Public Power Corporation S.A.

Financial Results
1H2018

Athens, September 25, 2018

Agenda

Financial Results

1/1/2018 – 30/06/2018

Alexandra Konida

Chief Financial Officer

Public Power Corporation S.A.

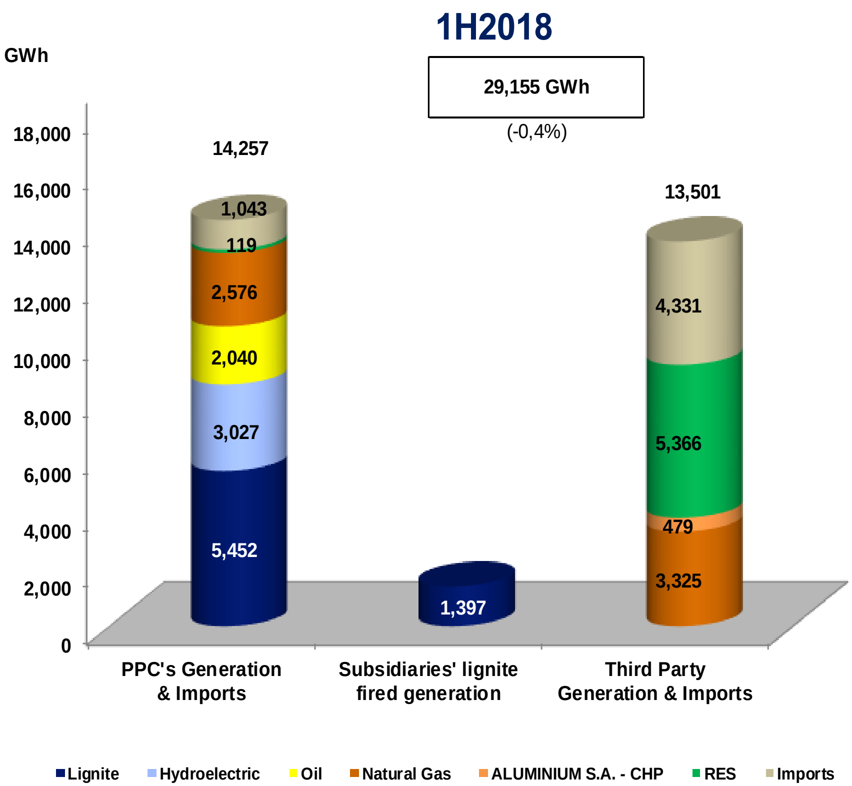
Electricity Demand 1H2018 / 1H2017

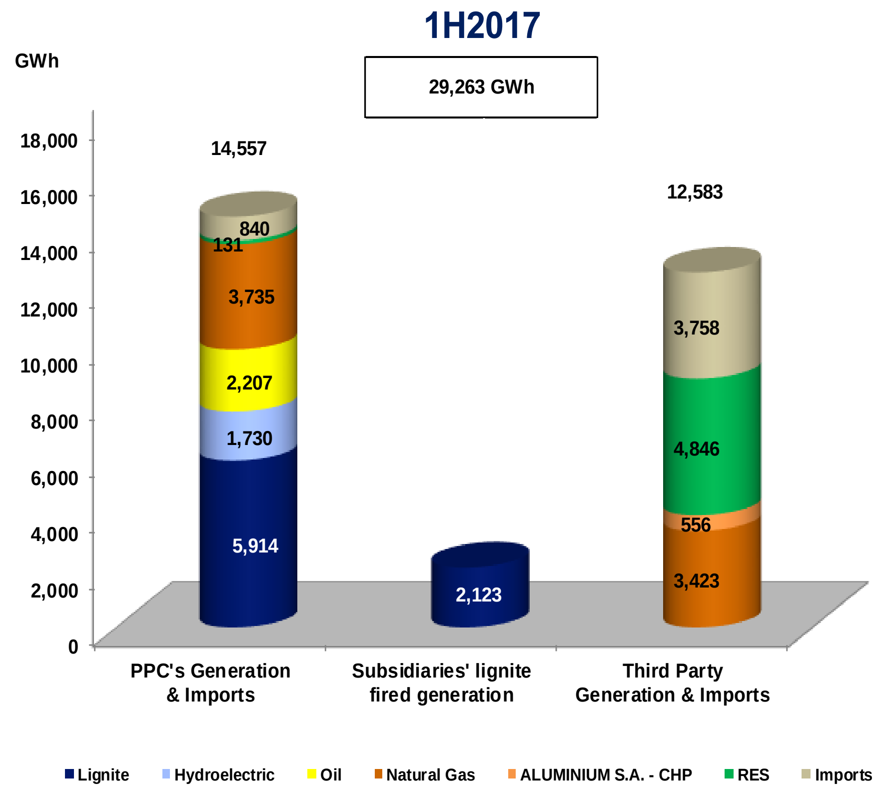
(GWh)		1H2018	1H2017	Δ%
Electricity demand		29,155	29,263	-0.4%
Exports	PPC	5	5	0.0%
	Third Party	1,766	1,174	50.4%
Domestic sales	PPC	19,814	21,233	-6.7%
	Third Party (estimation)	4,013	2,926	37.1%

		1H2018	1H2017
PPC average market share	Domestic sales	83.2%	87.9%
	Exports	0.3%	0.4%

Total electricity demand was flat. Domestic demand decreased by 2.5%, while third party exports posted a 50.4% increase. PPC's domestic sales decreased by 6.7% (1,419 GWh) and the average market share by 4.7 percentage points.

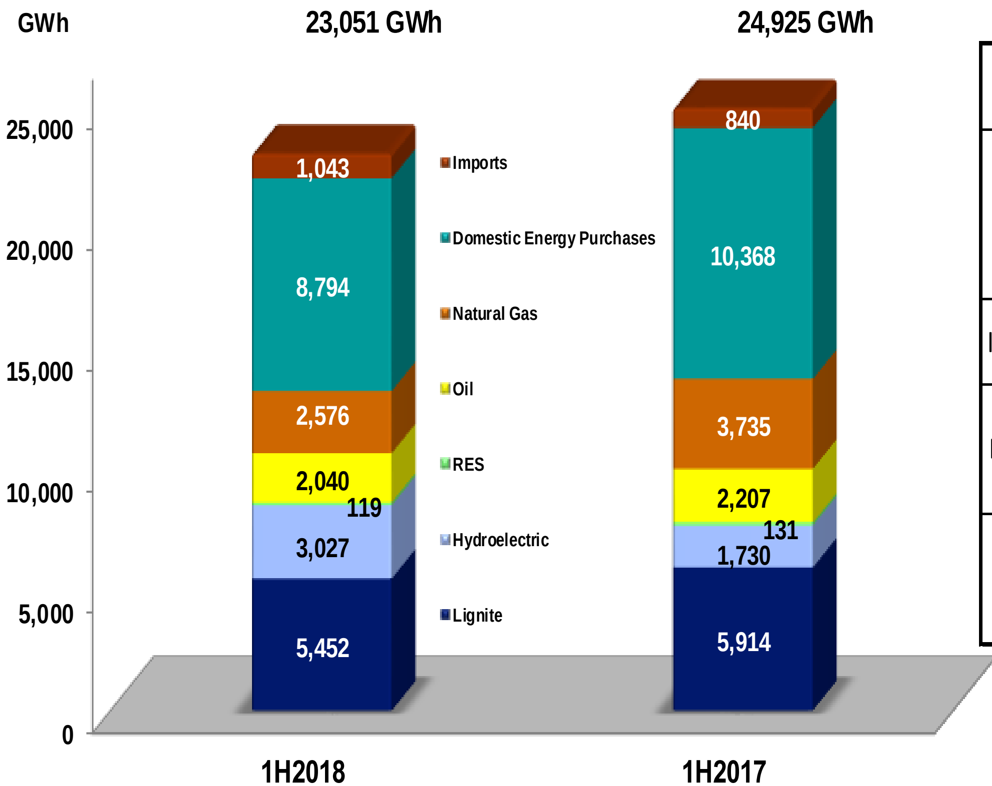
Electricity Generation and Imports 1H2018 / 1H2017





In 1H2018, PPC's electricity generation and imports, covered 48.9% of total demand (45.6% in the Interconnected System).
PPC's market share in electricity generation, as a percentage of the total load of the Interconnected System decreased to 41.7% from 43% in 1H2017.

PPC/ Energy Generation and Purchases (GWh) 1H2018 / 1H2017



		Δ GWh	Δ %	% Participation	
	TOTAL	-1,874	-7.5%	1H2018	1H2017
PURCHASES	Imports	203	24.2%	4.5%	3.4%
	Domestic Energy Purchases	-1,574	-15.2%	38.2%	41.6%
IMPORTED FUELS	Natural Gas	-1,159	-31.0%	11.2%	15.0%
	Oil	-167	-7.6%	8.8%	8.9%
DOMESTIC FUELS	RES	-12	-9.2%	0.5%	0.5%
	Hydroelectric	1,297	75.0%	13.1%	6.9%
	Lignite	-462	-7.8%	23.7%	23.7%
TOTAL	PURCHASES			42.7%	45.0%
	IMPORTED FUELS			20.0%	23.8%
	DOMESTIC FUELS			37.3%	31.2%

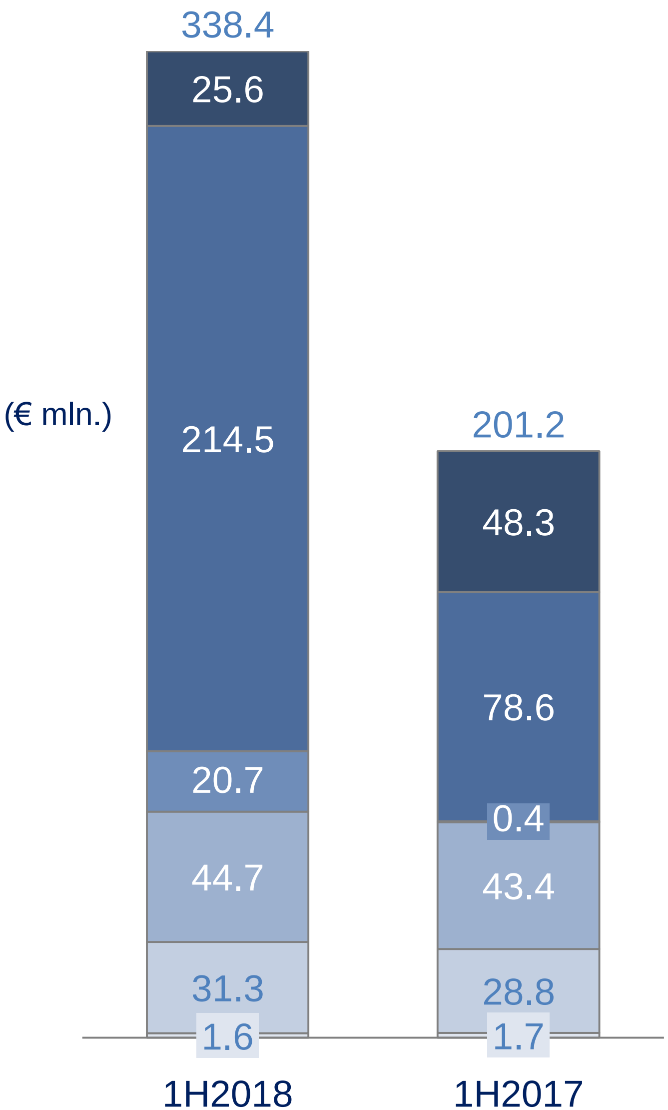
Hydro generation increased by 75% compared to 1H2017 due to the increased inflows. Lignite-fired generation (excluding spun off subsidiaries) decreased by 7.8% (-462 GWh) while PPC’s natural gas-fired generation decreased by 31.0% (-1,159 GWh)

Summary Financial Results 1H2018 / 1H2017

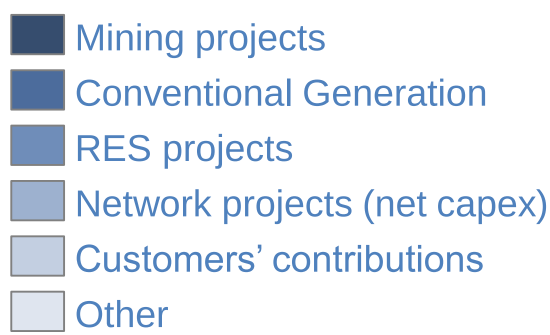
Key Figures (€ mln.) - Group from continuing operations	1H2018	1H2017 Restated (*)	Δ	Δ%
Total Revenues	**2,200.2**	**2,359.8**	***(159.6)***	***(6.8)***
Revenues from Energy Sales	2,025.8	2,231.2	*(205.4)*	*(9.2)*
Other Revenues	174.4	128.6	*45.8*	*35.6*
Payroll Expense	352.8	368.1	*(15.3)*	*(4.2)*
Liquid Fuel	282.9	315.7	*(32.8)*	*(10.4)*
Natural Gas	141.6	211.6	*(70.0)*	*(33.1)*
Expenditure for CO_2 emission rights	107.2	60.9	*46.3*	*76.0*
Energy Purchases	750.1	870.2	*(120.1)*	*(13.8)*
Cover of Special RES account deficit	*108.2*	*170.3*	*(62.1)*	*(36.5)*
Net expense from NOME type auctions	*45.7*	*25.5*	*20.2*	*79.2*
Special lignite levy	10.9	11.8	*(0.9)*	*(7.6)*
Other operating expenses	279.8	295.8	*(16.0)*	*(5.4)*
Provisions	(9.5)	135.7	*(145.2)*	*(107.0)*
EBITDA (excluding the one-off impact from the severance payment for personnel)	**284.4**	**90.0**	***194.4***	***216.0***
EBITDA Margin	**12.9%**	**3.8%**		
Pre-tax profits / (Losses) (excluding the one-off impact from the severance payment for personnel)	**(26.9)**	**(249.5)**	***222.6***	***(89.2)***
One-off impact from the severance payment for personnel)	151.2	0.0	*151.2*	
EBITDA (including the one-off impact from the severance payment for personnel)	**133.2**	**90.0**	***43.2***	***48.0***
EBITDA Margin	**6.1%**	**3.8%**		
Pre-tax profits / (Losses) (including the one-off impact from the severance payment for personnel)	**(178.1)**	**(249.5)**	***71.4***	***(28.6)***
Net income / (Loss) (including the one-off impact from the severance payment for personnel)	**(183.8)**	**(41.4)**	***(142.4)***	***344.0***

(*) For the restated figures, please refer to 1H2018 Financial Report (Note 5)

Capex

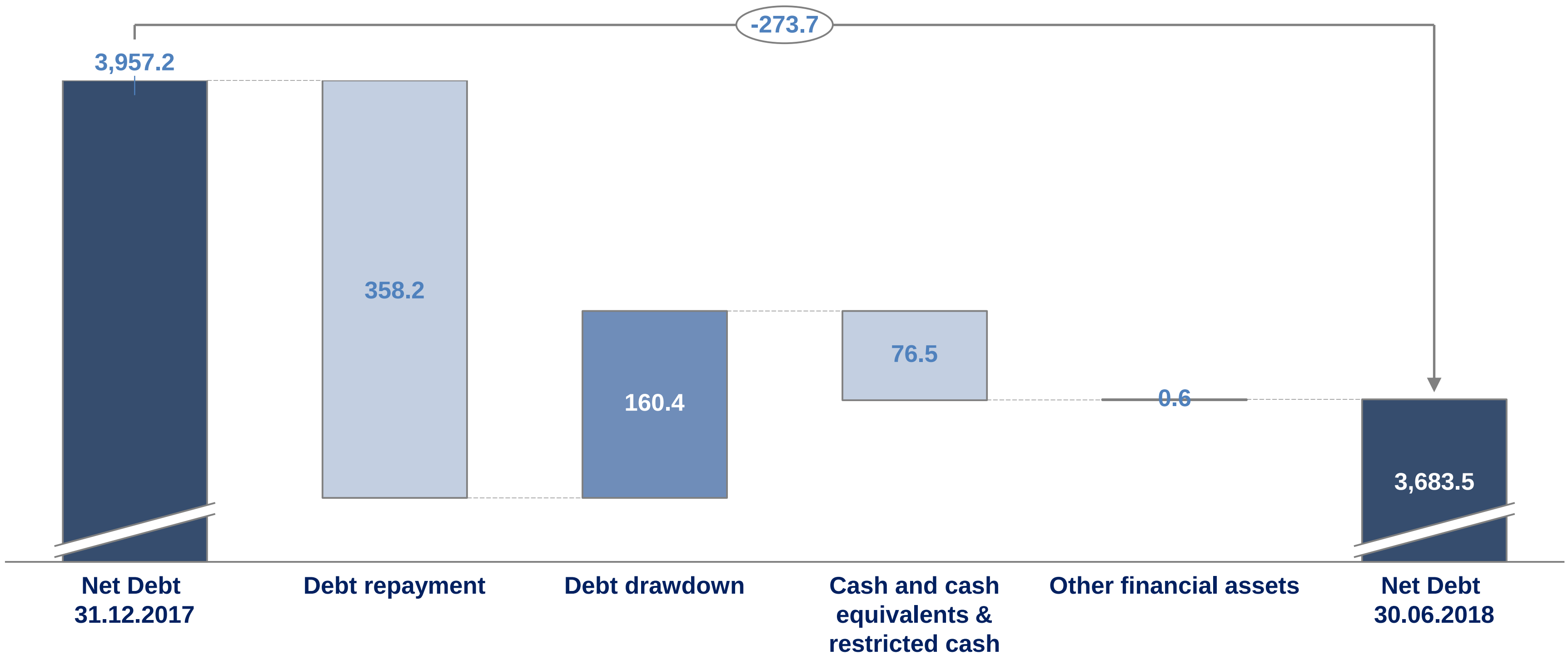


- Capital expenditure in 1H2018 amounted to € 338.4 m. compared to € 201.2 m. in 1H2017 (excluding Transmission Networks) .
- Excluding network users' participation for their connection to the network (€ 31.3 m. and € 28,8 m. in 1H2018 and 1H2017 respectively), which fund part of network projects, capital expenditure amounted to € 307.1 m in 1H2018 and € 172.4 m in 1H2017.



Debt Evolution – Liquidity

(€ mln.)



Comments on Financial Results & Recent Developments

Emmanouil Panagiotakis

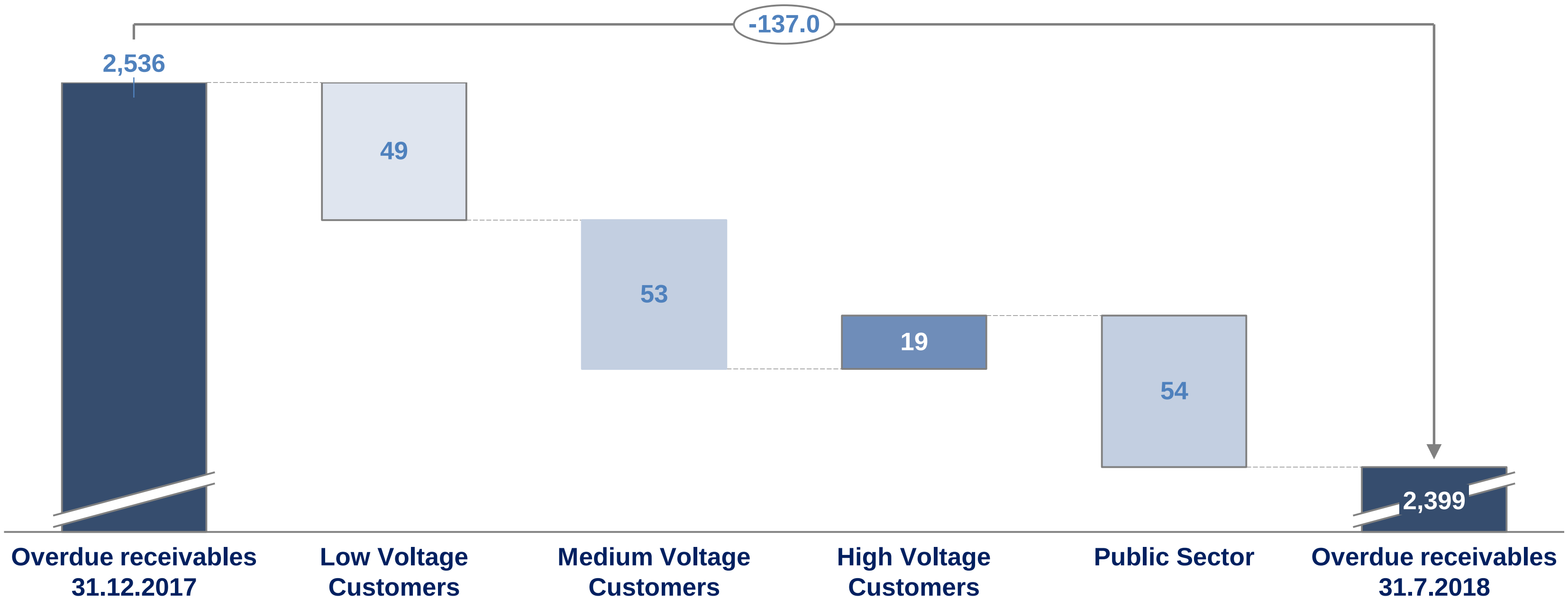
Chairman and CEO

Public Power Corporation S.A.

Comments on financial results

- Recurring operational profitability from continuing operations, excluding one – offs improved by € 194.4 m. as a result of:
  - Positive trend in bad debt provisioning with a € 80 m reversal
  - Decrease of the additional charge for RES Account by € 62.2 m.
  - Decrease of payroll expense by € 15.3 m.
  - Decrease of controllable operational expenses by € 10.4 m.
- 1H2018 results have been impacted by one-off provision of € 151.2 m for future obligation for personnel compensation in case of contract termination due to retirement.
- Excluding one-off impact, losses at pre-tax level were contained to € 26.9 m in 1H2018 compared to € 249.5 m in 1H2017.

Evolution of overdue Receivables (excluding settlements)



- Reduction of overdue receivables by c. € 140 m in the first seven months of 2018 driven by:
  - actions undertaken by the Company and the specialized advisor,
  - repayment of overdues by State entities
- However, there is an increase of overdues from final customers, which requires special treatment with the support of other competent authorities in the electricity market.
- Positive indications for further improvement of collection due to intensification of internal actions combined with the gradual increase of the advisor's activities to a larger customer base.

Major financial developments

Refinancing of € 1.3 bln loans with the Greek Banks

- Signing of the Term Sheet (August 2018) with the Greek Banks for the refinancing of:
  – € 1.1 bln through a five year syndicated unsecured bond loan and
  – € 175 mln through a syndicated bond loan secured with customer receivables and a 3 year tenor extendable for another 2 years.
- Agreement for a Stand By Facility of € 200 mln to be used for the repayment of the international bond of € 350 mln maturing in 2019.

EIB financing

- Signing of the second loan agreement of € 45 m with the European Investment Bank, within a total loan facility of € 85 m for the financing of 50% of investments for the reinforcement and the modernization of the Distribution Network across the Greek mainland and islands (June 2018).

Lignite Divestment

Steps that have been completed

- BoD Decision for creation of two subsidiaries (May 7, 2018):
  1. Meliti I unit (330 MW) & license for Meliti II unit (450 MW)
  2. Megalopoli III (300 MW) and IV (300 MW) units

  along with exploitation rights of relevant mines
- Tender for the Expression of Interest (May 31, 2018)
- Submission of Expression of Interest (June 21, 2018)
- EGM Approval of the Spin-off of the two lignite segments into two new subsidiaries "LIGNITIKI MELITIS S.A." and "LIGNITIKI MEGALOPOLIS S.A." (June 26, 2018)
- Due Diligence process (including VDR, Site visits, Management Presentations) and SPA negotiations currently underway.

Key strategic priorities of the Business Plan 2018-2022

- **Renewables**: addition of c. 600 MW by 2022
- **Distribution assets**: Focus on operational excellence and investments.
- **Retail and New Downstream**:
  - Reposition go-to market strategy
  - Expansion of core activities to a wider range of energy services and products (e.g., electricity - gas double play, energy efficiency services)
  - Intensification of collections and settlements effort.
- **Mines & conventional generation**:
  - Operational optimization and efficiency program in Mines & Thermal Units
  - Divestment of 930 MW of lignite capacity and associated mines
  - Decommissioning of 1,212 MW by 2021
  - Completion of construction of Ptolemais V unit
- **Key regulatory issues**:
  - Capacity payments for lignite fired generation units
  - Reduction of electricity suppliers' charge for RES and eventually full abolition
  - Abolition of NOME type auctions
  - Target Model: forward market providing necessary tools for hedging
  - Full recovery of Public Service Obligations (PSOs)
- **International Expansion**: Targeted development of new projects in international markets (i.e. acquisition of EDS, a leading company in the electricity supply market in FYROM)

DISCLAIMER

Some of the information contained herein includes forward-looking statements. It is noted that the Group is subject to various risks, which, among other, relate to macroeconomic conditions, €/$ exchange rate, oil, natural gas, electricity prices and the price of CO_2 emission rights, as well as changes in the market, legal, regulatory and fiscal framework and bad debt evolution, that could cause actual results to differ materially from those anticipated in the forward-looking statements.