,3)	(451,9)	-	-
Investments in associates	1,0	1,0	-	-	35,4	19,0	(0,0)	0,0	36,4	20,0
Available for sale financial assets	0,9	0,5	-	-	0,4	0,1	0,0	0,0	1,3	0,6
Deferred tax assets	197,9	97,3	66,7	86,7	-	-	(38,0)	(48,3)	226,6	135,7
Other non- current assets	20,1	71,5	0,0	0,0	0,1	350,2	0,2	(342,4)	20,4	79,4
Total non-current assets	**10.723,9**	**11.333,1**	**159,5**	**117,6**	**403,5**	**1.369,4**	**(281,4)**	**(1.353,0)**	**11.005,5**	**11.467,0**
Current Assets:										
Materials, spare parts and supplies, net	530,9	569,1	162,4	161,1	56,1	52,8	(18,5)	(16,7)	730,9	766,3
Trade receivables, net	579,2	639,9	266,3	302,6	32,9	42,1	(194,9)	(247,1)	683,5	737,5
Other receivables, net	424,9	484,5	17,2	22,8	18,4	13,1	(35,6)	(38,1)	424,9	482,3
Income tax receivable	-	-	-	-	0,0	0,0	12,6	13,3	12,6	13,3
Other current assets	235,4	261,9	291,0	135,8	11,3	9,2	(177,3)	(117,0)	360,5	289,9
Cash and cash equivalents	205,5	112,3	12,9	52,3	68,6	86,3	(0,0)	0,0	286,9	251,0
Restricted Cash	67,8	81,7	-	-	-	-	-	-	67,8	81,7
Assets held for sale	-	-	-	-	-	-	-	-	-	-
Total Current Assets	**2.043,7**	**2.149,3**	**749,9**	**674,6**	**187,2**	**203,6**	**(413,8)**	**(405,6)**	**2.567,0**	**2.622,0**
Total Assets	**12.767,6**	**13.482,4**	**909,4**	**792,2**	**590,7**	**1.573,0**	**(695,2)**	**(1.758,6)**	**13.572,5**	**14.089,0**
EQUITY AND LIABILITIES										
EQUITY:										
Share capital	575,4	575,4	37,6	37,6	99,4	249,5	(136,9)	(287,1)	575,4	575,4
Share premium	106,7	106,7	-	-	55,3	70,1	(55,3)	(70,1)	106,7	106,7
Legal reserve	128,3	128,3	1,6	1,6	3,4	3,3	(5,0)	(4,8)	128,3	128,3
Fixed assets' statutory revaluation surplus included in share capital	(947,3)	(947,3)	-	-	-	-	-	-	(947,3)	(947,3)
Revaluation surplus	4.659,0	3.726,8	42,9	40,8	350,7	435,6	23,6	(387,2)	5.076,1	3.816,1
Other Reserves	26,6	55,4	-	-	90,2	88,4	(65,0)	(129,9)	51,9	13,9
Retained earnings	(1.862,8)	179,8	80,4	27,4	(318,4)	28,7	150,1	14,0	(1.950,7)	249,9
Total Equity attributable to owners of the Parent	**2.685,8**	**3.825,0**	**162,5**	**107,4**	**280,7**	**875,6**	**(88,6)**	**(865,1)**	**3.040,3**	**3.942,9**
NON-CONTROLLING INTEREST	-	-	-	-	-	-	0,3	0,1	0,3	0,1
Total Equity	**2.685,8**	**3.825,0**	**162,5**	**107,4**	**280,7**	**875,6**	**(88,4)**	**(865,0)**	**3.040,6**	**3.943,1**
Non-Current Liabilities:										
Interest bearing loans and borrowings	3.467,1	3.190,5	-	-	43,9	349,4	0,0	(349,4)	3.511,0	3.190,5
Post retirement benefits	175,8	298,0	112,6	185,3	14,8	24,4	0,1	0,1	303,3	507,8
Provisions	737,0	292,8	40,5	34,8	4,7	4,3	(1,5)	(0,0)	780,7	331,9
Deferred tax liabilities	-	-	-	-	23,6	152,7	(23,6)	(152,7)	-	-
Deferred customers' contributions and subsidies	2.517,8	2.544,9	-	-	15,9	17,7	20,0	(0,1)	2.553,6	2.562,4
Other non-current liabilities	0,0	0,0	62,3	8,6	2,7	1,8	(52,0)	(1,8)	13,1	8,7
Total Non-Current Liabilities	**6.897,8**	**6.326,2**	**215,3**	**228,8**	**105,5**	**550,3**	**(57,0)**	**(503,9)**	**7.161,6**	**6.601,3**
Current Liabilities:										
Trade and other payables	1.523,8	1.521,5	300,0	343,0	179,0	113,6	(313,5)	(283,9)	1.689,2	1.694,1
Short – term borrowings	-	30,0	-	-	18,7	16,5	(0,1)	0,0	18,6	46,5
Current portion of interest bearing loans and borrowings	430,1	714,8	-	-	0,2	-	5,3	(0,0)	435,7	714,8
Dividends payable	0,0	0,0	-	-	-	-	-	-	0,0	0,0
Income tax payable	63,8	62,9	5,8	12,2	0,1	3,4	(0,0)	(0,0)	69,6	78,6
Accrued and other current liabilities	727,4	785,3	225,8	100,8	6,5	13,5	(241,5)	(105,7)	718,2	793,9
Derivative liability	438,9	216,7	-	-	-	-	-	-	438,9	216,7
Liabilities held for sale	-	-	-	-	-	-	-	-	-	-
Total Current Liabilities	**3.184,0**	**3.331,2**	**531,6**	**456,0**	**204,5**	**147,0**	**(549,9)**	**(389,7)**	**3.370,3**	**3.544,6**
Total Liabilities and Equity	**12.767,6**	**13.482,4**	**909,4**	**792,2**	**590,7**	**1.573,0**	**(695,2)**	**(1.758,6)**	**13.572,5**	**14.089,0**

CONSOLIDATED AND SEPARATE STATEMENT OF INCOME
FOR THE YEAR ENDED DECEMBER 31st, 2019

(All amounts in millions of Euro)

	COMPANY		HEDNO		OTHER COMPANIES		ELIMINATIONS		GROUP	
	31/12/2019	31/12/2018 (restated)*	31/12/2019	31/12/2018	31/12/2019	31/12/2018 (restated)*	31/12/2019	31/12/2018 (restated)*	31/12/2019	31/12/2018 (restated)*
REVENUES										
Revenue from energy sales	4.262,1	4.233,1	1.115,2	860,6	409,1	308,5	(1.497,7)	(1.144,0)	4.288,7	4.258,2
Other sales	474,2	360,4	1.714,5	1.730,8	(5,9)	23,0	(1.539,9)	(1.630,5)	643,0	483,7
	4.736,3	**4.593,5**	**2.829,6**	**2.591,4**	**403,3**	**331,5**	**(3.037,6)**	**(2.774,5)**	**4.931,6**	**4.741,9**
EXPENSES:										
Payroll cost	292,1	608,0	206,3	368,4	66,3	42,0	(52,4)	(56,1)	512,3	962,2
Lignite	(33,8)	13,5	-	-	37,5	39,7	(0,0)	(0,0)	3,7	53,2
Liquid Fuel	659,3	666,0	-	-	11,6	4,2	(0,0)	0,0	670,9	670,2
Natural Gas	431,4	383,6	-	-	-	-	-	-	431,4	383,6
Depreciation and Amortization	636,5	660,6	21,6	7,6	12,5	35,2	(8,9)	(29,4)	661,8	673,9
Energy purchases	1.698,4	1.736,0	1.787,3	1.555,8	161,4	125,0	(2.160,7)	(1.838,1)	1.486,4	1.578,7
Materials and consumables	70,5	84,3	89,2	73,6	15,5	7,7	(49,0)	(41,3)	126,1	124,2
Transmission system usage	149,6	157,8	-	-	-	0,0	-	(0,0)	149,6	157,8
Distribution system usage	268,5	319,5	-	-	-	-	(268,5)	(319,5)	-	-
Utilities and maintenance	144,3	169,7	553,5	556,0	28,2	15,6	(504,8)	(502,4)	221,1	238,9
Third party fees	54,6	47,1	34,7	32,6	11,6	5,4	(18,7)	(15,7)	82,2	69,4
CO_2 emission rights	411,9	301,4	-	-	134,6	68,2	0,0	0,0	546,5	369,6
Provision for Land restoration	-	-	-	-	-	-	-	-	-	-
Provision for risks	16,2	109,8	9,5	(2,7)	-	2,7	(98,9)	(0,0)	20,3	109,8
Provision for slow – moving materials	7,6	7,1	4,4	0,3	0,7	0,7	(0,0)	(0,0)	12,7	8,0
Allowance for doubtful balances	62,4	(134,6)	2,0	0,7	0,0	0,2	(106,5)	(0,0)	(42,0)	(133,6)
Financial expenses	168,7	183,5	2,7	0,3	(5,2)	23,1	4,6	(22,5)	170,7	184,5
Financial income	(72,5)	(111,5)	(0,5)	(1,2)	(1,3)	(2,4)	1,1	10,0	(73,2)	(105,2)
Impairment of assets	286,3	235,8	-	-	-	-	(286,3)	6,9	-	242,7
Income from PSO	(194,7)	-							(194,7)	-
Other (income) expenses, net	56,0	(42,6)	19,6	14,2	6,5	9,0	24,4	20,7	106,4	1,4
Subsidies of valuation of fixed assets	1.945,6	-	-	-	(98,1)	3,5	251,3	(0,0)	2.098,8	3,5
Net loss / (gain) from associates and joint ventures	-	0,3	-	-	(2,4)	(2,4)	0,0	(0,5)	(2,4)	(2,7)
Loss / (Gain) of associates and joint ventures net	-	-	-	-	-	-	-	-	-	-
Impairment loss of marketable securities	1,0	0,7	-	0,0	0,0	(0,1)	(0,0)	(0,0)	1,0	0,6
Foreign currency (gain)/loss, net										
	7.060,0	**5.396,0**	**2.730,3**	**2.605,5**	**379,3**	**377,1**	**(3.273,5)**	**(2.787,9)**	**6.989,5**	**5.590,7**
PROFIT / (LOSS) BEFORE TAX	**(2.323,7)**	**(802,5)**	**99,4**	**(14,1)**	**24,0**	**(45,6)**	**235,9**	**13,4**	**(2.057,9)**	**(848,8)**

NOTES TO THE UNBUNDLED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

According to the provisions of European Directive 2009/72/EC, as well as the provisions of L. 4001/2011, which integrates the aforementioned European Directive into the national legislation, unbundling is the separation of financial statements (balance sheet and income statement) of an integrated electric utility into different financial statements for each one of its activities.
The unbundled financial statements will reflect each activity's financial position, assets and liabilities, as if such activities prepared financial statements had they been separate (independent) legal entities.

PPC, as a vertically organized integrated electric utility, keeps in its internal accounting, separate accounts for its activities and prepares separate balance sheets and statements of income for each one of its activities (balance sheet and statement of income before tax – hereinafter referred to as "unbundled financial statements"), as if these activities were carried out by different entities, in order to avoid discriminations, cross subsidization and distortion of competition.

Further to the above, PPC should keep separate accounts for its activities carried out in the non-interconnected islands.

The accounting principles applied for the preparation of the unbundled financial statements are those applied for the preparation of the Company's separate and consolidated financial statements.

The unbundling methodology applied by the Company for the preparation of the accompanied unbundled financial statements was approved by the 266/2014 Decision of the Regulatory Authority for Energy. Additionaly, in the Non – Interconnected System the transactions of energy between PPC's Generation and Supply and HEDNO, are carried out according to RAE's Decision 641/2013.

2. ACCOUNTING UNBUNDLING METHODOLOGY

The methodology applied for the preparation of the unbundled financial statements consists of the following phases:

- Determination of activities into which the integrated electric utility should be unbundled
- Preparation of unbundled trial balances
- Preparation of unbundled balance sheets
- Preparation of the unbundled statements of income
- Quantification of inter-segment revenues and expenses among activities through the application of an internal pricing system

Determination of activities into which the integrated electric utility should be unbundled

The activities for unbundled financial statements are prepared, on a first level, are Mines, Generation, Distribution Network, Supply, and Corporate.

On a second level, these activities are presented as follows:

- **Interconnected System**
  - Mines
  - Generation
  - Distribution network
  - Supply
- **System of Crete**
  - Generation
  - Distribution network
  - Supply
- **System of other Non Interconnected Islands**
  - Generation
  - Distribution network
  - Supply

Mines
Mines include the lignite extraction activity carried out in the Lignite Centers of West Macedonia and Megalopolis.

Generation
Generation includes the electricity generation activities in the Interconnected System, the System of Crete and the System of Non Interconnected Islands.

Distribution
Distribution Network includes the rental of assets to HEDNO SA in the Interconnected System, the System of Crete and the System of Non Interconnected Islands.

Supply
Supply reflects the Company's activity which monitors relationships with final customers in the Interconnected System, the System of Crete and the System of Non Interconnected Islands.

Corporate
The Corporate is the adninistrative departments of the Parent Company, which provide support to PPC's activities.

The Balance Sheet and Statement of Income of the Corporate is further allocated based on certain allocation rules, which are described in detail in the following pages. Related parties are reflected as a separate activity in the group unbundled financial statements .

Preparation of unbundled trial balances

In the Company's accounting system, each the cost centre and the profit centre represents an organizational entity, in which the assets and liabilities are recorded. In order for these trial balances to be generated, the following tasks are performed, which are applied per account and cost / profit centre for the minimum account degree in General

Accounting:

- Cost / profit centers are recorded in order to identify the boundaries of activities and then all cost / profit centers to be assigned to activities with which they are related to.

- The sum totals of the cost / profit centers and accounts are reconciled with the comprehensive trial balance of the Company.

- The trial balance accounts are codified and grouped into sections of the balance sheet and of the income statement based on Company's consolidated Financial Statements.

Preparation of unbundled balance sheets

At the and of each financial year, balance sheets are prepared for each of the four activities (Mines, Generation, Distribution Network, Supply) in the Interconnected System, in the Crete System and in the Non – Interconnected Islands System.

The balance sheet for each activity is prepared under the principle of independent accounting.

The accounts of each balance sheet are as follows:

- Direct, which include the direct charges and credits of the accounts of the relevant profit centers of the corresponding level of activity.

- Indirect of the administration departments, which derive from the administration departments of each activity and include its allocated balance sheet accounts.

- Indirect of the Corporate, which include the allocated balance sheet accounts, which are presented in a separate line on each activity's balance sheet.

Additionaly, the Balance Sheets of PPC's subsidiaries are depicted separately.

Preparation of the unbundled statements of income

For each accounting period income statements are prepared for each of the four activities (Mines, Generation, Distribution Network, Supply) in the Interconnected System, in the Crete System and in the Non – Interconnected Islands System. Additionaly, the Income Statemetns of PPC's subsidiaries are depicted separately.

Income statement accounts of financial nature are allocated to activities based on the loans of each activity.

Then, income statement account balances that have remained in Corporate are allocated in the activities.
For the allocation of revenues and expenses to Activities the criterion is based on direct expenses of every Activity, with the exception of expenses that relate to the system of customers' monitoring and billing that are assigned only to Supply. Upon completion of the above allocations, the Statements of income for each Activity are prepared. The Corporate expenses and revenues allocated to the activities are presented separately in a line item in each activity.
Quantification of inter-segment revenues and expenses among activities through the application of an internal pricing system

Within the framework of an integrated utility products and services are exchanged among its activities, which would be recorded if these activities would operate as independent entities.

In order for these products and services to be quantified and recorded, an internal pricing system is applied if necessary (where there is no external determination of internal exchanges). The most important services and products internally exchanged in PPC among its Activities, that are presented in the Unbundled Financial Statements are the following:

	Activity which	
Product/ Service	Renders	Receives
Interconnected system		
Lignite	Mines	Generation
Other Services	Mines	Generation
Self-consumption energy	Supply	Mines, Generation
System of Crete		
Self-consumption Energy	Supply	Generation
System of other non-interconnected islands		
Self-consumption Energy	Supply	Generation

- Each activity's revenues from product sales or services to another activity are quantified, through the internal pricing system. Also, the activity that receives the product/ service records the related cost.

The internal revenues – expenses for each activity are defined as follows:

In the interconnected system:
- The internal energy sales for self-consumption are calculated based on each Activity's metered consumption of energy with the average marginal price including the Return of receivable Public Service Obligations, Transmission System Tariffs and IPTO uplift charge.
- The Mines internal revenue is calculated in accordance of the agreement for the lignite supply between Mines and Generation. The lignite supply contract determines the internal lignite market, i.e the lignite sales of the activity of the Lignite General Division to the activity of the Generation General Division. The contract covers the consumption of the lignite stations on a continuous basis, as well as with the necessary stock for the specific period. The calculation of the relative amounts takes place on the monthly basis, taking into account the monthly consumption and the calorific value of the lignite delivered.

In the Non-Interconnected system:
- The internal energy sales are calculated based on each activity's metered consumption of energy priced by the average revenue of PPC's tariffs for the sale of electricity to Medium Voltage for Industrial Use customers.

ANALYSIS OF REVENUES - EXPENSES FROM GENERATION AND SUPPLY

	GENERATION		SUPPLY	
	2019 in millions of €	2018 in millions of €	2019 in millions of €	2018 in millions of €
INCOME				
Energy sales			**4.762,9**	**4.888,2**
Competative charges			3.066,5	3.004,2
Revenue from low voltage sales			2.294,9	2.201,4
Revenue from medium voltage sales			403,2	444,7
Revenue from high voltage sales			368,4	358,1
Transmission system usage			166,3	174,4
Revenue from low voltage sales			130,6	135,8
Revenue from medium voltage sales			18,6	21,6
Revenue from high voltage sales*			17,1	17,0
Distribution system usage			557,5	584,0
Revenue from low voltage sales			523,6	544,1
Revenue from medium voltage sales			34,0	39,9
Revenue from other charges			2,2	2,3
Revenue from low voltage sales			1,8	1,8
Revenue from medium voltage sales			0,4	0,5
Unbilled revenue and discounts *			1,2	0,3
Revenue from PSO			466,7	467,2
Revenue from low voltage sales			368,4	359,3
Revenue from medium voltage sales			86,1	95,8
Revenue from high voltage sales			12,2	12,1
Revenue from the special fee for the reduction of CO_2 emissions			502,6	655,8
Revenue from low voltage sales			569,6	631,8
Revenue from medium voltage sales			45,7	52,0
Revenue from high voltage sales			17,4	9,8
Provisions			(130,1)	(37,8)
Wholesale energy sales	**2.073,4**	**2.049,1**		
Sales of energy to wholesale market	1.014,7	1.227,6		
Sales of energy to HEDNO	954,4	726,6		
Revenue from covering the generation variable cost recovery	68,3	68,7		
Transitional Flexibility Assurance Mechanism	24,8	16,9		
Ancillary services	11,3	9,3		
Other sales			**27,8**	**31,1**
Revenue from reconnection fees			1,8	2,7
Other income from consummers			1,4	1,7
Commission from Municipal Levy and tax			24,6	26,6
EXPENSES			**4.076,0**	**4.185,3**
Purchases of energy- Interconnected System			**2.534,7**	**2.733,6**
Purchases of energy by wholesale market			2.377,4	2.315,2
Transitional Flexibility Assurance Mechanism			32,1	29,0
Coverage of the generation variable cost recovery			59,2	59,6
Charge according to the thermal units' variable cost			74,0	45,6
Ancillary services			49,2	52,7
Settlement of losses - clearances			38,4	41,7
RES Special Account			(99,3)	196,3
Other expenses			3,6	(6,5)
Energy imports			**146,5**	**136,9**
Energy purchases from non interconnected islands			**764,2**	**649,6**
Energy purchases from RES			**126,3**	**112,4**
Special fee for the reduction of CO_2 emissions			**504,4**	**552,8**
Revenue from the special fee for the reduction of CO_2 emissions from interconnected system			445,6	460,0
Revenue from the special fee for the reduction of CO_2 emissions from non interconnected islands			58,9	92,8

* For the revenue resulting from unbilled and discounts of low voltage, there is no breakdonwn in competative - monopoly charges to customers

ΑΗΣ ΜΕΓΑΛΟΠΟΛΗΣ ΜΟΝΑΔΑ V ΦΥΣΙΚΟΥ ΑΕΡΙΟΥ

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RELATED PARTIES TRANSACTIONS

Related Party Transactions for the Year 2019
(Amounts in thousands of Euro)

	31.12.19
Due from:	
PPC RENEWABLES S.A.	1.420
HEDNO S.A.	309.426
LIGNITIKI MEGALOPOLIS S.A.	69.226
LIGNITIKI MEwLITIS S.A.	39.000
PPC FINANCE PLC	0
PPC ELEKTRIK TEDARIK VE TICARET A.S.	645
PPC BULGARIA JSCO	2
PPC ALBANIA	230
EDS DOO SKOPJE	386
TOTAL	**420.335**
Due to:	
PPC RENEWABLES S.A.	0
HEDNO S.A.	562.819
LIGNITIKI MEGALOPOLIS S.A.	1.309
LIGNITIKI MELITIS S.A.	0
PPC FINANCE PLC	57
PPC ELEKTRIK TEDARIK VE TICARET A.S.	0
PPC BULGARIA JSCO	1.808
PPC ALBANIA	20
EDS DOO SKOPJE	0
TOTAL	**566.013**
Revenues from:	
SERVICES RENDERED TO PPC RENEWABLES S.A.	2.106
SERVICES RENDERED TO HEDNO S.A.	1.891.133
SERVICES RENDERED TO LIGNITIKI MEGALOPOLIS S.A.	112.372
SERVICES RENDERED TO LIGNITIKI MELITIS S.A.	45.526
SERVICES RENDERED TO PPC FINANCE PLC	0
SERVICES RENDERED TO PPC ELEKTRIK TEDARIK VE TICARET A.S.	0
SERVICES RENDERED TO PPC PPC BULGARIA JSCO	115
SERVICES RENDERED TO PPC ALBANIA	0
SERVICES RENDERED TO EDS DOO SKOPJE	1.076
TOTAL	**2.052.328**
Expenses to:	
EXPENSES FROM SERVICES TO PPC RENEWABLES S.A.	0
EXPENSES FROM SERVICES TO HEDNO S.A.	2.135.018
EXPENSES FROM SERVICES TO LIGNITIKI MEGALOPOLIS S.A.	779
EXPENSES FROM SERVICES TO LIGNITIKI MELITIS S.A.	0
EXPENSES FROM SERVICES TO PPC FINANCE PLC	6.473
EXPENSES FROM SERVICES TO PPC ELEKTRIK TEDARIK VE TICARET A.S.	3.119
EXPENSES FROM SERVICES TO PPC PPC BULGARIA JSCO	44.449
EXPENSES FROM SERVICES TO PPC ALBANIA	62
EXPENSES FROM SERVICES TO EDS DOO SKOPJE	3.056
TOTAL	**2.192.956**

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