PUBLIC POWER CORPORATION S.A.

FINANCIAL REPORT
(January 1st 2022– December 31st 2022)

(Translated from the Greek Original)

Annual Financial Report publication in accordance with Law 3556/2007 is fulfilled with the publication of relevant zip and iXBRL viewer files, available on the web site of Public Power Corporation S.A. at the "Investor Relations" section (Financial Report FY2022).

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PUBLIC POWER CORPORATION S.A.

ANNUAL FINANCIAL REPORT
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A. STATEMENT OF MEMBERS OF THE BOARD OF DIRECTORS

STATEMENT OF MEMBERS OF THE BOARD OF DIRECTORS
(According to article 4, par.2 of Law 3556/2007)

1. Georgios Stassis, Chairman and C.E.O. of P.P.C. S.A.
2. Maria Psillaki, 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 2022, 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 Law 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 they face.

Athens March 23rd 2023

Chairman and C.E.O.	Member of the Board.	Member of the Board.
Georgios Stassis	Maria Psillaki	Stefanos Kardamakis

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B. EXECUTIVE SUMMARY OF THE BOARD OF DIRECTORS

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PUBLIC POWER CORPORATION S.A.
EXECUTIVE SUMMARY OF THE BOARD OF DIRECTORS
FOR THE FISCAL YEAR 2022

Dear Shareholders,

Following the end of the Public Power Corporation's twentieth first 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 2022, as well as, our comments on the respective statements. Furthermore, we submit for approval the unbundled financial statements for the year 2022 (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.", "HEDNO S.A.", " Arkadian Sun 1 Sole Shareholder S.A.", "Arkadian Sun 2 Sole Shareholder S.A", "Solar Arrow 1 Sole Shareholder S.A.", "Amalthia Energy Sole Shareholder S.A", "SOLARLAB Sole Shareholder S.A.", "Solar parks Western Makedonia 1 Sole Shareholder S.A.", "Solar parks Western Makedonia 2 Sole Shareholder S.A.", "AIOLIKO PARKO K-R Sole Shareholder S.A.", "AIOLIKO PARKO LYKOVOUNI Sole Shareholder S.A.", 'AIOLIKO PARKO DOUKAS Sole Shareholder S.A.", "AIOLIKO PARKO KOUKOULI Sole Shareholder S.A.", "HELIOFANEIA Sole Shareholder S.A." "CARGE S.A.", "Alexandroupolis Electricity Production Sole Shareholder S.A.", "DEI Optikes Epikoinonies Single member S.A.", "PPC FINANCE PLC", "PPC Bulgaria JSCo", "PPC Elektrik Tedarik Ve Ticaret A.S.", "PHOIBE Energiaki S.A.", "PPC ALBANIA", "Energeiakos Stochos Sole Shareholder S.A.», "Windarrow Energiaki Sole Shareholder S.A.", "EDS AD Skopje", "EDS DOO Belgrade", "EDS International SK SRO" and "EDS International KS LLC".

Based on L. 4548/2018, as applies, PPC S.A. prepared the financial statements for the year ended December 31st 2022 (twentieth 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 2022, 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

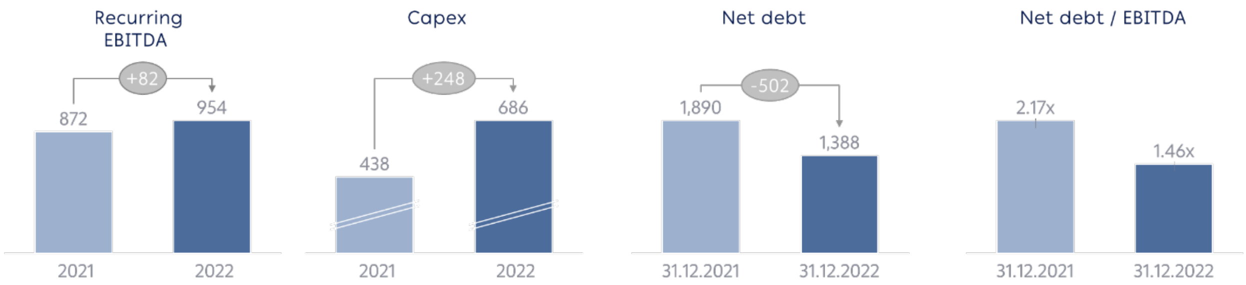
Amendments in the current legal framework during 2022
All detailed amendments in the current legal framework are presented in Note 2 to the Financial Statements.

PPC Group 2022 financial results

Key Group Financial Results

(in € m)		2022	2021	Δ (%)	Q4 2022	Q4 2021	Δ (%)
Turnover	(1)	11,253.1	5,706.4	*97.2%*	2,690.4	2,008.8	*33.9%*
Operating expenses	(2)	10,299.4	4,834.7	*113.0%*	2,380.9	1,763.6	*35.0%*
EBITDA recurring	(3)=(1)-(2)	**953.7**	**871.7**	***9.4%***	**309.4**	**245.3**	***26.2%***
EBITDA margin recurring	(4)=(3)/(1)	**8.5%**	**15.3%**		**11.5%**	**12.2%**	
One-offs	*(5)*	*302.4*	*50.6*		*26.3*	*1.1*	
EBITDA	(6)=(3)-(5)	**651.3**	**821.1**	***-20.7%***	**283.1**	**244.2**	***15.9%***
EBITDA margin	(7)=(6)/(1)	**5.8%**	**14.4%**		**10.5%**	**12.2%**	
Depreciation, total net financial expenses and share of profits/(losses) in associated companies and JVs	(8)	875.0	863.3	*1.4%*	213.6	233.3	*-8.4%*
Impairment loss	(9)	*-197.7*	*107.6*	*-283.8%*	*-55.6*	*75.8*	*-173.4%*
Pre-tax profits/(Losses)	(10)=(6)-(8)-(9)	**-26.0**	**-149.8**	***-82.6%***	**125.1**	**-64.8**	***-292.9%***
Net income / (Loss)	(11)	-8.9	-18.4	*-51.5%*	160.9	23.8	*575.1%*

Evolution of key Group figures (€ million)



Profitability evolution

Increased operational profitability in 2022, despite the large increase in operating expenses, mainly in the expenses for energy purchases and for natural gas. Specifically, EBITDA on a recurring basis amounted to € 953.7 m increased by €82 m (9.4%) compared to 2021.
As far as Q4 2022 is concerned, EBITDA on a recurring basis amounted to € 309.4 m compared to € 245.3 m in Q4 2021.
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It is noted that 2022 EBITDA has been impacted by the extraordinary contribution imposed on electricity generators for the period October 2021 – June 2022 and which for PPC was calculated at € 245.3 m following the final settlement, by the provision for personnel's severance payment of € 50.5 m, as well as by the retroactive charge of €6.6 m for special allowances from the implementation of the Collective Labor Agreement for the period 2021 -2024.

Pre-tax losses amounted to € 26 m compared to pre-tax losses of €149.8 m in 2021.

Pre-tax results for 2022 include a positive impact of €177.5m due to a reversal of the impairment of the investment in the new Ptolemaida V lignite unit. The reversal is due to the fact that lignite generation is no longer loss making due to the energy crisis and the associated high prices in the wholesale market.

Net losses of €8.9 m were recorded in 2022 compared to net losses of €18.4 m in 2021.

Analysis of Revenues & Operating Expenses of PPC Group

Revenues

Turnover for 2022, increased by €5,546.7 m or 97.2% due to the increase of the average revenue, as a result of the high increase of wholesale prices. Specifically, in Q4 2022 turnover amounted to € 2,690.4 m marking an increase of 33.9% compared to the respective period of 2021.

Operating Expenses

Operating expenses before depreciation, excluding the extraordinary contribution of €245.3m, the provision for personnel's severance payment of € 50.5 m and the retroactive charge for special allowances from the implementation of the Collective Labor Agreement for the period 2021 -2024 of € 6.6 m, increased in 2022 by €5,464.7 m (or by 113%) to €10,299.4 m compared to €4,834.7 m in 2021, mainly as a result of the particularly high expenses for fuel cost, energy purchases and CO2 emission allowances while there was also a negative effect from the provisions for expected credit losses. Operating expenses before depreciation for 2021 do not include the one-off impact from the retroactive charge for special allowances from the implementation of the Collective Labour Agreement for the period 2021-2024 and the provision for personnel's severance payment.

Operating figures (generation – imports- exports)

In terms of domestic demand (excluding exports) a reduction of 3% was recorded for the 2022 (to 55,389 GWh compared to 57,074 GWh) while for Q4 2022 the reduction was 8.3%, as a result of the decrease in demand by consumers due to the energy crisis and the incentives provided by the State for energy saving as well as the fact that the weather conditions in Q4 2022 were more favourable than those in the corresponding period of 2021. Total electricity demand (including exports) marked a decrease by 1.6% in 2022 and a decrease by 9.2% in Q4 2022.

PPC's average retail market share in the country, declined to 62.4% in 2022, compared to 64.3% in 2021. Specifically, the average retail market share in the Interconnected System decreased to 63.3% in December 2022 (from 64.2% in December 2021), while PPC's average market share, per voltage, was 88.3% in High Voltage, 44.2% in Medium Voltage and 63.7% in Low Voltage compared to 87.8%, 44.0% and 65.0% in 2021, respectively.

PPC's electricity generation and imports covered 37.2% of total demand in 2022 (33.2% in the Interconnected System), while the corresponding percentage in 2021 was 43.7% (40.3% in the Interconnected System).

Specifically, generation from large hydro power plants decreased by 1,289 GWh and amounted to 4,005 GWh, which is close to the average of the last five years. Nonetheless, large hydro power plants generation is lower by 24.3% compared to 2021 when hydrological conditions were excellent.

Generation from PPC's natural gas fired units decreased by 2,364 GWh, while lignite fired generation increased by 119 GWh.

At country level, there was an increase in RES electricity generation (including large hydro power plants) by 6.2% or 1,382 GWh. In addition, electricity imports increased by 7.3% or 618 GWh.

Energy mix expenditure

Expenditure for liquid fuel, natural gas, CO2, lignite and energy purchases increased by €4,911 m (141.4%) compared to 2021.

In detail:

- Liquid fuel expense in 2022 increased by 58.9% compared to 2021 to €853.2 m, mainly due to the increase in the prices of fuel oil (by 48.4%) and diesel (by 65.8%).

- Natural gas expense increased significantly by 93.2% to €1,758.2 m from €910.1 m due to the large increase of natural gas price by 146.9% despite the lower natural gas fired generation by 21.4%.

- Energy purchases expense increased by €3,433.3 m (266.8%) due to the increase of the Market Clearing Price (MCP) (from €116.4/MWh in 2021 to €280/MWh in 2022) and the increased volume of energy purchases.

- Expenditure for CO2 emission rights increased to €1,037.5 m in 2022 from €699.2 m in 2021, due to the increase of the CO_2 emission rights average price to €72.7/tn from €44.9/tn despite the decrease in CO_2 quantities by 6.3% to 14.8 m tn [1].

Payroll cost

Total payroll cost excluding the impact of one-off items, increased by € 31.8 m in 2022 to € 711.5 m from € 679.7 m in 2021 due to the abolition of the ceiling on the payroll of the Group's personnel as well as the reinstatement of Christmas and Easter bonuses.
The Group's personnel decreased by 154 employees (from 12,909 at the end of 2021 to 12,755 at the end of 2022).

Provisions

In 2022, bad debt provisions increased by € 207.5 m compared to a reversal of bad debt provisions of € 59.7 m in 2021.

One off items impacting EBITDA

EBITDA in 2022 has been negatively affected by

1. the extraordinary contribution imposed on electricity generators for the period October 2021 – June 2022 and which for PPC was originally calculated at € 276 m and following the final settlement decreased to €245.3 m.
2. the provision for personnel's severance payment of €50.5 m which was recorded in Q4 2022, as well as
3. the retroactive charge of €6.6 m for special allowances from the implementation of the Collective Labor Agreement for the period 2021 -2024.

Respectively, EBITDA in 2021, w.as negatively impacted by

1. the €34.6 m expense for the retroactive charge for special allowances from the implementation of the Collective Labour Agreement for the period 2021-2024 and
2. the provision for personnel's severance payment of €16.1 m.

Capex

Capital expenditure amounted to €686.2 m in 2022 compared to €437.9 m in 2021. As shown in the table below, most of the increase is attributed to higher investments in RES projects as well as in the Distribution network.

The composition of main capex is as follows:

(in € m)	**2022**	**2021**	***Δ***	***Δ (%)***
Conventional Generation (*)	176.5	166.4	*10.1*	*6.1%*
RES projects (**)	174.7	36.4	*138.2*	*379.5%*
Distribution network	312.3	221.5	*90.8*	*41.0%*
Other	22.8	13.5	*9.3*	*68.7%*
Total	**686.2**	**437.9**	*248.4*	*56.7%*

(*) Including Mines capex

(**) Including capex for hydro power plants

[1] CO_2 emissions for 2022 are based on temporary data and do not include the CO2 emissions of the thermal units of 0.05 m tonnes that do not participate to the Emissions Trading System

Net Debt

Net debt stood at €1,388.1 m on 31.12.2022, decreased by €501.7 m compared to 31.12.2021 (€1,889.8 m). Net debt calculation takes into account the €1,323.3 m paid by Macquarie Asset Management in Q1 2022 for the acquisition of 49% of the share capital of HEDNO.

Net Debt evolution is shown below:

(in € m)	**31.12.2022**	**31.12.2021**
Gross Debt (1)	4,598.7	4,775.8
Cash and cash equivalents / Restricted cash*/ Other financial assets (2)	3,210.6	2,886.0
Net Debt (3) = (1) - (2)	1,388.1	1,889.8

(*) 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 € 206.1 million and was allocated as follows: € 30.8 mil to Mines, € 152.5 million to Generation, € 2.6 mil. to Commercial and € 20.1 million to activities of the Administrative Divisions. Capital expenditure for the Parent Company for the year 2022 has increased by € 22.4 million, compared to 2021, representing an increase of 12% (without taking into account for 2021 the spin-off activity of the Distribution Network sector, whose investments amounted to 170.4 million).

Total capital expenditure for the Group for 2022 amounted to € 686.2 million and includes besides the Parent Company' capital expenditure, also those of PPC RENEWABLES S.A. amounting to € 167.8 million and of HEDNO S.A. amounting to € 312.3 million. Capital expenditure for the Group for the year 2022 increased by € 248.4 million, compared to 2021, representing an increase of 57%.

Mines Business Unit

Capital expenditure of the Mines Business Unit for 2022 amounted to approximately €30,8 million and is related to projects in Western Macedonia Lignite Center (WMLC). A breakdown of the capital expenditure amount spent during 2022 is presented below:

1. €8.0 mil. were spent on land expropriations of which €3,6 million on land acquisition in the region "ODPK1", €3.9 mil. in the region of "ONP7.".
2. €15.0 mil. were spent on related to the Ptolemais V unit construction works.
3. €6.4 mil. were spent on electromechanical works of which €2.2 million on belt conveyor's extensions, and the rest on equipment upgrades and reconstructions.
4. € 0.7 mil. were spent on civil engineering works and other technical projects (berm floor construction, road asphalting).
5. € 0.7 mil. were spent on environmental projects and commotments to third parties (national road and railway relocation, waste management projects, fences construction etc)

Total excavations in the Mines amounted to 55.9 million cubic meters and lignite production to 13.4 million Tones

Generation Business Units

Exploitation:

- During 2022 the total net production of the General Division of Lignite Generation (GDLG) and General Division of Thermo- and Hydro-electrical Generation (GDTHG) power stations (including the subsidiaries Lignitiki Megalopolis S.A., Lignitiki Melitis S.A. and excluding PPC Renewables S.A.) amounted to 18.1 TWh, decreased by 19.34% compared to 2021 (21.6 TWh).
- The lignite fired generation (excluding the subsidiaries') was 5.4 TWh increased by 1.89% compared to 2021 (5.3 TWh). The lignite Units' availability factor was 77.1%, increased by 10.86 p.c. units compared to 2021. The load factor of lignite fired units reached 32.24%, as opposed to 27.61% in 2021. The utilization factor reached 41.93% in 2022 from 44.5% in 2021. Furthermore, in 2021 Units III and IV of Kardia Lignite Power Plant were decommissioned.

  SES Ptolemaida 5 produced 0,124 TWh in December 2022, during its hot-commissioning period, which is not included in the total energy production as well as in the above indices.

- In 2022 the hydroelectric generation reached 4.0 TWh, decreased by 1.3 TWh or 24.53% compared to 2021 (5.3 TWh).
- Natural gas based generation in 2022 reached 8.7 TWh, 2.3 TWh less than in 2021, which is a 20.9% decrease. The Units' load factor reached 37.68% in 2022, a reduction of 10.86 p.c. units compared to 2021. The availability factor in 2022 was 81.45%, decreased by 3.12 p.c. units compared to 84.57% in 2021. The utilization factor decreased by 10.34 p.c. units reaching 46.27% in 2022 from 56.61% in 2021.
- In view of the increased load demand placed on Crete's and the Other NII systems during 2022, extra 173 MW of non-permanent capacity were used.

Investments:

Total Investments of the General Division of Lignite Generation and the General Division of Thermo- and Hydro-electrical Generation during 2022 amounted to €152.5 mil. (excluding the Mines Business Unit referred above).

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 2022 it is noted that:

Thermal Units

Steam Electric Unit V, of Ptolemaida Station, of 660 MW (+ 140 MWth for District Heating) installed capacity, using pulverized lignite fuel:

During 2022: Unit's systems erection works were completed, and the main and auxiliary equipment had their operational tests started as to carry out their final adjustments.

Milestones include the boiler operation with lignite fuel, the first synchronization of the Unit to the grid and the operation of the Unit at the full load of 660MW.

In summary, at the end of 2022 and in terms of budgetary cost, the civil work progress reached 99.3% and the electromechanical erection reached to 98.5%.

The expenditure for the project during the fiscal year 2022 amounted to € 111.3 mil.

Within 2023: The Unit will start its commercial operation and its performance tests will be carried out, while in parallel additional works that will allow Unit to provide up to 140MWth of thermal capacity to the district heating network of the city of Ptolemaida are expected to be finalized.

Hydroelectric Units

Mesochora Hydro-Electric Project (HEP) (160+1.6 MW):

The Council of the State, with its Decision 2230/2020 published in Dec. 2020, cancelled the project's Approval Decision of Environmental Terms and Conditions. PPC has submiitted a new Environmental Impact Study and has obtained a new Approval Decision of Environmental Terms and Conditions, issued on 21.12.2021.

There are under way the procedures to incorporate the new terms in order to announce tenders for completing the remaining works for the project and for the ground stabilization of Sector D of the Mesochora village while the contract procedure for the inspection of the electromechanical equipment with the company that had supplied and installed it has already been singed.

Metsovitiko HEP (29 MW):

The construction is ongoing according to the new time schedule, after the issuance of building permits, in December 2020, for its commercial operation at the beginning of 2024. During 2022 construction and other Civil Engineering works took place, as well as studies and approvals for the manufacturing and installation of electromechanical equipment.

The procurement and installation of the received electromechanical equipment as well as the civil works are in progress. The expenditure for the project in fiscal year 2022 amounted to 3.0 mil.

Non-Interconnected Islands (Rhodes, Other NII

New South Rhodes Station, of 115.4 MW net capacity, consisting of seven similar generating sets (G/S) with four – stroke Diesel engines:

The project has been finalized since the 8th of July 2021 according to the approved Temporary and Final Acceptance Protocol. The new Power Station Operation License has been issued according to decision ΥΠΕΝ/ΔΗΕ/122314/2180/17-12-2021.

The total investment expenditure for the Island of Rhodes and the Other NII for fiscal year 2022 amounted to € 8.2 mil.

Environmental Management / Health and Safety

Environmental Management:

During 2022 and towards the improvement of the environmental behavior of the Power Generation Units of GDLG and GDTHG:

- Environmental Management Systems (EMS) certified according to ISO 14001:2015 of twenty-two (22) PPCs' Steam and Hydro Electric Stations and the Lignite Center of Western Macedonia were re-certificated by independent Certification Bodies, after surveillance audits.

- A new EMS according to ISO 14001:2015 for SES South Rhodes (SES Kattavia) was certificated.

- The process for a new EMS according to ISO 14001:2015 for HPS N. Plastira continued.

- The tender aiming at developing, applying and certificated the Thermal and Hydroelectric Power Plants (4 Natural Gas, P.P., 3 Hydro Complexes και 1 Oil P.P.) according to ISO 50001:2018 has been completed.

- Energy Management System (EMS) according to ISO 50001 of the Lignite Center of Western Macedonia was re-certificated by independent Certification Bodies, after surveillance audit. The Lignite Center was certified according to ISO 50001:2018, for the first time in 2019.

- In collaboration with the Recruitment, Development & Training Director of PPC, the following training courses were carried out:

  - ✓ ISO 14001:2015 Environmental Management System Lead Auditor (IRCA Certified)
  - ✓ ISO 14001:2015 Environmental Management System Internal Auditor (IRCA Certified)

- Environmental Management Systems (AMS) according to ISO 14001:2015, of Autonomous Power Stations of Milos, Thira, Lesvos, Paros and Ikaria, was certificated by independent Certification Bodies, after surveillance audits.

- A new environmental policy was issued (Board Decision 88/12.07.2022)

Health and Safety:

During 2022, towards the improvement of the Occupational Health & Safety (OHS) record of the Power Generation Units of GDLG and GDTHG:

- The existing Occupational Health & Safety Management Systems (OHSMS) compliant to ISO 45001:2018, of twelve (12) Thermal Power Plants (TPPs), as well as of the Megalopolis Lignite Center and the Skyros Local Power Plant (LPP) were successfully audited or recertified by independent certified auditors. The above includes the two (2) TPPs (Meliti TPP, Megalopolis TPP) that belonged to the subsidiaries Ligntiki Melitis S.A. and Lignitiki Megalopolis S.A. and have since 1.6.2022 been re-integrated to PPC S.A.

- The transition was completed from the standard OHSAS 18001:2007 (ΕΛΟΤ 1801), to the new standard ISO 45001:2018, after successful field audits by independent auditors, for the OHSMS of the Main Field Mine and the Exploitation and Operational Support units of the West Macedonia Lignite Center. Thus, the transition process from the old to the new standard is now complete for all OHSMS, and the work of the relevant joint committee is over.

- The development of OHSMS compliant to ISO 45001:2018 at all the Hydroelectric Power Plants (HPPs) pf PPC S.A. has started.

- In collaboration with the Recruitment, Development & Training Department, the following training courses were organized:

  - ✓ Introductory quick course for new Safety Engineers, given by the OHS Department
  - ✓ ISO 45001:2018 OHS Management System Lead Auditor, given by external partner (IRCA Certified)

- Joint Inspection Committees were assigned, consisting of members from the OHS Department and the Generation Departments of GDTHG, with the aim to schedule and perform regular third-level inspections at the corresponding generation units.

- The drafting of a directive on protection measures against any possible presence of hexavalent chromium in gas turbines at PPC power plants has been completed and broadcast to all generation Units. Thus, the work of the relevant joint committee is over.

Commercial Business Unit

The investments of Commercial Activities in 2022 amounted to € 2.6m and relate mainly to the renovation of stores & offices (€ 0.9m) with corresponding IT equipment & furniture (€ 0.4m). Also, software costs amounted to € 1.5 million, relating to tools that aim to improve the services provided to customers, by redesigning the web site and mobile app, as well as software that will enhance the customers' data base and will help forecast electricity demand in the future.

PPC in an effort to contain rising energy costs and offset their impact on customer tariffs, maintained energy discounts on contracts with floating tariffs until July 2022, while fully implementing supporting measures introduced by the State, incorporating the subsidies to beneficiary customers in both electricity and natural gas bills.

In April 2022, PPC's tarrifs were adjusted incorporating high energy costs prevailing at the time, for fixed tariff electricity products (as well as to the product portfolio of Natural gas products as a whole), however, only affecting new contracts and maintaining lower electricity bills for customers who had chosen in previous months one of these products.

In the context of its corporate operation, the Company has been developing and has implemented action programs for a long time, with the main objective of improving collections and at the same time providing integrated solutions to its customers in terms of servicing their overdue bills. More specificcaly, it improves its credit policy in accordance with the Electricity Supply Code by creating scalable actions for information and collections, which are constantly evolving, while their effectiveness is contantly monitored.

At the same time, it continues its cooperation with a company that provides specialized support services in the context of the securitization of the company's trade receivables aiming to reduce overdue debts and prevent the creation of new ones, driven by the critical conditions that prevel in the Energy sector. The Company also applies a new debt settlement policy for its entire customer base providing flexible settlement programs and personalized solutions according to the needs of its customers.

PPC also established new electronic and telephone bill collection services. Finally, in the new PPC store, apart from energy products (electricity & natural gas), there is a special area for the sale of smart products incorporating the latest technology.

With Law 4951/2022, from August 1, 2022, the adjustment clause in electricity supply tariffs is abolished. Instead, Suppliers in the case of floating tariffs announce in advance the prices that will apply for each month. PPC, in applying the Law, has proceed with the relevant announcements (Note 2), announcing electricity tariffs on the 20th of every month.

In November 2022 PPC updated its natural gas product portfolio, eliminating fixed rate products and adjusted tariffs for variable rate products of natural gas.

DEI OPTIKES EPIKOINONIES S.A (distinctive title: FIBERGRID)

Summary of scope of works

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

Within this framework, at the end of December 2022, PPC officially established a pure wholesale Fiber-To-The-Home (FTTH) operator company, DEI OPTIKES EPIKOINONIES S.A to ensure a step-change in the Greek ultra-broadband market, offering performance up to 10 Gbps, in line with EU targets on Gigabit Society.

FIBERGRID's ambitious plan is to cover approximately 3Mln households with FTTH technology over the next 5 years in the most attractive areas of Greece (approx. 100 municipalities).

The total investment planned to finance the project amounts to ca. €900m.

Project progress 2022

PPC's Board of Directors approved the launch of a Pilot project with the aim of testing the chosen fiber network architecture, different deployment techniques and fine-tuning processes with OLOs.

In order to proceed with the deployment of the pilot project, it was necessary to regulate the access to the HEDNO electricity infrastructure (since any network operator must grant access to its physical infrastructure to allow third-party fiber rollout, under fair and reasonable terms and conditions). The agreement between the parties established that PPC is the owner of the right for re-use HEDNO infrastructure, while HEDNO constitutes the grid assets owner and operator.

Pilot construction works began in early January 2022, providing FTTH services to the municipality of Peristeri, that account for a total of 15k HHs. At the end of December 2022, the pilot project was successfully completed: 15k HHs were passed, deploying a total of ca. 130km of cables.

FIBERGRID is now entering the first phase of its deployment plan, corresponding to 2023 scope, aiming at covering approx. 440k households at 13 municipalities in the greater area of Attica. The company has already completed the necessary procurement activities for construction and materials while procurement activities for other services, systems and tools are ongoing.

PPC e-Mobility

In 2022, PPC e-Mobility brand "DEI blue" has been the largest network of publicly accessible charging stations for electric vehicles in Greece. In 2022, PPC e-Mobility installed a significant number of publicly accessible Chargers throughout the country, having installed a total of more than 1,000 Publicly accessible Chargers by the end of 2022, thanks also to the agreement and implementation of important partnerships with businesses in Retail and in other sectors. In addition, in 2022, PPC e-Mobility proceeded to acquire the electric mobility service provider Carge. The Carge company, one of the most dynamically developed start-ups in its field, specializes in the development of innovative software for e-Mobility applications which, among other things, enable the EV drivers to navigate through a digital map arriving at the charging station from the best and fastest route by charging in the extensive Network of PPC e-Mobility public chargers throughout the country.

HEDNO S.A.

Development & Operation of Networks

In 2022, distribution facilities were expanded by 1,019 km in the medium voltage (MV) networks and by 627 km in the low voltage (LV) networks, while at the same time an additional 602 Low/Medium transformers were installed and 2,516 switching systems became operational. Thus the MV network now extends over 115,299 km and the LV network has reached 129,497 km in length, while the number of transformers installed in the network amounts to 166,762. The active users of the distribution networks amounted to 7,671,479, of which 15,786 are MV users.

Turnaround Times of New Connections

The average service time (studies and construction installation works) for ordinary new user connections was 28 working days, while for connections requiring network intervention works it is 59.1 working days, and for alternative network change requests it is 33 working days.

Environmental Issues

The Company takes due care to improve its environmental performance. In this regard, the Carbon Footprint of direct (Scope 1) and indirect (Scope 2) emissions was calculated in 2022, while the calculation of other indirect emissions (Scope 3) was performed for the first time, covering the period 01/01/2021 - 31/12/2021, with this data being used for the PPC Group's 2nd Sustainable Development Report. In general, the project involves the design and development of a methodology for HEDNO SA's Carbon Footprint, with the objective of identifying and calculating the Company's greenhouse gas emissions, both direct and indirect emissions, that result from combustion in stationary and mobile equipment, electricity consumption, electricity losses in the network, procurement of goods and services, and waste management. The provision of services with an expert consultant to assist the Company in the verification of its Carbon Footprint emissions data in accordance with ISO 14064-1:2018 for the year 2021 was approved in December 2022, as part of the formal validation of the PPP Group's Sustainable Development in Science Based Targets Initiative (SBTi) and more generally for the adoption of an integrated system of recording, calculation, monitoring and disclosure of the Carbon Footprint, in compliance with ISO 14064:2018, on an annual recurring basis.

At the same time, it takes steps to conserve natural resources, such as tree pruning and ground vegetation clearance aimed at forest preservation. Another key aim is aesthetic improvement of the environment, with priority given to underground networks and the replacement of bare Low Voltage (LV) conductors with twisted cables in traditional communities and special interest settlements (in terms of culture or tourism). Indicatively, 1,140.28 km of bare Low Voltage cables were dismantled within 2022, while 1,845.43 km of twisted cables were installed in the network, with numerous environmental benefits such as birdlife conservation and aesthetic enhancements, as well as improved network exploitation and loss reduction.

A key component of the company's environmental strategy is preventing the loss of biodiversity and protecting and preventing endangered species. It continues to take steps for improving networks in locations where rare bird species live, including significant interventions with new technologies (e.g., it participates in the program LIFE17 NAT/GR/000514 – LIFE Bonelli eastMed, for the conservation and management of the Bonelli's eagle population in the Eastern Mediterranean, which provides for the placement of special insulating covers at selected locations of the Medium Voltage (MV) overhead network), in collaboration with competent bodies and organisations. The insulating covers were received and passed quality control by the HEDNO SA's Monitoring and Acceptance Committee in 2022, with tests at the Surveys and Standards Centre, before being sent to the Heraklion warehouse for installation in Crete this year. In addition, it ensures the safe passage and stay of migratory species in our country and cooperates with NGOs to protect our country's wildlife. HEDNO SA placed stork nests and assisted with the maintenance of nests, as well as ringing Storks (Banding) in many places of Greece in 2022, in collaboration with NGOs. In this regard, an agreement was reached in 2022 between the Ministry of Environment and Energy, the Natural Environment and Climate Change Organization, and HEDNO SA, and the signing of the Memorandum of Cooperation for the Support of Conservation and Conservation Actions of Avifauna in Greek Protected Areas is expected. The MoU specifically addresses the coordination, exchange of information and cooperation required to carry out the measures and actions envisioned to prevent and combat potential threats to protected species of avifauna within protected areas as a result of the development of the HEDNO SA networks. To that end, they have designated conservation actions in eight NATURA 2000 network areas (Special Protection Areas - SPAs) as a shared priority until 2023. The Cooperating Parties intend to establish and implement a coherent and effective system for monitoring the mortality of protected bird species, and additional targeted actions, such as the installation of appropriate covers on topside structures on localised electricity distribution poles, are planned.

Finally, in 2022, it began receiving water-soluble preservative-impregnated hardwood poles, in implementation of 2021 contracts, for installation in new overhead networks, in order to assess the widespread use of poles free of creosote and composed of more environmentally friendly materials. In this regard, the company signed a contract with a specialised consultant in 2022 to review the legal framework governing the overall management of poles and to develop a plan of action based on best practises at all stages of their life cycle in HEDNO SA networks and associated facilities, with a view to employee safety and environmental protection.

PPC Renewables

Generation

Electricity generation in the year 2022 was 392,074MWh compared to 373,776MWh in 2022.

Investment activity

Wind Parks

The construction works of the Wind Park at the locations of “Aeras” of the Municipality of Mouzaki and “Afentiko” of the Municipality of Argithea, of 27,6 MW, are on a full scale and are expected to be completed by May 2023. Commencement of semi-commercial operation is planned for the third quarter of 2023.

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Construction works for the Doukas Wind Park, by the 100% subsidiary of PPC Renewables, “DOUKAS AIOLIKO PARKO SOLE SHAREHOLDER s.a.”, with a capacity of 26MW, a total budget of €28 mil., in the “DOUKAS” location of the St. Anargyroi, Kleisoura and Lehovo locations of the Municipalities of Kastoria and Amyntaio, of the prefectures of Kastoria and Florina in the Region of Western Macedonia, started in September 2022. Construction works are expected to be completed in December 2023.

Construction works for the Koukouli Wind Park, by the 100% subsidiary of PPC Renewables, “KOUKOULI AIOLIKO PARKO SOLE SHAREHOLDER S.A.”, with a capacity of 13.2MW, a total budget of €14.6 mil., in the “Koukouli-Grivas” location in Shiatista of the Municipality of Voi, of the Kozani prefecture in the Region of Western Macedonia, started in September 2022. Construction work is expected to be completed in December 2023.

Small Hydro Plants

The commercial operation of the Small Hydropower Plant Louros (3X2.9 MW) was completed on 09.11.2021 (12-month warranty period). The adjacent Louros Substation final acceptance from HEDNO – IPTO, with power increase at 40/50MVA, and new infrastructure is expected to take place during the 1st quarter of 2023

The construction of the Smokovo II SHPP (3.2MW) is almost complete (project progress 99%) and the Project has already been electrified. The operation of the SHPP depends on the release of sufficient irrigation water. The Civil Works have been completed (building, intake pipe F1800, adjustment hopper, etc.), while the Electromechanical Equipment of the Project has been fully installed and the Interconnection Network has been completed by HEDNO S.A.

The construction of the Makrochori II SHPP (5MW) is in full progress (project progress 79%). Works for the concreting of the powerhouse, the Forebay Canal and the Tailrace are underway. The project is expected to be electrified in the 2nd quarter of 2023.

Photovoltaic Stations

Construction works from the 100% subsidiary of PPC Renewables “ILIAKA PARKA DYTIKIS MAKEDONIAS ENA SINGLE-MEMBER S.A.” for the PV Plant of 14.99MW capacity, of a total budget of € 9.8 million at “Paliampela” plot, in the regional unit of Kozani have been completed and the PV station was electrified on 03.07.2022.

Construction works from the 100% subsidiary of PPC Renewables “ILIAKA PARKA DYTIKIS MAKEDONIAS DYO SINGLE-MEMBER S.A.”, for the PV Plant of 14.99MW capacity, of a total budget of € 11.8 million at “Xiropotamos” plot, in the regional unit of Kozani, have been completed and the PV station was electrified on 31.07.2022.

Construction works from the 100% subsidiary of PPC Renewables “SOLAR ARROW ENA SINGLE-MEMBER S.A.”, for the PV Plant of 200MW capacity, of a total budget of € 100.0 million at the “Lignitiko

Kentro Dytikis Makedonias” area, in the regional unit of Kozani, began in June 2021. It is expected that the construction works will have been completed by March 2023.

Construction works of the PV Plants of 39MW and 11MW capacity, from the 100% subsidiaries of PPCR “ARKADIAN SUN I SINGLE-MEMBER S.A.” and “ARKADIAN SUN II SINGLE-MEMBER S.A.” respectively, with horizontal single-axis trackers, and a 33/150kV Substation, of a total budget of € 23.9 million, at “Megales Lakkes” plot, in the regional unit of Arcadia, began in September 2021. It is expected that the construction works will have been completed by February 2023.

Construction works of the “Agios Christoforos 1" PV Plant of 64,983MW capacity with fixed tilt mounting structure and the expansion works of the 150kV “Agios Christoforos” Substation through the addition of a new 33/150kV transformer, of a total budget of € 31.8 million at “Agios Christoforos” plot, in the Municipality of Eordea, Kozani Regional Unit, began in May 2022. It is expected that construction works will be completed by July 2023.

Construction works of “Pteleonas 1”, “Pteleonas 2”, “Charavgi 1” and “Charavgi 5” PV Plants of 94.98122MW capacity, with horizontal single-axis trackers and bifacial PV modules and the extension of the “Charavgy” 150kV substation, of a total budget of € 62.34 million, in the Municipalities of Eordea and Kozani, at Kozani Regional Unit, began in September 2022. It is expected that by November 2023 all works will have been completed.

With respect to the 550MW “Orychio DEI Ptolemaida” PV Plant, with horizontal single-axis trackers and bifacial PV modules, and the necessary grid connection works, of an indicative total budget of € 216 million, in the Municipalities of Eordea and Kozani, at Kozani Regional Unit, the tender process has proceeded with 6 participants and the Contractor is to be finalized. The signing of the Contract is expected to take place within the 1st trimester of 2023.

Moreover, the joint tender process with the parent company DEI S.A. for the joint interconnection substation (SPP Kardia) for PV Plants, Battery Systems and CHP with the 400kV EHV System (Kardia Center) is to be completed within January 2023.

Cooperation with other Groups for the joint development of RES Projects

In January 2022 the process for the establishment of METON ENERGY SA (METON) was completed. PPC Renewables contributed in kind nine (9) 100% subsidiaries (companies " Amyntaio ") and acquired a 49% stake, while RWER contributed cash and acquired 51% stake in METON. The Amyntaio companies develop photovoltaic projects of 940 MW capacity within the boundaries of ex Amyntaio lignite mine. . In October 2022, following the agreement with PPC Renewables, RWER granted METON a call option to acquire a portfolio of PV projects with a total capacity of about 710 MW under development in Central Macedonia, which was exercised by METON.

Local agreements on the acquisition of RES projects

In June 2022, PPC Renewables purchased a portfolio of renewable energy sources (RES) projects with a total capacity of 112MW from Volterra, a 100% subsidiary of AVAX.

More specifically, PPC Renewables acquired 55% of the shares of Volterra K-R SA and Volterra Lykovouni SA, in which PPC Renewables had a 45% stake since 2019. Volterra K-R SA and Volterra Lykovouni SA own Wind Parks with a total capacity of 69.7MW in Etoloakarnania and Viotia in Central Greece. PPC Renewables also acquired 100% of Heliofaneia SA, which owns a 2,7 MW solar park in Viotia, as well as Volterra Doukas SA and Volterra Koukouli SA, which own installation licenses for Wind Parks with a total capacity of 39.5MW in Kozani and Kastoria in the Region of Western Macedonia (Note 3).

In December 2022, PPC Renewables purchased a renewable energy assets portfolio in operation with a total capacity of 46MW from Piraeus Equity Partners, the investment arm of Piraeus Bank Group. PPC Renewables acquired the shares of companies owning Wind Parks with an installed capacity of 44MW located in the Peloponnese Region and a 2MW PV Plant in Thessaly.

International agreements on theacquisition of RES projects

As part of the Group's expansion in the Balkan region, PPC Renewables has signed an in-principle agreement with MYTILINEOS in December 2022, for the development, construction and purchase of a solar power portfolio of about 210MW located in Romania. The portfolio consists of two PV Plants of 130MW and 80MW respectively, which are expected to be in commercial operation during 2024. Both projects have been developed by MYTILINEOS, who will also undertake construction scheduled to start within 2023.

Significant events for the period January 1st 2021 – December 31st 2022

Significant events for the year 2022 are presented in detail in Note 3 of the Financial Statements.

Effects of the COVID-19 Pandemic

The COVID-19 pandemic continues in year 2022 to affect the global social and economic life. In Greece, after the resumption of the restrictive measures from October 2020 until approximately the end of March 2021, from mid-April 2021 the restrictive measures gradually began to be lifted, as a result of the program of massive vaccination applied, while there was an almost complete liberalization of the operation of stores.

Due to the fact that the majority of the impacts mainly comes from the measures taken, both worldwide and in Greece since mid-March 2020 to reduce the spread of the pandemic and to mitigate the economic impact on businesses and individuals, the Group's and the Parent Company's operation has been affected, initially causing short-term positive effects on their financial position, operating results and cash flows, mainly due to the considerable decrease in oil and natural gas prices in 2020. In the medium to long term, the pandemic has resulted in the delay or freezing of new energy investments, which at least partially corresponds to the high prices of energy products (electricity, natural gas, oil, CO2 emission allowances etc.), observed in 2021 and in 2022, combined with the strong global recovery in demand for these energy products during 2021 and until mid 2022, as well as with the geopolitical frictions and the Russia-Ukraine war (below section) that created nervousness in the energy markets and strong upward trends in the prices of all energy products. In particular in Greece, after the recovery of electricity demand observed in 2021 in the Interconnected System and continued in the first half of 2022, a significant increase in electricity prices in the Day-ahead Market was observed, which in combination with the increase in prices for emission allowances CO2 and natural gas, contributed to the increase of the energy balance cost of both Greece and PPC for this period. It is noted that from July 2022 until today, a significant decrease in electricity demand in the Interconnected System has been observed, which is related on the one hand to the prevailing mild weather conditions and on the other hand to the reasonable reaction of consumers to the very high prices of electricity.

The Group and the Parent Company implemented a series of actions aimed at informing employees, raising their awareness of prevention and protection measures, providing them with appropriate Personal Protection Measures (PPE), protecting both them and their families and at the same time ensuring the smooth operation of their activities. They also took emergency measures to energy consumers due to the pandemic, as mentioned in the **Commercial Policy** section in Note 3 of the financial statements.

However in any case, the Group's and the Parent Company's Management monitors constantly the developments of the COVID-19 pandemic and evaluates any possible further effects on the operation, financial position and results of the Group and the Parent Company, being alert to take further appropriate precautionary measures to safeguard the Group's and the Parent Company's liquidity and business activities.

War Russia-Ukraine

The current geopolitical crisis in Ukraine, combined with the economic sanctions imposed on Russia by the European Union and the United States of America, have created conditions of uncertainty in the economic environment at European and global level.

PPC Group does not have a relevant commercial presence in Russia and Ukraine and as a result there is no direct effect on its activities, but the indirect effect, as it develops, is particularly important.

The increased costs in the wholesale electricity market due to the unprecedented increase in the price of natural gas is a development that indirectly affects the activities of the Group, which is, however, largely protected by the vertically integrated nature of its activities, due to its presence in both generation and supply of electricity. The aforementioned protection of the Group due to its vertically integrated nature is mitigated to some extent, as a consequence of the Temporary Mechanism of Law 4971/2022 (Article 122) for Returning Part of Income of the Next Day Energy Market. Based on this Mechanism, which is valid during the period 8/7/2022-1/6/2023, the power generation units of the Interconnected System (except Crete) is compensated in the Day-Ahead Market based on regulated prices as defined by Ministerial

Decision (practical part of their income from the Day-Ahead Market is withheld, with which the special account "Energy Transition Fund" is financed). With the above Mechanism, the income of Generation in the Day-Ahead Market arises based on the variable cost of the units (cost plus), while the costs of Supply in the same Market arise based on the Clearing Price of this Market.

As an emergency measure to strengthen the energy sufficiency of the country and reduce the supply of natural gas from Russia, the PPC Group launched within 2022 the increase of lignite production, contributing to the adequacy of the country's electrical system for the period of the energy crisis, through a review of the mining planning and by changing the estimated withdrawal plan of the lignite units, with a slight extension of it, depending on the market conditions.

In addition, indirect effects may arise due to the consequent reduction of our customers' disposable income, as a result of increased energy costs and the intensification of inflationary pressures. As mentioned, already in the previous paragraph, there is a significant decrease in electricity demand during the second half of 2022, which is partly attributed to the increased energy costs.

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 results. The risks described below are not the only risks 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 immaterial may also materially adversely affect in the future their business, financial position, results and cash flows. The order in which the risks are presented does not necessarily reflect the likelihood of their occurrence or the magnitude of their potential impact.

-Market risk

The Group and the Parent Company participate in the Greek energy wholesale market both as producer and as supplier of electricity, which exposes them to market price risk stemming from fluctuations in the prices of natural gas, oil and CO2 emission rights, which are traded in international commodity markets, as well as to the fluctuations of the electric power prices, which is traded in the Greek market. Significant fluctuations in the prices or quantities of electricity, natural gas, fuels and CO2 emission rights affect, directly or indirectly through the effect on the price of the Greek wholesale energy market, the financial position, results and cash flows of the Group and the Parent Company as well as their business activities and prospects.

For the period until June 2023, according to Law 4951/2022, the clearing of the wholesale energy market was changed with the establishment of a "Temporary Mechanism for the Return of Part of Producers' Revenues in the Day Ahead Market". The mechanism was then extended into the Intra-Day Market. Energy producers are compensated at a price that cannot exceed a regulatory cap (regulated price) for each class of power generation units, which is calculated on a monthly basis by the Day Ahead Market Clearing Agency. This regulatory cap is such that in most cases the power generation units are compensated based on it and not according to the Day Ahead Market Clearing Price. The regulated price for Large Hydroelectric Power Plants (HPP) and Renewable Energy Sources (RES) Portfolios has been set fixed, while the regulated price for thermal units reflects the variable production cost of these units. For the same period, also in accordance with Law 4951/2022, Suppliers are not allowed to apply clauses linked to the fluctuation of wholesale market sizes and are obliged to announce their energy supply price list on a monthly basis, while at the same time customers have the possibility to freely choose and change free of charge their Supplier and/or the type of supply tariff.

In order to limit the Group and Parent Company's exposure to market risk, they have adopted risk management policies for the management of price risk in line with limits and targets assigned by the senior management. Hedging activities typically entail the use of derivatives instruments to reduce the risk. Nevertheless, their exposure to these risks has not been eliminated and they may not manage to adequately hedge against volatility in commodity prices and volatility in wholesale power market prices, either because of low liquidity in the Forward Electricity Market, or because of other reasons. Moreover, the execution of hedging activities through their participation in organised commodity exchanges is creating new needs for credit and cash settlement requirements, as well as for cash margining to cover adverse price movements or stop-loss procedures, which could result in significant liquidity needs.

-External environment risks

Macroeconomic conditions in Greece

Substantially all of the Group and Parent Company's assets and operations are in Greece and thus Greece's economic situation is anticipated to be reflected in the Group and Parent Company's business. The Group and Parent Company's business activities and results of operations are highly dependent on residential and business demand for electricity in Greece, as well as their customers' ability to pay their electricity bills in a timely manner. Electricity consumption in Greece is heavily dependent on levels of disposable income, spending capacity and employment trends, as well as the availability and cost of funding for their industrial and commercial customers.

Any potential future deterioration in economic activity in Greece could result in a decrease in demand for the electricity the Group and Parent Company's supply and/or generate an increase in unpaid and overdue bills and provisions for expected credit losses, which could adversely affect the Group and Parent Company's business, financial condition and results of operations.

European economic and political developments

In the ordinary course of the Group and Parent Company's business, they are exposed to the risk of a reduction in demand for electricity, which may occur as a result of global financial and economic uncertainty. The COVID-19 pandemic, the energy crisis and the war in Ukraine have adversely affected economic activity. The imposition of sanctions, due to the war between Russia and Ukraine, has a negative impact on both energy and financial markets due to the impact on quantities and prices of energy goods, mainly electricity and gas. Any changes in global commodity prices, available cross-border capacities, material changes in electricity demand in Europe or a possible disruption of natural gas supply, could have an impact on electricity prices and a material adverse effect on the Group and Parent Company's business.

Supply chain risk

The Group and Parent Company face risks relating to the construction of their electricity generation units, including risks relating to the availability of equipment from suppliers, availability of building materials and key components, availability of key and qualified engineering personnel, delays in construction timetables and completion of the projects within budget and to required specifications. Additionally, adverse macroeconomic developments, as well as financial and/or operating problems of key suppliers and contractors may have a negative impact on the Group and Parent Company's ability to purchase liquid fuels, spare parts and materials and may increase their operating expenses.

Assumptions and hypotheses risk

The Group and Parent Company have established targets for medium- and long-term financial performance, all of which assume, inter alia, the successful and timely execution of the transformation strategy and five- year business plan. The management of the Group and the Parent Company has based these targets on a number of assumptions and hypotheses that are inherently subject to significant business, operational, economic, financial and other risks, many of which are outside of the Group and Parent Company's control. Should one or more of the assumptions underlying the targets for financial performance change or prove to be incorrect, the Group and Parent Company's actual medium- to long-term financial performance could differ materially from the targeted medium- to long-term financial performance.

-Regulatory & legislative developments, political and tax risk

The Group and Parent Company's operations are subject to extensive and complex regulation, which impacts many areas of their business, including the sources of their power generation activity, the overall energy market structure, the construction and operation of electricity generation facilities, the trading of commodities and financial derivatives, market behaviour rules, present or prospective wholesale or retail competition and general health and safety and environmental matters. These rules and policies have affected and may continue to affect the Group and Parent Company's business, and any changes in law or regulation, or decisions by governmental bodies or regulators, could negatively affect their business and performance. Accordingly, the Parent Company closely monitors legislative and regulatory developments, such as:

- The revision of the European Target Model, which may cause a significant structural reform of the existing organization system of the wholesale electricity market.
- The procedures for obtaining and/or renewing licenses necessary for the operation of the Parent Company and the Group (indicatively, mining, production, distribution and trading of electric energy)
- Regulatory changes by the Hellenic State or the Regulatory Authority for Energy (RAE) (e.g. those concerning pricing policies of energy suppliers).
- Regulatory changes by the European Commission and other EU institutions (e.g. European rules on competition and environment, promotion of the integration of European electricity markets, development of renewable energy sources and promotion of sustainable energy investments. etc.).
- Environmental regulations based on provisions in accordance with Greek legislation, including laws issued for the implementation of EU Directives and international agreements (e.g. regulations for exhaust emissions, mine rehabilitation, waste disposal, management and remediation of water pollution incidents).
- The tax regime (e.g. imposition of any new taxes, fees or contributions or the change in the interpretation or application of tax provisions by the tax authorities), as well as the harmonization of Greek and European tax legislation.

There are also an inherent risk that governmental or regulatory authorities will interpret or apply laws and regulations in a manner the Group and Parent Company do not expect or agree with. The Group and Parent Company have in the past disputed adverse or unfavourable decisions of administrative, regulatory and judicial authorities, and similar matters may become subject to disputes with competent authorities in the future. Adverse regulatory decisions, interpretations or administrative actions, as well as institutional resistance, could have uncertain and unexpected consequences on the Group and Parent Company's business and operations, which, in turn, could have a material adverse effect on their financial condition.

In order to manage the legal and regulatory risks, the Parent Company has strengthened its relations with national and local Authorities and regulatory bodies, adopting a transparent and cooperative approach to address and eliminate sources of instability in legislative and regulatory framework. However, the Parent Company cannot provide any assurance that it will always be in a position to fully and timely satisfy the regulatory, environmental, financial and any other requirements imposed, which could have a significant adverse effect on the Group and Parent Company's business, financial position and operating results.

Licensing risk

The Group and the Parent Company's mining, generation, distribution and supply of electricity operations require various administrative authorisations at local, regional and national levels, that can be protracted, complex and not entirely predictable. Additionally, any failure to obtain or renew the necessary licences and permits might result in interruptions to some of the Group and the Parent Company's operations, including their ability to obtain funding for their activities. Delays, high costs or the suspension of the Group and the Parent Company's industrial activities due to their inability to obtain, maintain, or renew authorisations, may also have a negative impact on their business activities and profitability.

For the Group's renewable energy projects any failure or delay to obtain or delay in obtaining the necessary authorisations, permits or licences, or to enter into the procurement or construction agreements or delays in establishing the connection with the Distribution Network could materially affect the timeline for increased renewable energy generation capacity and have an adverse impact on the Group and Parent Company's business, operations, prospects, financial condition and results of operations.

-Cybersecurity and information technology risk

A large portion of the Group and Parent Company's operations is based on IT systems and they are exposed to risks such as non- availability of systems, data integrity corruption, power disruptions, malicious cyber-attacks and unauthorised access to these systems. The frequency, sophistication, success rate and magnitude of cyber-attacks against critical infrastructure organisations worldwide continued to increase during 2022 and especially since the Ukranian-Russian crisis began.

In order to minimise these risks, the Group and Parent Company take measures for the enhancement of their IT security, such as defining and continuously updating their IT security policies and standards and covering their IT systems by maintenance contracts. As a possible incident in the Company's cyber space could impact both the business continuity of the organization and the wider energy market of the country, the Parent Company treats cybersecurity as a priority corporate risk and continuously invests in safeguarding both its informational and operational technological environments. In this context, the Parent Company has completed an extended cybersecurity transformation program which has enabled the organization to integrate cybersecurity into its strategy, structure and operation, from the development of new digital products and services to the protection of personal data and information and operational systems.

The Group and 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 the security of their systems. However, there can be no assurances that they will be able to prevent technology failures, IT security breaches or malicious cyber-attacks 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 their business.

-Social pressure due to increased energy prices

The Parent Company's ability to formulate its tariffs is limited by (i) current socioeconomic conditions in Greece, (ii) the ability of its customers to cope with new tariffs and pay their bills, (iii) decisions of RAE and/or strategic initiatives of the Greek government and especially (iv) the form and the size of consumer support measures by the State. If any new proposed tariff structures are not well received and accepted by customers, changes in their ability or willingness to pay their electricity bills may be negatively impacted, which could in turn negatively affect the collectability of the Parent Company's bills.

Furthermore, a significant part of the Group and Parent Company’s revenue depends on regulated charges. Such regulated charges are set by RAE and reviewed periodically every four years. The Greek government and/or RAE may decide to limit or reject increases in regulated charges or may change the conditions of access to such regulated charges. Despite having adequate visibility over RAE’s changes in regulated charges with respect to RAE's changes in regulated charges, any changes in regulated charges that may affect electricity distribution revenues could have a material adverse effect on the financial position of the Group and the Parent Company, as well as hinder their ability to raise equity or loan funds to finance their investment projects.

-Financial risks

The Group's and the Parent's future operating performance and ability to generate cash from operations, to make payments on and refinance their indebtedness and to fund working capital expenditure and other expenses is affected, in large part, by general economic, competitive, legislative and regulatory factors and other factors that are beyond their control. Any refinancing of the Group and the Parent Company’s indebtedness could be at higher interest rates than their current debt and it may be required to comply with more onerous financial and other covenants, which could further restrict their business operations and may have a material adverse effect on their business, financial condition, results of operations and prospects.

Implementation of Investment Plan

The Group and Parent Company have significant construction and capital investment requirements. A significant increase in the costs of or delays in executing their investment plan, occurring before and/or after capital has been committed, could have a material adverse effect on the Group and Parent Company’s ability to achieve their growth targets, their business, financial condition, prospects or results of operations.

Working Capital

The Group and the Parent Company face working capital risk, due to the nature of the energy market (price volatility, customer trading behavior) which may lead to additional liquidity requirements. The Group and the Parent Company may also face, following decisions by the Regulator, increased working capital requirements in relation to their payments to and from other market operators and increased capital expenditure, that could have a significant effect on their liquidity.

Credit Risk

On the date of publication of these financial statements, the Group and the Parent Company have a credit rating of BB- with stable outlook by Standard & Poor’s, BB- from ICAP and BB- with a stable outlook by Fitch Ratings Inc. Their ratings reflect the respective rating agencies’ opinions of their financial strength, operating performance and ability to meet their debt obligations as they become due.

Interest Rate Fluctuation

The Group and the Parent Company’s debt obligations consist of bank loans, bonds and overdrafts. It is their policy to have a balanced distribution of the 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. All of their indebtedness is denominated in euro.

Exchange Rate

The fluctuation of the euro against U.S. dollar exchange rate may adversely impact the prices of the Parent Company’s liquid fuel purchases (diesel and heavy fuel oil) and the price of natural gas purchases. As oil prices are denominated 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 hedging transactions for this risk. There is no assurance that such undertaken hedging transactions will provide full or adequate protection against these risks.

Loan Covenants

Certain agreements governing the Group and the Parent Company’s existing indebtedness contain covenants that impose restrictions on the way they can operate and require the achievement - maintenance of specific financial indicators. These covenants could limit the Group and the Parent Company’s ability to finance future operations and capital needs and their ability to pursue acquisitions and other business activities that may be in their interest. The Group and the Parent Company’s ability to comply with these covenants and restrictions may be affected by events beyond their control, such as prevailing economic, financial and business conditions.

-Local community reaction

The Group and Parent Company may experience local opposition, which they may not be able to overcome on a timely basis, if at all, in order to obtain the necessary licences, permits and financing for the execution of new projects. Various groups may publicly oppose certain development projects. This opposition, along with political developments, could hinder or prevent the development of such projects, which could have an adverse effect on the Group and Parent Company’s business, financial condition and results of operations.

-Risks related to the position and market share of PPC in the energy market

Over the last decade the Group and Parent Company have been subject to regulatory interventions and/or proceedings initiated by European authorities (e.g. European Commission) and/or the Greek government with respect to, among others, the reduction of the Group and Parent Company’s market share in the wholesale and supply electricity market and its position as the only vertically integrated electricity producer and supplier with exclusive access to certain types of power generation, such as lignite.

Such measures or reforms, the introduction of new laws and/or regulatory mechanisms in the electricity market or other adverse changes in the competitive landscape in the supply market and/or production, may have a negative impact on results of operation and cash flows. The reduction of the Parent Company’s supply market share in conjunction with the absence of conditions for effective competition and the potentially imbalanced participation of suppliers in the market may also have a negative impact on the Groups and Parent Company’s results of operation and financial condition in future periods.

The European Commission has acknowledged, in Greece’s increased surveillance report of November 2020, a continued downward trend of the Parent's share of electricity supply which was 62.29% in the Interconnected System on 31 December 2022. The Group and Parent Company may be made subject to further structural, financial or other measures if they were to be found to have failed in reducing the supply market share. If any such circumstance was to occur, the Group and Parent Company’s financial condition could be adversely affected.

There have been several regulatory interventions with respect to Parent Company’s exclusive access to lignite. As a result of Greece’s conviction regarding the lignite power exclusivity (the “Anti-Trust Case”), an EU Decision was finally issued (10.9.2021), according to which a new mechanism was implemented for the next three years during which the Parent Company must obtain the position of electricity power seller position in the Forward Market of the Hellenic Energy Exchange and/or the European Energy Exchange.

The remedies will lapse when existing lignite plants stop operating at the latest, by 31 December 2024. The above remediating measures may have a material adverse effect on the financial position of the Group and the Parent Company.

In February 2017, an investigation for possible abuse of the Parent Company’s position in the wholesale power market was initiated by DG Competition under Article 102 TFEU and is currently under way. There has been no definitive indication as to the timing of this investigation and there is no guarantee about the outcome of this investigation and/or the possibility of extending the scope of this investigation to other market segments. In case DG Competition decides that the Parent Company has breached competition law, then penalties and/ or remedies may be imposed on it, which may have an adverse impact on its business, financial condition and results of operations.

-Impairments, provisions and accounting assumptions risk

The Group and the Parent Company are exposed to risks that affect the value of their assets, such as in particular their receivables, fixed assets or their participation in the share capital of subsidiaries and related companies. In the future, the value of the Group's and the Parent Company's property, plant and equipment and their participation in the share capital of subsidiaries and related companies may be significantly impaired due to the early withdrawal of units, the obligation to maintain units in cold or strategic reserve without adequate compensation or the loss competitiveness due to legislative or regulatory changes or other circumstances beyond their control. In addition, changes in International Financial Reporting Standards (IFRS) or their application may significantly affect the value of their assets or liabilities.

-Insufficient compensation for the provision of Public Service Obligations

The companies of the Group and the Parent Company, which provide Public Service Obligations (PSOs) according to the definitions of no. PD5/IL/B/Φ1B/12924 of the decision of the Minister of Development "Determination of Public Service Obligations" (OG B' 1040/25.06.2007), as amended and in force, are entitled, as are all others Electricity suppliers who are obliged to provide said services, to receive compensation to cover the costs of providing these services. In accordance with the current regulatory framework, this compensation is based on the cost of providing the above PSOs borne by the service providers and is calculated according to the methodology established by RAE decisions. Possible amendments in the right to receive compensation for the existing provision obligations of PSOs or changes in the approved methodology for calculating the compensation for the provision of the above PSOs or raising of objections by the European Commission regarding the hedging measure for the provision of PSOs in the Non-Interconnected Islands for the period from 17.02.2019 onwards, in accordance with the EU rules on state aid, which may lead to under recovery of their costs or to the non-recognition of the right to receive compensation for the provision of PSOs for previous years or potential introduction of new PSOs for which may not be entitled to full recovery of the relevant costs, may have negative effects on the costs, financial position, results of operations and cash flows of the Group companies and the Parent Company.

-Risks related to the lignite phase-out process

The Group and the Parent Company may incur increased costs in relation to the decommissioning of power plants and the closure and reclamation of their mines, the rehabilitation of any damages related to the operation or their plants or mines and the decommissioning of their equipment and facilities. Since they are involved in open pit mining operations, they are required by Greek law to remediate land affected by their mining operations and, further, to have in place cash reserves for works relating to open pit mine reclamation. Furthermore, as an owner and operator of electricity generation and distribution facilities, they may incur in the future significant costs and expenses in connection with the decommissioning of such facilities, which could have a material adverse effect on the Group and the Parent Company's business, results of operations, financial condition and cash flows.

-Health and safety risks

The Group and 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 Parent Company believe that their equipment has been well designed and manufactured and is subject to rigorous quality and assurance control tests, and that its operation and maintenance are in compliance with applicable health and safety standards and regulation, there can be no assurance that accidents will not result during the installation maintenance and operation of this equipment.

-Business interruption risk

Power plants, facilities, distribution infrastructure and the information systems controlling these facilities are subject to failure, breakdowns, unplanned outages, capacity limitations, system loss, security breaches or physical damage due to natural disasters (such as storms, floods, fires, explosions, landslides, slope ruptures or earthquakes), sabotage, terrorism, human error, strikes, catastrophic accidents, IT viruses, fuel supply interruptions, problems in the transmission and distribution networks of electric energy of natural gas, criminal acts, wars and other catastrophic events.

The occurrence of any of the above is likely to shut down the operation of electricity generation or distribution infrastructure, in the Interconnected System or the Non-Interconnected Islands, which may have a direct adverse impact on the profitability of the Group and Parent Company's activities, as a loss of revenue, high remediation cost and/or obligation to indemnify third parties.

-Environmental risks

The nature of the activities of the Group and the Parent Company may affect the natural and man-made environment of their installation/operation area and are thus subject to environmental licensing. Decisions Approving Environmental Conditions (DAEC) are issued by the competent public authorities, are renewed or amended periodically and contain conditions for the systematic monitoring of their observance.

In addition, technological and scientific advancements bring changes in the legislative and regulatory framework and, therefore, impose the technical adaptation of the power generation infrastructure to them and affect the strategic, business and financial planning of the Group and the Parent Company. Compliance with environmental legislation may burden the Group and the Parent Company with additional costs, especially when it is necessary to implement preventive or remedial measures. In some cases, environmental reasons may require the limitation or even termination of existing activities or projects. In addition, in the normal course of carrying out their business activity, the Group and the Parent Company are exposed to legal disputes with an environmental starting point.

Non-compliance with the legislative and regulatory environmental framework or non-compliance with the conditions of environmental licenses entails the imposition of administrative sanctions (which can range from the imposition of a monetary fine to the revocation of the license to operate a power generation infrastructure), the raising of civil claims and the attribution of criminal liability to the Group and Parent Company and expose them to negative publicity and significant damage to their reputation.

-Transformation risks

The Group and the Parent Company have committed to implement one of the largest investment plans in Greece, including investments in RES with a total capacity of approximately 10.0 GW. The Group and Parent Company expect to finance a substantial part of these capital investments out of the cash flows from operating activities as well as the increase of the Parent Company's Share Capital in 2021. However, if these sources are insufficient, additional external sources of funding may need to be sought. Although the Group and Parent Company have entered into long-term financing agreements for major projects and, historically, the European Investment Bank has financed a major part of generation and Distribution Network projects, no assurance can be given that they will be able to raise the financing required for the planned capital investments on acceptable terms or at all. In such a case, they may have to reduce their planned capital investments.

The Group and Parent Company face risks that are associated with expanding their operations, integrating newly acquired subsidiaries or participating in joint venture projects where they have granted protective rights to minority shareholders or which they do not manage or otherwise control. Acquisitions and participations in joint ventures may subject them to liabilities of which they are unaware of or have not correctly assessed or against which they have not obtained full legal protection. While the Group and Parent Company intend to undertake due diligence reviews in relation to acquisitions and joint ventures, such reviews may not reveal all existing or potential risks and liabilities. In addition, as a result of the above acquisitions, mergers and participations, a new business structure will emerge, with an expanded scope of work compared to the past, the effective management of which will require the transformation of the current administrative structures, corporate governance processes, business processes (e.g. procurement processes, customer management, etc.) and information systems, which has significant financial and human capital requirements.

In order to maintain and expand the Group and Parent Company's business, they need to train, retain and recruit executive management and qualified technical personnel. In cases where employees, with specilialised skills and experience, leave the Group and the Parent Company, they may have difficulty in replacing them. Any difficulties in retaining or recruiting a sufficient number of experienced, capable and reliable personnel with appropriate professional qualifications, especially in senior and middle management positions, or in finding qualified professional and technical staff, could limit or delay efforts to develop and affect the business activities of the Group and the Parent Company.

Sustainability targets and obligations:

Group and Parent Company's strategy is in line with the European Union's and Greece's ambitious medium- and long-term objectives for climate neutrality by 2050, including the new and most immediate target for reducing greenhouse gas ("GHG") emissions and increasing RES capacity and use by 2030. To this end, the Group and Parent Company support the "Green Deal" in power generation, via the acceleration of the decommissioning of all their lignite units and respective mines, expanding and establishing RES as their dominant energy generation technology and assisting in the advancement of electromobility in Greece.

Although, the Group and Parent Company target increasing the proportion of their total installed capacity generated by renewable sources and intend to satisfy the Sustainability Performance Target in respect of the year ended 31 December 2023, there can be no assurance of the extent to which the will be successful in doing so or that any future investments they make in furtherance of this target will meet investor expectations or any binding or non-binding legal standards regarding sustainability performance. Adverse environmental or social impacts may occur during the design, construction and operation of any investments the Group and Parent Company make in furtherance of this target or such investments may be criticised by activist groups or other stakeholders, which may cause harm to their reputation.

In addition, meeting the Group and Parent Company’s sustainability targets may limit the options available to them operationally and commercially, as not all potential courses of action in relation to investments and business opportunities will be in alignment with such targets.

If the Group and Parent Company fail to meet their sustainability targets, which may coincide with regulatory requirements, they may be exposed to sanctions, it may harm their relationship with their existing shareholders and bondholders, as well as discourage new investors, customers and potential business partners. Moreover, given that an increasing number of financiers incorporate sustainability-linked requirements in their financing arrangements, the Group and Parent Company’s inability or failure to meet such requirements could make it more difficult for them to obtain financing on favourable terms or trigger contingent obligations in any such financing arrangement, which they may enter into in the future.

In light of the above, being subject to sustainability-related obligations may carry consequences, which could, have an impact on the Group and Parent Company’s business, financial position and results of operations.

-Climate change risk

Climate change and the societal and political response to it may have a significant impact on the Group and Parent Company’s activities. According to the guidance issued by the “Task Force on Climate-related Financial Disclosures” (TCFD), the Group and Parent Company classify climate-related risks into two major categories: risks related to the transition to a lower-carbon economy and risks related to the physical impacts of climate change.

Risks related to the transition to a net-zero GHG emission economy include risks related to the adoption of strategies and decisions to prevent and mitigate the effect of climate change (such as the introduction of regulatory incentives and penalties, carbon pricing systems, energy efficiency solutions and low carbon products and services). The implementation of policies to promote carbon reduction may significantly impact the operations and value of the Group’s thermal plants. While the Group is actively implementing its decarbonisation strategy and the adjustment, in scientific terms, with the target of the Paris Treaty (1.5˚C temperature increase compared to pre-industrial levels), the Group remains dependent on its conventional generation units for the bulk of its electricity production. If the Group and Parent Company are not successful in the rollout of their renewable pipeline, which is included in their portfolio, they will face challenges from the anticipated hostile regulatory environment and strong competition from greener and more modern electricity producers.

Risks related to the physical impacts of climate change include risks that are triggered by changes in mean temperatures, changes in wind, rainfall and solar radiation patterns as well as increase of the sea level. The extreme weather events caused by climate change could also significantly affect the consumption of energy, the conventional and renewable generation, as well as the resilience and performance of the Distribution Network.

The revenues of the Group and the Parent Company reflect the seasonality of electricity demand and may be adversely affected by significant fluctuations in climatic conditions. In addition, changes in hydrological conditions may lead the Group and the Parent Company to make up for the reduced electricity produced by their hydroelectric plants, especially during periods of increased demand, by using other means of energy production at a higher cost or by resorting to the wholesale market at higher prices.

While the Group and Parent Company follow and regularly assess such risks and their response to them at both management and Board of Directors level, they may not be able to predict, mitigate or adapt to the medium or long-term physical changes associated with some climate change risks.

-Legal and regulatory risks

General Data Protection Regulation

The General Data Protection Regulation (“GDPR”) implements stringent operational requirements for processors and controllers of personal data. The Group and the Parent Company operate in an sector in which they process a considerable amount of personal data and therefore are inevitably exposed to the risk of non-compliance. Any inability to adequately address data protection and/or privacy concerns, even if unfounded, or comply with applicable privacy or data protection laws, regulations and policies, could result in additional cost and liability to the Group and the Parent Company, damage their reputation, and adversely affect their business.

Litigation risk

The Group and the Parent Company are defendants in a significant number of legal proceedings arising from their operations which, if determined unfavorably, could have a material adverse effect on their business, financial position and results, or reputation. In addition, the Group and the Parent Company are one of the largest listed industrial groups in Greece, with complex activities and operations across the country in heavily regulated industry sectors. Violations of such legislations, including rules and regulations of regulatory authorities, entail, among others, administrative fines and criminal sanctions for the Board of Directors, employees and utilities that are subject to those rules.

-Counterparty risk

The Group and Parent Company are exposed to the risk that counterparties that owe them financial instruments, energy or other commodities as a result of market transactions will not fulfil their obligations. The Group and Parent Company also face the risk of potential default or delay by their counterparties, which include their partners, contractors, subcontractors and suppliers.

Furthermore, the Parent Company may experience difficulties or delays in collecting outstanding debt from Low, Medium and High Voltage customers. The inability of customers to pay in full and timely amounts billed in relation to their electricity consumption, the increased availability of competitors' offers, or the outcome of negotiations with Medium and High Voltage industrial customers in key economic sectors in Greece on financial and other terms for extending their contracts, may have an adverse effect on the Group and Parent Company's business, financial condition and results of operations.

Any default by their counterparties may affect Group and Parent Company's financial results, the cost and completion of their projects, the quality of their services, or expose them to reputational risk, business continuity risk and the risk of loss of important contracts, as well as to substantial additional costs, particularly in cases where they would have to pay contractual penalties, to enter into alternative hedging arrangements or honour the underlying commitment at then-current market prices, to find alternative counterparties or complete the respective projects by their own means.

-Asset protection risks

The Group and the Parent Company have an extensive network of facilities (mining facilities, power plants, distribution infrastructure, administrative buildings), that cover a large area and are geographically dispersed. The Group and Parent Company's physical assets are vulnerable to a range of threats such as theft, vandalism, security breaches, sabotage and terrorism. The above threats can lead to significant financial losses as well as risks to the safety and operation of the Group and the Parent Company. The Parent Company implements a comprehensive physical security program that includes relevant policies and procedures, monitoring systems, regularly trained security personnel, and emergency response procedures to minimize the risk of loss or damage to its physical assets.

-Risk from potential undertaking of social security liabilities

Despite the fact that the Group and the Parent Company estimate that they have no obligation under existing laws to cover any potential future differences between the total income of EFKA and the payment obligations assumed by the Hellenic State relating to the Group and the Parent Company's retired personnel, there can be no assurance that the existing social security laws will not change, or that the Group and the Parent Company will not be required in the future, by law or otherwise, to contribute or provide significant additional funds or assets to EFKA.

Balances and Transactions With Related Parties

PPC balances with its subsidiaries as of December 31st, 2022 and December 31st, 2021 are as follows:

	December 31, 2022 Amounts in '000€		December 31, 2021 Amounts in '000€	
	Receivables	**(Payables)**	**Receivables**	**(Payables)**
Subsidiaries				
PPC Renewables S.A.	2,879	(92)	1,814	(399)
HEDNO S.A.	140,193	(248,802)	221,202	(380,849)
LIGNITIKI MEGALOPOLIS Sole Shareholder S.A.	-	-	25,885	(684)
LIGNITIKI MELITIS Sole Shareholder S.A.	-	-	20,999	
ILIAKA PARKA ENA S.A	5	-	13	-
ILIAKA PARKA DIO S.A	5	-	4	-
SOLAR ARROW ENA S.A	51	-	143	-
ARKADIAN SUN ENA S.A	7	-	11	-
ARKADIAN SUN DIO S.A	2	-	3	-
AMYNTAIO PV Park ONE Sole Shareholder S.A.	-	-	2	-
AMYNTAIO PV Park TWO Sole Shareholder S.A.	-	-	2	-
AMYNTAIO PV Park THREE Sole Shareholder S.A.	-	-	2	-
AMYNTAIO PV Park FOUR Sole Shareholder S.A.	-	-	2	-
AMYNTAIO PV Park FIVE Sole Shareholder SA.	-	-	2	-
AMYNTAIO PV Park SIX Sole Shareholder S.A.	-	-	2	-
AMYNTAIO PV Park SEVEN Sole Shareholder S.A.	-	-	2	-
AMYNTAIO PV Park EIGHT Sole Shareholder S.A.	-	-	2	-
AMYNTAIO PV Park NINE Sole Shareholder S.A.	-	-	2	-
CARGE S.A	711	-	-	-
PPC Finance Plc.	-	(118)	-	(71)
PPC Elektrik	151	-	110	-
PPC Bulgaria JSCO	-	-	9	(374)
PPC Albania	4	-	40	-
EDS AD Skopje	54,115	-	20,026	-
Total	**198,123**	**(249,012)**	**290,277**	**(382,377)**

As of December 31, 2021, the Parent company had a claim from the subsidiary HEDNO SA amounting to € 43.4 million due to repayment of loans on behalf of the subsidiary, which were contributed to it due to the spin-off of the Distribution Network from PPC S.A. to HEDNO SA.

Within the first half of 2022, a dividend of €85 million was approved by the subsidiary company HEDNO S.A. of which € 41.65 million was attributable to the minority shareholders for the year ended December 31, 2021. The dividend attributable to the Parent amounting to € 43.35 million was collected within the third quarter of 2022.

Respectively, within the first half of 2021, a dividend of € 6.7 million was approved by the subsidiary HEDNO SA. from profits for the year ended December 31, 2020, which was paid to the Parent Company on September 6, 2021.

On December 31st, 2021, the Parent Company recognized a provision of expected credit losses on trade receivables and other accrued income for the subsidiaries “Lignitiki Megalopolis S.A.” and “Lignitiki Melitis S.A.” amounting to €25.2 million and €20.9 million respectively.

Due to the absorption of the lignite subsidiaries Lignitiki Megalopolis S.A. and Lignitiki Melitis S.A. from the Parent company on June 1, 2022, on December 31, 2022 there are no receivables and payables with the Parent company.

On December 24, 2021, EDS received a temporary cash facility of € 4.8 million from the Parent Company, which was returned on February 23, 2022.

The Transactions of the Parent Company with subsidiaries for the year ended December 31, 2022 and December 31, 2021 are as follows:

	December 31, 2022 Amounts in '000€		**December 31, 2021** Amounts in '000€	
	Invoiced to	**Invoiced from**	**Invoiced to**	**Invoiced from**
Subsidiaries				
PPC Renewables S.A.	4,565	(3,044)	2,998	(380)
HEDNO S.A.	975,558	(1,374,825)	1,567,808	(1,653,766)
LIGNITIKI MEGALOPOLIS S.A.	52,002	(363)	98,775	(928)
LIGNITIKI MELITIS S.A.	31,647	-	42,176	-
ILIAKA PARKA ENA S.A	35	-	49	-
ILIAKA PARKA DIO S.A	33	-	47	-
SOLAR ARROW ENA S.A	508	-	138	-
ARKADIAN SUN ENA S.A	73	-	11	-
ARKADIAN SUN DIO S.A	19	-	3	-
AMYNTAIO PV Park ONE Sole Shareholder S.A.	-	-	2	-
AMYNTAIO PV Park TWO Sole Shareholder S.A.	-	-	2	-
AMYNTAIO PV Park THREE Sole Shareholder S.A.	-	-	2	-
AMYNTAIO PV Park FOUR Sole Shareholder S.A.	-	-	2	-
AMYNTAIO PV Park FIVE Sole Shareholder SA.	-	-	2	-
AMYNTAIO PV Park SIX Sole Shareholder S.A.	-	-	2	-
AMYNTAIO PV Park SEVEN Sole Shareholder S.A.	-	-	2	-
AMYNTAIO PV Park EIGHT Sole Shareholder S.A.	-	-	2	-
AMYNTAIO PV Park NINE Sole Shareholder S.A.	-	-	2	-
CARGE S.A	-	-	-	-
PPC Finance Plc.	-	(47)	-	(62)
PPC Elektrik	-	(178)	8	(3,097)
PPC Bulgaria JSCO	1	-	115	(19,262)
PPC Albania	-	(216)	-	-
EDS AD Skopje	41,398	(1,700)	12,751	(350)
Total	**1,105,839**	**(1,380,373)**	**1,724,897**	**(1,677,845)**

Guarantee in favour of the subsidiaries

As of 31.12.2022, the Parent Company has provided a guarantee to its subsidiary PPC Renewables S.A. for a total credit line of up to € 8.0 million, through overdraft facilities, out of which PPC Renewables S.A. has used an amount of € 418 thousands relating to letters of guarantee.

As of 31.12.2022, the Parent Company is a guarantor in loans of the subsidiary company Energy Delivery Solutions EDS AD (EDS) for working capital of € 32 million, of which € 5.7 million has been drawn for working capital purposes, while € 4.4 million has been used to issue letters of guarantee.

As of 31.12.2022, the Parent Company provided a corporate guarantee to EDS for the electricity supplier Energy Financing Team AG - St Gallen amounting of up to € 1.5 million and for the electricity supplier Alpiq Energija amounting of up to € 1.5 million.

On February 21, 2022, bank deposits of €21 million (Note 23) of the Parent Company were pledged on behalf of a loan of the subsidiary EDS.

Significant Transactions and balances with other companies in which the Greek State participates

The following table presents the transactions and balances with the companies Hellenic Petroleum ("ELPE") and Public Gas Company ("DEPA") which are suppliers of liquid fuels and natural gas, respectively, and in which the Greek State participates. In addition, the transactions and the rest with DAPEEP SA are presented. EXE SA, ENEXCLEAR A.E., IPTO SA and LARCO GMME. The below tables include also accrued receivables and payables and accrued income and expenses.

	1.1.2022– 31.12.2022 Amounts in '000€		1.1.2021 – 31.12.2021 Amounts in '000€	
	Invoiced to	**Invoiced from**	**Invoiced to**	**Invoiced from**
ELPE	-	316,838	25,572	(98,978)
DEPA	-	1,556,387	61	(672,967)
DAPEEP S.A.	4,883,984	(347,250)	254,107	(359,949)
HEnEx S.A.	-	(2,678)	-	(3,384)
IPTO S.A	59,245	(111,139)	43,624	(128,795)
ENEXCLEAR S.A.	6,039,054	(10,457,909)	3,179,247	(4,610,117)
LARCO S.A.	27,322	-	26,951	-

	December 31, 2022 Amounts in '000€		December 31, 2021 Amounts in '000€	
	Receivables	**(Payables)**	**Receivables**	**(Payables)**
ELPE	-	(88,134)	-	(18,064)
DEPA	-	(119,977)	-	(91,447)
DAPEEP S.A.	474,910	(59,134)	31,704	(68,889)
HEnEx S.A.	-	(7)	-	(8)
IPTO S.A.	14,625	(18,629)	4,754	-
ENEXCLEAR S.A.	43,693	(61,345)	34,111	(40,178)
LARCO S.A.	367,542	-	369,093	-

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

In addition to the above mentioned, 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 as of December 31, 2022 and December 31, 2021 with HCAP S.A. and the companies, in which HCAP S.A. participates, are presented below:

	GROUP		**PARENT COMPANY**	
	December 31, 2022 Amounts in '000€		**December 31, 2022** Amounts in '000€	
	Receivables	**(Payables)**	**Receivables**	**(Payables)**
ATHENS INTERNATIONAL AIRPORT S.A.	1,683	(11)	1,642	(11)
ELTA S.A.	983	(3,148)	-	(3,041)
ELTA COURIER S.A.	2	(343)	2	(293)
EYDAP S.A.	10,843	(54)	10,843	(12)
ETVA INDUSTRIAL PARKS S.A.	803	(27)	803	(21)
ODIKES SYNGKOINONIES S.A.	10,311	-	10,311	-
PUBLIC PROPERTIES COMPANY S.A.	6,699	-	6,699	-
URBAN RAIL TRANSPORT S.A.	19,224	-	19,224	-
C.M.F.O. S.A.	137	-	137	-
O.A.S.A. S.A.	5	-	5	-
E.Y.A.TH. S.A	7,029	-	7,028	-
GEA OSE S.A	2	(1)	-	-
AEDIK	7	-	7	-
HELLENIC SALTWORKS S.A.	-	(1)	-	(1)
TOTAL	**57,728**	**(3,585)**	**56,701**	**(3,379)**

	GROUP		PARENT COMPANY	
	December 31, 2021 Amounts in '000€		December 31, 2021 Amounts in '000€	
	Receivables	(Payables)	Receivables	(Payables)
HCAP S.A	-	(1)	-	(1)
ATHENS INTERNATIONAL AIRPORT S.A.	632	(12)	591	(12)
ELTA S.A.	1,486	(6,888)	-	(6,809)
ELTA COURIER S.A.	1	(98)	-	(72)
EYDAP S.A.	5,756	(30)	5,756	(19)
ETVA INDUSTRIAL PARKS S.A.	232	(21)	232	(16)
THESSALONIKI INTERNATIONAL FAIR S.A.	138	-	138	-
ODIKES SYNGKOINONIES S.A.	11,616	-	11,616	-
PUBLIC PROPERTIES COMPANY S.A.	5,207	-	5,207	-
URBAN RAIL TRANSPORT S.A.	34,963	-	34,963	-
C.M.F.O. S.A.	190	-	190	-
O.A.S.A. S.A.	6	-	6	-
E.Y.A.TH. S.A	3,988	(1)	3,987	(1)
GEA OSE S.A	-	(1)	-	(1)
MANAGEMENT INDUSTR.PARK KASTORIA	-	(1)	-	(1)
AEDIK	1	-	1	-
MARINA ZEAS	1	-	1	-
HELLENIC SALTWORKS S.A.	-	(11)	-	(11)
TOTAL	**64,217**	**(7,064)**	**62,688**	**(6,943)**

The transactions made by the Group and the Parent company with HCAP S.A. and the companies in which participates for the years ended December 31st 2022 and December 31st 2021 are as follows:

	GROUP		PARENT COMPANY	
	1.1.2022 – 31.12.2022 Amounts in '000€		1.1.2022 – 31.12.2022 Amounts in '000€	
	Invoiced to	Invoiced from	Invoiced to	Invoiced from
HCAP S.A.	37	-	37	-
ATHENS INTERNATIONAL AIRPORT S.A.	1,811	(106)	1,590	(106)
ELTA S.A.	8,561	(11,589)	8	(11,538)
ELTA COURIER S.A.	19	(353)	19	(318)
EYDAP S.A.	64,006	(219)	63,917	(167)
ETVA INDUSTRIAL PARKS S.A.	3,221	(58)	3,221	(53)
THESSALONIKI INTERNATIONAL FAIR S.A.	2,945	(91)	2,945	(81)
ODIKES SYNGKOINONIES S.A.	10,923	(10)	10,922	-
PUBLIC PROPERTIES COMPANY S.A.	4,701	(2)	4,701	(2)
URBAN RAIL TRANSPORT S.A.	72,010	(2)	72,007	-
C.M.F.O. S.A.	3,758	-	3,758	-
O.A.S.A. S.A.	120	-	120	-
CENTRAL THESSALONIKI MARKET S.A.	588	-	588	-
E.Y.A.TH. S.A.	44,113	(6)	44,108	(1)
HELLENIC SALTWORKS S.A.	674	-	674	-
MANAGEMENT OF INDUSTRIAL PARK OF KASTORIA	9	-	9	-
GAIA- OSE S.A.	41	-	41	-
A.E.DI.K	56	-	56	-
TOTAL	**217,593**	**(12,436)**	**208,721**	**(12,266)**

	GROUP 1.1.2021 – 31.12.2021 Amounts in '000€		PARENT COMPANY 1.1.2021 – 31.12.2021 Amounts in '000€	
	Invoiced to	**Invoiced from**	**Invoiced to**	**Invoiced from**
HCAP S.A.	20	-	20	-
ATHENS INTERNATIONAL AIRPORT S.A.	4,494	(102)	4,258	(102)
ELTA S.A.	17,256	(17,207)	4	(12,588)
ELTA COURIER S.A.	7	(236)	7	(181)
EYDAP S.A.	20,999	(163)	20,886	(127)
ETVA INDUSTRIAL PARKS S.A.	1,186	(44)	1,185	(38)
THESSALONIKI INTERNATIONAL FAIR S.A.	902	(71)	902	(70)
ODIKES SYNGKOINONIES S.A.	3,536	(8)	3,536	-
PUBLIC PROPERTIES COMPANY S.A.	1,783	(28)	1,704	(2)
URBAN RAIL TRANSPORT S.A.	22,328	(1)	22,328	-
C.M.F.O. S.A.	1,272	-	1,272	-
O.A.S.A. S.A.	49	-	49	-
E.Y.A.TH. S.A.	14,220	(7)	14,214	(1)
HELLENIC SALTWORKS S.A.	263	-	263	-
MANAGEMENT OF INDUSTRIAL PARK OF KASTORIA	4	-	4	-
GAIA- OSE S.A.	16	-	16	-
A.E.DI.K	17	-	17	-
TOTAL	**88,352**	**(17,867)**	**70,665**	**(13,109)**

Management remuneration

Management Members remuneration (Board of Directors and General Managers) for the year ended December 31st, 2022 and December 31st, 2021 is as follows:

	GROUP Amounts in '000€		COMPANY Amounts in '000€	
	2022	**2021**	**2022**	**2021**
Remuneration of the Board of Directors' members				
- Remuneration of executive members	989	1,254	580	677
- Remuneration of non-executive members	235	326	-	-
- Compensation / Extraordinary fees and other benefits	594	375	500	211
- Employer's Social Contributions	184	238	96	83
	2,002	**2,193**	**1,176**	**971**
Remuneration of the Deputy Chief Executive Officers and General Managers				
- Regular remuneration	2,698	2,175	1,814	1,468
- Employer's Social Contributions	414	346	304	254
-Compensation / Extraordinary fees	1,380	1,001	922	573
	4,492	**3,522**	**3,040**	**2,295**
Total	**6,494**	**5,715**	**4,216**	**3,266**

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. It also 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.

It was also approved to provide additional incentive in the form of equity settled stock awards. As to date the key Efficiency Ratios for this benefit have not been defined, it is not possible at present to determine the fair value of rights of free shares (Note 7).

Non-financial Report

Introduction

The present Non-Financial Information Report (hereafter "NFR") contains information on the management and performance of PPC Group in the thematic sections as these are defined in the provisions of EU Directive 201/95/EU and Law 4548/2018 (articles 151 and 154).

In particular, the Group's NFR includes information, to the extent that it is required for understanding the development, performance, position, and impact of its activities, in relation to:

- Environmental issues
- Social and labour issues
- Respect for human rights
- Fight against corruption, issues relating to bribery and
- Supply chain issues

The NFR also includes:

1. Brief description of the Company's **business model**

2. The **major risks** related to these issues and associated with the Group's activities

3. Due diligence policies and procedures and results thereof/Non-financial Performance Indicators for the said issues. This section also includes **Climate Change issues** (Strategic Goals, significant impacts, risks, and opportunities), as well as a report on the impact of the COVID-19 pandemic.

4. Purpose of the financial information provided and data quality thereof.

5. Information under Article 8 of the Regulation (EU) 2020/852 of the European Parliament and of the Council dated June 18, 2020 establishing a framework for facilitating sustainable investments and of the Commission Delegated Regulation (EU) 2021/2178 dated July 6, 2021 supplementing Regulation (EU) 2020/852.

The content of this NFR has been prepared taking into account the GRI Satandards, the Athens Stock Exchange ESG Reporting Guide 2022 (https://www.athexgroup.gr/el/web/guest/esg-reporting-guide,as well as indicators monitored by the Company internally.

It is noted that this Report concerns the financial year ended 31 December 2022 and for completeness purposes, comparative data for the financial year ended 31 December 2021 are also presented.

The NFR covers the greatest part of PPC Group's activities and includes the activities in Greece of the Parent Company "Public Power Corporation S.A." including the companies "HEDNO S.A." "and PPC RENEWABLES SINGLE MEMBER S.A." It should be noted that for the fiscal year 2022, the companies "Lignitiki Megalopolis Single Member S.A." and "Lignitiki Melitis Single Member S.A." are included in the Parent Company's figures given that in 2022 the merger by way of absorption of the aforementioned companies by PPC S.A. was completed. For the time being, the scope of this NFR does not include all the Group's subsidiaries included in the Financial Information due to their small-scale activity.

1. Business Model

[ATHEX AG-1: Business Model]

PPC was established in 1950 as a public sector enterprise, tasked with the responsibility of providing electricity to the whole country. It was subsequently transformed into a societe anonyme and listed on the stock exchange, but the influence of the State on PPC remained significant, especially regarding its Public Service Obligations which have been assigned to PPC. At the end of 2021, with the reduction of the State's indirect shareholding to 34.1%, the Company ceased to be controlled by the State and therefore to be subject to laws and regulations applicable to companies of the wider public sector.

Nevertheless, PPC, due to its engagement in the strategically important utility sector, continues to be a company of intense public interest and its operation has a significant impact and is influenced by a number of stakeholders.

PPC is currently a Group of Companies which consists of (a) PPC S.A. which is at its core and operates in the Power Supply, Power Generation from conventional and hydroelectric sources of energy, Energy Trading and E-Mobility, (b) the main subsidiaries HEDNO (Distribution) and PPC RENEWABLES, with the latter being the main player in the transition to "green" electricity generation through Renewable Energy Sources and Storage and (c) the subsidiaries in South-Eastern Europe which are active in electricity supply.

The change that has taken place in recent years in the structure of the Company is in full alignment with the changes in PPC's activities and reflects the new Strategic Plan developed in December 2019, which is based on three pillars: the **implementation of "Green deal" in electricity generation, Digitalization & Operational Efficiency and the expansion into new value-added activities and products with a customer-centric approach.**

The rapid development of renewable energy sources (RES) and storage systems, both independently and through partnerships and acquisitions, the implementation of energy saving solutions to the entire range of consumers, as well as the promotion of the electrification of other energy sectors, starting with PPC Blue E-Mobility services, constitute the main pillars for the promotion of the energy transition and at the same time contribute to the reinforcement of socio-economic development.

Having created an integrated business model, based on the three pillars mentioned above, PPC is moving forward dynamically in its transformation into an economically and environmentally sustainable energy company. The Company's strategy aims to maximize its value, always taking into account its social role in the National Economy and the impact of its activities on the environment.

More specifically, the three pillars on which PPC's business plan is based are:

1. I**mplementation of "Green deal" in electricity generation** with the withdrawal of lignite power plants and the corresponding mines and emphasizing in the uptake of RES as the new primary power generation technology. **The detailed plan of lignite phase-out includes the withdrawal of lignite plants with net installed capacity approximately 3.4 GW.** It is noted, however, that PPC Group has launched in 2022, as an extraordinary measure to strengthen the country's energy adequacy and reduce the supply of natural gas from Russia, the increase of lignite generation, contributing to the adequacy of the country's electricity system for the period of the energy crisis, by revising the mining planning of the mines and diversifying the lignite-fired power plants' decommissioning programme with an estimated short extension in line with market conditions. The de-lignitization plan is implemented with full respect for PPC employees, local communities and the environment, as well as ensuring the country's energy sufficiency. In this context of the just transition, the Company has already planned and implemented a series of new development projects, but also to maintain the existing ones with the appropriate modifications, as for example was done with the successful implementation of the district heating project, aiming at the continuous support of the local communities.

   The plan for the new PPC encompasses significant investments in RES and storage systems through the subsidiary PPC RENEWABLES SINGLE MEMBER S.A., as well as investments in storage units **aiming at increasing installed capacity to approximately 9.5GW until 2026.**

2. **Digitalization and operational efficiency** for the achievement of cost-reduction and revenue-increase synergies, by applying new technologies across all sectors, such as:

- Digital development of PPC through process digitalization and automation models aiming at simplifying existing operations and creating new digital customer channels and products.
- Digitalization of the activities and infrastructures of the electricity Distribution Network by investing in the networks' upgrade using tools such as smart meters, circuit breakers, GIS systems etc.
- Use of new Cloud technologies to optimize infrastructure costs and move to a data-centric operation across the entire spectrum of business activity (from infrastructure to commercial services)
- Use of technology to ensure information and network security of the company as a Critical National energy infrastructure, based on the best practices, safeguarding in a responsible way the natural persons involved, such as customers and the society as a whole.
- Enhancement of PPC human resource's digital culture, by introducing modern tools of collaboration, communication, and interaction, creating thus a modern and technologically upgraded environment for collaboration.

3. **Expansion in new value-added activities and products with a customer-centric approach,** both in the retail electricity market and in new business sectors. The Company's strategy and philosophy is to provide energy solutions, technology, and infrastructure in order to lead to a future ensuring respect for the environment for a better life for all. The aim of the Company is to be transformed from an energy supplier into an energy consultant that is next to the customers and informs - advises them on everything related to energy saving and sustainability and at the same time educates them on key energy issues. With a view to always creating an excellent customer experience, we aim to meet increasingly more of our customers' needs, by providing solutions within an expanded portfolio of services.

More in particular, priority is given by PPC to the development in the most efficient way of the necessary infrastructure for the electrification of transport and heating. A rapid increase in the number of electric vehicles is expected at an international level, due to the fact that their cost is expected to approach the cost of conventional vehicles over the next few years. The Company's objective is the penetration of publicly accessible charger installations in new market channels and the development of new value-added e-mobility services with a customer-centric approach. PPC will contribute to the increase of electric vehicles in our country by investing in the necessary infrastructure and more in particular in the installation of more than 1,000 charging stations over the next few years, while the medium-term goal for PPC is to install more than 10,000 public charging stations all over Greece.

However, by acknowledging the limitations in some sectors which cannot be electrified we acknowledge the role that "green hydrogen" can play in a zero-emission world. This is the reason why we established with MOH the joint venture company, Hellenic Hydrogen, engaging in the production of green hydrogen.

Moreover, in 2022 PPC focused on designing and launching value added services, as well as on designing integrated consulting services on energy upgrading and energy saving issues in end use. Furthermore, PPC successfully implemented the transformation of all digital service channels providing new advanced capabilities, while the plan for the radical renewal of the Company's physical stores all over Greece is being implemented at a rapid pace. Finally, within 2022, PPC made a systematic effort to design an integrated service aimed at informing, promoting, and installing photovoltaic energy generation systems on rooftops, providing an excellent solution for green and affordable energy for all customers. This service has been available in the market from the early 2023.

In addition, PPC proceeds with the implementation of the project of constructing and operating a fibre optic network platform at a national level to join the key high-speed broadband service providers, thus creating a new source of revenue. After the completion of the pilot phase of the project, the full project implementation will be launched, aiming to serve 3 million households by 2026.

In order to implement all the above, PPC proceeded during the three-year period 2020-2022 with the creation of a strong organisational structure, adopting and implementing new policies and procedures in line with the best international practices, creating an environment of good Corporate Governance and ethical behaviour environment that ensures the sustainable development of the Group and the maximisation of its value.

In this new era, the strategic philosophy of PPC is "Creating Shared Value", namely the creation and measurement of shared value among the company, society and the environment, resulting from its new business model, the transformation of the value chain and operation of the company, and the shaping of a new corporate culture.

In this context, the Company seeks to develop goal setting related to ESG criteria, while placing particular emphasis on improving ESG disclosures with the aim of improving the relevant rating by international ESG rating agencies such as CDP, MSCI ESG ratings, Sustainalytics and Institutional Shareholder Services (ISS).

To this end, PPC participates in and monitors important frameworks of principles, commitments and recommendations, according to which objectives are set and action plans are prepared aimed at contributing to the transformation of the Group (TCFD, SBTi, UN Global Compact, etc.). The prioritization of sustainable development issues/ESG, as it results from the periodic materiality analysis conducted by the Company, as well as the UN Sustainable Development Goals (SDGs) to which the Group has the greatest impact, constitute the key pillars shaping the long-term sustainability strategy of the Group.

2. Identification of Major Risks Related to Non-Financial Issues

At PPC, apart from the financial risks, we identify non-financial risks related to the environment and climate change, the human capital and society at large, which may significantly affect the Company's reputation and may have a significant impact on its relationships with stakeholders.

In particular, the most significant identified risks may be summarised as follows:

- **Risks related to climate change.**
- **Risks related to extraordinary events** such as natural disasters, adverse weather conditions, pandemics, fires, wars, terrorist actions and strikes.
- **Risks related to Information Systems** Security Risks related to non-compliance with the EU General Data Protection Regulation (GDPR)
- **Risks related to the complex and uncertain regulatory framework in Greece and the EU.**
- **Risks related laws and regulations on health, safety, and the environment**
- **Risks related to the recruitment and retention of specialized personnel**
- **Risks related to the war in Ukraine**

A detailed report on all risks of both the Group and the Parent Company is provided in the Annual Report of the Board of Directors included as an integral part of the Annual Financial Report for the financial year 2022.

3. Due Diligence Policies and Processes and Results thereof/Non-Financial Performance Indicators

The Company has established Codes, Policies and Processes to address corporate risks and manage compliance and sustainable development issues, which are subject to periodic review in order to meet the relevant best practices.

1. Environmental issues

Issues related to Climate Change

Strategy

PPC Group is committed to developing a strategic plan in line with the objectives of the Paris Agreement (COP21) and the Glasgow Climate Pact (COP26) concerning the limitation of the average global temperature increase to 1.5 degrees compared to pre-industrial levels and is in line with the ambitious medium and long-term climate neutrality goals of the European Union and Greece by 2050.

In this context, PPC Group has focused its strategy on the development of renewable energy sources (RES), supported by the necessary storage and green hydrogen, while proceeding at the same time with the gradual withdrawal of its lignite plants, the electrification of other energy sectors, such as transport and buildings - starting with e-mobility and heat pumps - and investing in smart grids.

The new environmental performance that will result from the lignite phase-out, as well as from the new low-emission production model, will form the basis for the Sustainable Development of PPC Group and the improvement of its competitiveness.

Risks and opportunities related to Climate Change

[ATHEX A-E2: Risks and opportunities related to Climate Change]

The shaping of PPC Group's strategy is accompanied by a detailed analysis of the risks and opportunities associated with it, including the potential impacts of climate change. Therefore, PPC Group's strategic planning is based on a detailed short-, medium- and long-term analysis of all risks and opportunities arising from the development of electricity systems, including risks related to climate change.

In order to identify the opportunities related to climate change, as well as the risks related to both climate conditions change and energy transition, PPC has adopted an approach which is in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) of the Financial Stability Board.

In this context, the Parent Company has developed a Corporate Risk Management Framework by defining a systematic approach and integrating the processes of identification, analysis and mitigation of the climate change related risk into the processes of adopting strategies and decisions for the prevention and mitigation of the impact of climate change. In particular, responsibility for risk management and monitoring runs through all organizational levels of the Company (three lines of defence model) with clearly defined responsibilities for the Board of Directors, establishing the creation of specialized Risk Management Committees with the participation of the senior management. (Audit Committee and Risk Management Committee).

Risks and opportunities related to climate change with potential impact on the Group's and the Parent Company's business activities are divided into 2 categories: (a) risks related to the transition to a zero carbon footprint economy (energy transition risks) and (b) risks arising as a result of changes in climate conditions (natural risks). These changes relate both to an increase in the frequency and intensity of extreme weather phenomena (severe phenomena) and to longer-term changes in climate conditions which are more gradual but structural (e.g. steady increase in temperature and/or increase in drought and decrease in rainfall throughout the year). The natural phenomena scenarios are based on the projected climate changes associated with the 'Representative Concentration Trajectories' (RCPs) as presented in the 6th Assessment Report of the Intergovernmental Panel on Climate Change (IPCC).

The risks or opportunities associated with the transition to a zero-carbon economy include policy risks (such as energy efficiency requirements, carbon pricing mechanisms, sustainable land use), legal risks (such as climate change non-compliance/adjustment), technological, market and reputational risks. For the analysis of the above risks, analyses and simulations were carried out in the medium and long term with scenarios (summarised in Table 1) that take into account the evolving mix of installed capacity and generation, the flexibility requirements of the system, the evolution and adaptation of the systems of both the Greek and neighbouring markets, as well as market issues such as the expected evolution of wholesale market prices, balancing markets as well as the price evolution of the various technologies (RES, storge, etc.)

The implementation of the above policies to promote the reduction of carbon use was recognised as having a significant impact on the operations and value of the Group's thermal power plants. To mitigate the impact of the above risks, the transformation of the Group's portfolio is being actively implemented, focusing on the development of renewable energy sources (RES), battery storage and green hydrogen, while proceeding with the withdrawal of its lignite-fired power plants, the electrification of other energy sectors - starting with electrification and heat pumps - and investing in smart grids. This strategic plan is in line with the objectives of the Paris Agreement (COP21) and the Glasgow Climate Pact (COP26) to limit the increase in global average temperature to 1.5 degrees compared to pre-industrial levels. The technological diversification of PPC's portfolio limits the impact of changes to a single variable. At the same time, the shift to clean energy helps the Group to address the challenges posed by the regulatory environment and competition.

However, the climate change scenarios identified significant opportunities (Table 1) in new or increasingly interesting business activities such as in the development of projects and services related to the growing market for e-mobility, electrification of heating, increased penetration of photovoltaics to residential consumers, demand response contribution, green hydrogen production, and technologies for providing system flexibility and storage services.

The decisions of the Group and the Parent Company are consistent and interconnected with the above analysis as reflected in the Group's business plan, with tangible actions - investments for the exploitation of the changing conditions and the synchronized and smooth transformation of the Group with the energy transition. Specifically, PPC offers e-mobility services (PPC Blue), products and services that contribute to the efficient and economical electrification of other sectors such as heat pumps, while the establishment of a company jointly with Motor Oil Hellas, the Hellenic Hydrogen, for the production of green hydrogen contributes to the same direction.

In this light, related investment decisions are also being evaluated in order to strengthen the Group's position in investing in RES and storage systems both in Greece and in the Balkan region.

Risks related to the natural impacts of climate change on the increase in extreme weather phenomena (natural hazards) include acute natural hazard risks resulting from specific phenomena such as storms, floods, extreme temperatures (heat waves - extreme cold waves) and the chronic natural risks, associated with longer-term climate changes such as continued increase in average temperatures, changes in wind patterns, increased rainfall, droughts, sea level rise and reduced water availability.

For the analysis of the above risks, PPC conducted stress test scenarios with reduced generation, disturbances in electricity consumption for different durations and periods. (Table 1). The analysis showed that extreme weather phenomena caused by climate change could also significantly affect power generation from conventional or RES power plants, damage the power plants themselves as well as the resilience and performance of the distribution network. In addition, changes in hydrological conditions may lead the Group and the Parent Company to make up for the reduced power produced by their hydroelectric power plants, especially in periods of increased demand, by using other means of generation at higher costs or by resorting to the wholesale market at higher prices.

Based on the above, in order to mitigate the impacts and enhance the resilience of the power plants and the network, the Group and the Parent Company have incorporated practices for continuous monitoring, assessment of natural risks, procedures to increase resilience and faster restoration of damages.

Table 1: Overview of risks and opportunities

Scenario	Risk/Opportunity	Time Frame	Impact	Management
Extreme natural phenomena	Risk of extreme phenomena (heat waves, floods, fires, etc.)	Short-term (2022-2025)	Intense phenomena increase the risk of prolonged asset unavailability and infrastructure operation disruption.	The Group adopts best management practices to restore services as quickly as possible. Moreover, it implements investments to increase the resilience and flexibility of infrastructure.
Long-term climate changes	Structural changes in weather conditions	Medium- and long-term (2026-2050)	Changes in climate conditions can lead to changes in demand and electricity generation profiles from various technologies.	The technological diversification of the Group's portfolio limits the impact of changes from a single variable. In addition, in order to ensure that activities take into account weather conditions and climate phenomena, the Group has adopted a series of practices, such as weather forecast, real-time monitoring of meteorological data and analysis of long-term climate scenarios.
Energy transition - Market	Changes in market conditions including: • commodities pricing • consumption standards for electricity consumption • competition	Short, medium and long-term (after 2022)	Through quantitative and qualitative analysis and the evaluation of a series of energy transition scenarios, the Group assesses the impact of the following market trends on both the energy system and its functions: • Competitiveness in the cost of renewable energy sources compared to fossil fuels • Electrification of other energy sectors • Consumer behaviour modelling and adoption of technologies such as rooftop photovoltaic systems, batteries, electric vehicles and heat pumps • Competitive environment and products	PPC maximizes the opportunities that arise by adopting a strategy based on energy transition and focuses on rapid RES expansion in the electricity sector and on the electrification of other energy sectors, starting with heating and road transport.

Scenario	Risk/Opportunity	Time Frame	Impact	Management
Energy transition - policies	Policies and regulatory framework: Policies on CO_2 emission values and emission limits, energy transition incentives, decarbonization targets, larger targets for RES penetration rates, flexibility, and resilience.	Medium- and long-term (2026-2050)	Energy transition policies can significantly affect the size of the decarbonization market in terms of the installation of green technologies and can increase the return on investments. On the other hand, energy transition policies will limit the role of certain technologies which have a significant share of the electricity market today (such as gas-fired power plants).	PPC limits its exposure to risks by reducing emissions from its power generation facilities. Moreover, the Group's business plan, which focuses on investments in RES, networks, digitization, and consumers, allows the Company to mitigate the impact of potential risks and exploit opportunities associated with the energy transition and decarbonization targets. As regards currently existing technologies in PPC's portfolio which need to change in order to have a place in a zero carbon world (such as gas-fired plants), PPC considers the technological solutions available for reusing those assets (such as CCS).
Energy transition - technologies	New technologies, products and services are appearing to help achieve the decarbonization targets. Opportunities to increase profit margins and for greater room for investments thanks to higher penetration of new technologies both in wholesale and retail.	From a short-term perspective (after 2022)	In addition to the penetration of renewable energy sources and storage into the electricity market, electrification trends in transport and household consumption will have a potential impact on PPC's business activities.	Thanks to its position, the Group maximizes opportunities for new business activities and services, and power distribution.

Actions to address climate change within 2022

In the context of reducing CO_2 emissions from thermal power plants and addressing climate change, the Group implements actions and programmes that include the following:

- Investments both for the replacement of old thermal power plants with new ones of modern technology and high efficiency, as well as for the improvement of the environmental performance of the existing power plants.
- Further development of large hydroelectric and renewable energy projects.
- Ensuring energy supply by maintaining the necessary capacity of thermal power plants at the maximum degree of operational efficiency and readiness
- Promoting energy saving actions and rational use of electricity.
- Examination of investment proposals for the development of new forms of energy generation and storage
- Participation in research projects on the application of efficient lignite technologies, CO_2 absorption from the atmosphere, etc.
- Mine rehabilitation projects, experimental crops on restored land, etc.
- Investments in the E-mobility sector
- Investments in the sector of Renewable Energy Sources

In particular:

Actions of PPC S.A. within 2022

The efforts for the modernization of the generation potential of PPC S.A continued. Specifically:

- The lignite Units III and IV of the 600 MW Kardia TPP were decommissioned.
- The construction of the new modern Lignite Unit V of Ptolemaida TPP continued, the operation of which will enable the withdrawal of more old units and ensure district heating of the city of Ptolemaida.
- Investments continued for the environmental upgrading of the Units of Ag. Dimitrios TPP in order to adapt them to the Best Available Techniques and reduce emissions of nitrogen oxides, sulphur dioxide and dust.
- Mining (lignite extraction operations) at the Lakkia Mine was permanently suspended.
- Preparation works for post-mine uses continued at the Amyntaio Mine.
- The implementation of land rehabilitation programmes in the areas of the lignite mines continued, including tree planting, agricultural crops, etc.
- Works continued for the construction and operation of two new hydroelectric power plants with total capacity 200 MW (Mesochora & Metsovitiko)
- In 2022, electricity consumption of the administration buildings and PPC S.A. Stores throughout the country was covered by GreenPass Guarantees of Origin from the generation of the company's hydroelectric power plants (8.37 GWh). The GreenPass Guarantees of Origin made available by PPC to its customers in 2022 amount to 1.5 TWh for Corporate Customers and 0.4 TWh for Residential Customers.

Greenhouse gas emissions and Lignite phase-out

According to the most recent national inventory of greenhouse gas emissions submitted by Greece to the Secretariat of the United Nations Framework Convention on Climate Change, which was submitted in 2022 and covers the period 1990-2020, greenhouse gas emissions from the combustion of fossil fuels by PPC's and private individuals' thermal power plants of for the generation of electricity and heat in 2020 were 20.0 million tonnes of carbon dioxide equivalent (CO_2 eq) and constituted approximately 26.7% of the total national emissions of 74.8 million tonnes of CO_2 eq.

Atmospheric Quality Measurement Stations

With a view to monitoring the atmospheric emissions, PPC operates a network of 31 Atmospheric Quality Measurement Stations (AQMSs), which also operate for meteorological parameters' measurement, in the wider areas of power plants and mines, which is further developed when the need arises. Within this framework, the competent bodies are systematically informed about the atmospheric emissions in the wider area of PPC's activity, by submitting annual and semi-annual Atmospheric Quality Reports, pursuant to the Environmental Terms Approval Decisions, while information is immediate (within 24 hours) in cases of exceeding air emissions, failure of the anti-pollution equipment, failure of the analyser for measuring environmental parameters, etc.

PPC atmospheric quality measurement stations in the wider areas of Power Plants and Mines

Location	Number of stations	Measured air pollutants
North System	9	SO_2, NO_X, PM_{10}, $PM_{2,5}$
Lavrio	1	SO_2, NO_X, PM_{10}
Aliveri	1	SO_2, NO_X, PM_{10}
Komotini	1	NO_X
Chania	3	NO_X
Linoperamata	3	SO_2, NO_X, PM_{10}
Atherinolakkos	3	SO_2, NO_X, PM_{10}, $PM_{2,5}$
Rhodes	3	SO_2, NO_X, PM_{10}, $PM_{2,5}$
Κoς	1	SO_2, NO_X, PM_{10}, $PM_{2,5}$
Samos	1	SO_2, NO_X, PM_{10}
Chios	1	SO_2, NO_X, PM_{10}, $PM_{2,5}$
Lesvos	1	SO_2, NO_X, PM_{10}, $PM_{2,5}$
Megalopoli	3	SO2, NOX, PM10, $PM_{2,5}$
Total	**31**	

In 2022, there was no need for the Peak Environmental Issues Management Team to be convened, which consists of members of the Lignite Generation Business Unit and the Thermal and Hydro Generation Business Unit. The task of this team is to continuously monitor the results of air quality measurements and to continuously shape a specific strategy to address and minimise, to the minimum possible, any exceeds of the permissible limits.

Voluntary initiatives

Among others, in 2022, voluntary actions and initiatives were undertaken and coordinated by the Sustainable Development Department and supervised by the Sustainability Committee, in cooperation with other units of the Company and the Group's major subsidiaries (HEDNO and PPC Renewables), which are related to the monitoring and strengthening of the corporate transition in terms of sustainable development and based on ESG criteria, such as:

- The PPC Group's integration in the international "Science Based Targets initiative" (SBTi) in order to develop and validate on a scientific basis, short and long-term goals for reducing greenhouse gas (GHG) emissions and designing a reliable roadmap for their attainment.
- Response to the initiative " Task Force on Climate Related Financial Disclosures (TCFD)". Based on the TCFD recommendations, a guide for actions has already been drawn up, divided into four main thematic categories of the framework of recommendations (Governance, Climate Strategy, Risks - Opportunities and Disclosures). The Sustainable Development Department- in cooperation with the Investor Relations Department - coordinated the integration of the action plan with the one adopted by the Company in the framework of its cooperation with the EBRD, and contributes to the implementation of the integrated framework of actions resulting from the project. In collaboration also with the Strategy Department, which is responsible for identifying and assessing the risks and opportunities related to the climate crisis and their impact on the Group's Strategic Planning, they coordinate the presentation of climate scenarios and analyses both internally and externally (investors, lenders, etc.).
- The Group's commitment to the ten general principles of the UN Global Compact, the largest voluntary corporate sustainability initiative in areas related to human rights, working conditions, environmental protection, and anti-corruption. PPC is required to respond to and progressively integrate the fundamental principles in the above areas into its strategy, culture, and operations, and is preparing to submit its annual Communication on Progress report for the first time in June 2023.
- Response to the global initiative CDP climate change, reporting and publishing extensive data regarding the actions undertaken by the Group to address the climate crisis, in collaboration with the Environment Department.
- The Company's participation as a signatory (one of the 330 companies worldwide) in Business For Nature's "Make it Mandatory" campaign, which aims to establish the mandatory assessment and disclosure of data for the protection of nature and biodiversity by 2030, in order to pave the way for the Company to undertake relevant actions.
- The Group's participation in the "Women's Empowerment Principles" initiative, an action by the United Nations for the empowerment of women under the motto "Equality Means Business". By participating in this initiative, PPC executives are already participating in a one-month international programme, so that relevant targets can be set within 2023 and an action plan can be developed to achieve them.

- The implementation of significant corporate responsibility actions in cooperation with other institutions, organisations etc., based on the philosophy of Creating Shared Value (CSV) between the company, society and the environment, within the framework of the actions "PPC - I act" for the Environment, Society, Culture and Sports.
- Permanent Participation in Working Groups of the European Federation of National Associations of Electricity Companies (EURELECTRIC) on Climate Change and Decarbonization, Environmental Protection, Energy Uses Electrification and Energy Efficiency Increase, E-mobility, Renewable Energy Sources and Energy Storage.
- Permanent Participation in Working Groups of the European Coal and Lignite Federation (EURACOAL).

Lignite Phase-out

The Group is committed to the withdrawal of the lignite-fired power plants and the corresponding mines through an intensive decommissioning plan for all Lignite Units. However, there may be a diversification of the lignite plant decommissioning programme with an estimated short extension depending also on market conditions for as long as the energy crisis lasts.

The table below shows the lignite phase-out plan:

	Pillars	To date
TPPs	Decommissioning	Decommissioning of units at Kardia Thermal Power Plant (Units 1 and 2 in 2019 and Units 3 and 4 in 2021) and Amynteo (Units 1 and 2 in 2020) with a total capacity of 1,812 MW
		Technical decommissioning of units decommissioned by neutralization and cleaning of areas and facilities (plumbing, etc.)
		Staff transfer scheme, with staff of the Thermal Power plants being transferred to other jobs taking into account predetermined objective criteria (category/area of specialization, evaluation, place of residence, age).
		Re-training staff when needed when transferred to other jobs
	Rehabilitation	~48% completion (works worth ~EUR 3.3 million) of the rehabilitation works for Liptol NPP and ~14% completion (works worth ~EUR 2.3 million) of the rehabilitation works for Ptolemaida TPP.
		Five (5) Rehabilitation Studies have been submitted to the Environmental Licensing Directorate in the context of compliance with the approved environmental terms and conditions for Thermal Power plants. Up to date three (3) rehabilitation studies have been approved.
		The domestic and European market has been mobilized by fully activating the Supplier Market Survey (RFI) for Phase I of the restoration of Thermal Power plants.
		A procedure has been put in place for approving plans to disassemble Thermal Power plants to coordinate and align the Departments involved with existing and proposed new activities.

	Pillars	To date
Mines	Decommissioning	Mining work was completed and the operation of the Kardia Field Mine at Ptolemaida, the Amynteo Mine at Amynteo and the Achada and Kleidi Mines at Florina was terminated,
		Staff transfer scheme of the Western Macedonia Lignite Center Department, with staff of the mines being transferred to jobs taking into account predetermined objective criteria (category/area of specialization, evaluation, place of residence, age).
		Re-training staff where needed when transferred to other jobs
	Rehabilitation	11,600 ha were rehabilitated in 2021 and 2022 at the Amynteo, Kardia, and Mavropigi mines.
		Completion of landscaping works at the Amynteo mine for soil reclamation to help prepare sites for the installation of photovoltaic parks of ~940 MW
		Ratification of the Framework Agreement of Article 155(4) of Law 4759/2020 covering 9,700 hectares to be reclaimed by PPC to the Greek State by 2025 - ~40% of the hectares will be handed over by the first half of 2023 for new uses.
		The Framework Agreement of Article 155(3) of Law 4759/2020 was signed; PPC undertook to implement the relevant contractor selection procedures to prepare the special urban planning schemes based on guidelines and specifications of the Ministry of Development and Investments.

	Pillars	To date
TPPs & Mines	**Utilisation of Materials and Equipment From Withdrawn Means of Production (WMP)**	The decommissioning of the equipment of each TPP is carried out for the whole TPP and not piecemeal, resulting in the optimisation of disposal procedures and sound environmental management and economies of scale.
		The Board of Directors has approved the Management Policy, which will be further specified through new procedures (e.g. the WMP Permanent Guidelines) for the monitoring and mass disposal of materials and equipment in the context of the implementation of best practices of the circular economy.
		Donation of equipment to third parties or use as exhibits in PPC museums or exhibitions of materials/equipment that may be representative of PPC's industrial heritage – this is a key alternative.
		Planning is underway for the management of the materials of the Ptolemaida, Aliveri and Lavrion TPP depots in view of their disposal within 2023.

Research Projects of Environmental Interest in which the Group participates:

PPC S.A.

In the context of its sustainable development policy, PPC participates in a series of voluntary initiatives and research programmes for the protection of the Environment. In particular, the current research projects in which it participates are the following:

- Scaling up of the Electrochemically enhanced catalytic hydrogenation of CO_2 to fuel production -- CO_2 TO FUELS.
- Contribution of the Tree Planted Land of West Macedonia Lignite Center to the protection of the Environment and the mitigation of Climate Change -- COFORMIT
- Evaluation of emissions from lignite plants in bioconversion processes to fuels and fine chemicals -- BIOMEK.
- Bioconversion of CO_2 into High Value BioProducts through Sustainable Microalgae Cultivation Processes -- CO_2 - BioProducts.
- Design and installation of a hybrid industrial device to collect air pollutants from lignite combustion, by recovering and activating solid by-products and non-reactive materials of dry desulphurization -- REDESOX.
- Intelligent water treatment technologies to achieve water saving combined with simultaneous energy generation and material recovery in energy intensive industries -- intelWATT.
- Sustainable use of mining waste discharges -- SUMAD.
- Coal-to-liquids supply chain integration in view of operational, economic, and environmental risk assessments under unfavourable geological settings -- ODYSSEUS
- Interdisciplinary feasibility study for the conversion of coal mines into hybrid pumped-hydro power storage of excess energy -- ATLANTIS
- Promotion of investments in fuels through an economic and energy efficient integration of energy processes in closed facilities of coal-fired thermal power plants -- Green deal CO_2
- Development of an innovative and viable industrial process by creating a mobile unit for hybrid energy storage based on CO_2 capture and renewable energy sources -- LIFE CO_2 to CH4
- Improving risk assessment and risk management of abandoned coal mines -- POMHAZ

The research programmes in which the Company participates, the integration-funding programmes and the coordinators/partners are presented in detail on the company's website https://www.dei.gr/el/dei-omilos/perivallon/erevnitika-erga-perivallontikou-endiaferontos/

Environmental Management

Environmental Management Systems

PPC Group complies with the environmental law requirements, fosters the circular economy, promotes the saving of non-renewable natural resources, adopts measures to prevent pollution and safely dispose of waste produced, conveys the spirit of sustainability to all stakeholders (employees, associates, suppliers, contractors, etc.) and seeks to create and maintain a constructive trust-based relationship with local communities and the general public. Aiming to continuously improve its environmental performance, the Group implements an Environmental Management System in all its companies.

In particular:
PPC has certified Environmental Management Systems (according to ISO 14001:2015) at the Western Macedonia Lignite Centre and the following power plants, which generate approximately 92% of the electricity generated by PPC.

Certified power plants with an ISO 14001:2015 Environmental Management System - Data for 2022

Lignite plants	Natural gas plants	Oil plants	Complexes and independent Hydroelectric power plants (HPP)
-Agios Dimitrios -Meliti -Megalopoli	-Keratea - Lavrio -Komotini -Aliveri -Megalopoli V	-Atherinolakkos - Chania -Linoperamata -Soroni – Rhodes -Kattavia-Rhodes -Lesvos -Chios -Limnos -Samos -Ikaria -Kos -Karpathos -Paros -Thira -Milos -Skyros	-Aliakmon -Arachthos -Acheloos -Nestos -Ladonas (HPP)

In the year 2022:

- The successful Surveillance Inspection of the Environmental Management Systems (EMS) of the twenty-two (22) Thermal and Hydroelectric Power Plants of PPC S.A., as well as of the Western Macedonia Lignite Centre, according to ISO 14001:2015 have successfully passed the Surveillance Audit by Independent Certified Bodies.
- The development, implementation, and certification of new Environmental Management Systems, according to ISO 14001:2015, of additional Autonomous Power Plants in the Non-Interconnected System (APP Milos, Thira, Lesvos, Paros and LPP Ikaria).
- The development, implementation, and initial certification of the Environmental Management System, according to ISO 14001:2015, at TPP South Rhodes (TPP Kattavia) .
- The annual surveillance of the ISO 50001:2018 certified Energy Management System (EMS) at the Lignite Centre of Western Macedonia
- The development and implementation of the Environmental Management System in the HPP N. Plastira continued.
- In the context of PPC Management's commitment to disseminating knowledge, creating transparency, encouraging the participation of personnel in prevention and environmental protection actions and aiming to train and certify the Company's employees who are involved or are going to be involved in any way whatsoever in ISO 14001:2015 Environmental Management Systems (EMS), the company carried out:

✓ 3 cycles of Seminars for Environmental Management System Auditors/Lead auditors in line with ISO 14001:2015 and

✓ 4 cycles of seminars for environmental management system internal Auditors according to ISO 14001:2015.

- An open lowest tendering procedure was carried out in order to select Consultant(s) for the development, implementation and certification of Energy Management Systems at PPC S.A.'s Power Plants, namely:

✓ Arachthos Complex
✓ Aliakmon Complex
✓ Nestos Complex
✓ TPP Komotini
✓ TPP Megalopoli V
✓ TPP Aliveri
✓ TPP Keratea-Lavrio
✓ LPP Skyros

- The revised Environmental Policy of PPC S.A. was approved (Board Decision no. 88/12.07.2022) https://www.dei.gr/el/dei-omilos/perivallon.

Non-Financial Performance Indicators

	2022	2021
Total Number of Plants with certified Environmental Management Systems (Liginitiki Megalopolis and Lignitiki Melitis are included)	**29**	**23**
Lignite centers (West Macedonia)	1	1
Thermal Power Plants (TPPs)	13	11
Hydroelectric Complexes and Independent Hydroelectric Power Plants	4+1	4+1
Autonomous and Local Power Plants	11	6

Greenhouse gas emissions for electricity generation [CO_2](1)		
(in million tons)	**2022**	**2021**
PPC S.A.(2)	14.80	15.80

Notes
(1) It concerns emissions from facilities integrated in the European Emissions Trading Scheme.
(2) The reported emissions for 2022 include the companies PPC S.A., Lignitiki Megalopolis Single Member S.A. and Lignitiki Melitis Single Member S.A., which in 2022 merged with the parent company PPC S.A., and are based on provisional ex post data of the Company. These emissions are expected to become final in March 2023 following the completion of the verifications.

It should be noted that the total emissions of Scope 1, Scope 2 and most of Scope 3 for PPC S.A., HEDNO S.A. & PPC Renewables Single Member S.A. are presented in the Group's Sustainability Report for the financial year 2021. Similarly, these figures for the financial year 2022 are expected to be presented in the 2022 Sustainability Report.

Greenhouse Gas Emissions [CO_2] -KPI Syndicate Loan Bond		
(in Mt)	**2022**	**2021**
PPC S.A.	14.85(1)	15.85

(1) The reported emissions for 2022 of PPC S.A. are based on the company's provisional ex post data and an estimate of the direct CO2 emissions of the Power Plants that are not included in the European Emissions Trading System (EETS). It should be noted that in 2022 the merger by absorption of the subsidiaries Lignitiki Megalopolis Single Member S.A. and Lignitiki Meliti Single Member S.A. by the parent company PPC S.A. was completed and their data are included in the 2022 PPC S.A. data.

The table below sets outs the financial burden for compliance with the requirements of the European Emissions Trading Scheme (surrender of emission allowances equal to verified emissions of CO2).

Greenhouse Gas Emissions Rights [CO_2]		
(in mil. euros)	**2022**	**2021***
PPC S.A.	1.038	699

*In 2021 the data of the above table refer to the companies PPC S.A., Lignitiki Megalopolis Single Member S.A. and Lignitiki Melitis Single Member S.A. which were merged within 2022 with the parent company.

HEDNO S.A.

Actions to address Climate Change

In the year 2022, in the context of its adaptation to climate change and aiming at the resilience of the network, the Company HEDNO S.A. carried out material actions such as the updating of the Network designs based on the new climate data, the regular inspection of the Networks and the scheduling of maintenance, as well as the selection of appropriate and reliable materials for Networks and electricity transmission and distribution infrastructure. In particular:

Investments in Distribution Centres and other medium and low voltage Substation projects continued.

A significant increase occurred in investment in 2022, of the order of 70% compared to 2021 for Branded Network Projects concerning HV/MT substation projects (reinforcements and renovations – improvements) and HV and MV cable lines, respectively. Also, a significant increase in investments in 2022, of the order of 106% compared to 2021 was recorded for Branded Network Projects (Replacements).

To name just a few, the following Projects have made remarkable progress:

- GIS Substation Skiathos: Completed in July 2022.
- GIS Substation Thira: Underway (Beginning in January 2022).
- Extension of Corfu II Substation: The extension of the Substation with two 40/50 MVA transformers in the place of the existing 20/25 MVA transformers has been completed since June 2022.

Investments in Projects to strengthen and modernise the existing network continued.

During the year 2022, in the Distribution Network, an increase in the number of overhead and other MV/LV Distribution Substations, an increase and expansion of both the overhead and underground MV and LV Networks and the installation of a significant number of switchgear elements in MV, contributing to the standardization of the Network and improving its exploitation potential.

The main elements of the Network, i.e. HV/MV substations, Medium and Low Voltage distribution lines (overhead and underground) and MV/LV trasformers, showed a significant increase within 2022 as a result of the significantly increased investment, especially in projects of a repetitive nature. In more detail, for the projects of a repetitive nature, in the year 2022, the main elements of the Distribution Network changed as follows:

- Increase - extension of the MV aerial network by 702 km.
- Increase - extension of the MV underground network by 369 km.
- Increase - extension of the LV aerial network by 448 km.
- Increase - extension of the underground LV network by 195 km.

In addition, as a result of the actions to improve the characteristics of the Network aimed at strengthening the resilience, safety and reliability, in the low voltage network within 2022:

- The LV network with bare conductors was reduced by 1,163 km
- The LV network with twisted cables was correspondingly increased by 1,605 km.

At the same time, in 2022, HEDNO S.A. carried out extensive tree pruning (tree felling) in compliance with the prescribed safety distances from the Network, which, in combination with the clearing of vegetation alongside, contributed to the resilience of the Network to Climate Change, in addition to forest protection.

Increased connections of Renewable Energy Sources to the Network.

In 2022, 1,097 MW of RES were installed, an increase of 37.7% compared to 2021. The total number of new RES connections in 2022 reached 5,050, an increase of 135% compared to the previous year.

Integration of E-mobility into the Distribution Network

HEDNO S.A. supports the development of E-mobility, by ensuring access and connection to the Distribution Network to all users, contributing to several initiatives. The optimal integration of e-mobility into the Distribution Network and the maximization of RES use play a key role in achieving zero environmental pollution and addressing Climate Change.

Study on strengthening resilience to climate change

In June 2022, a study on enhancing the resilience of HEDNO S.A. to climate change was elaborated by an external consultant, which examined the best practices of large and advanced European Distribution Network Operators and proposed actions and measures that should be included in HEDNO S.A.'s strategic plan to address climate change, taking into account the current situation in the Company.

HEDNO S.A. participated in Research Programs of Environmental Interest

In the year 2022, the cooperation of HEDNO S.A. with the Ministry of the Environment was initiated within the framework of the LIFE-IP project AdaptInGR -- Boosting the implementation of adaptation policy across Greece, in order to monitor adaptation indicators to Climate Change. Given the key role of HEDNO S.A. in the adaptation of the country's energy system to climate change, by monitoring these indicators their significance and reliability will be investigated (e.g. measurability, appropriateness, etc.), in relation both to the available data, the existing monitoring systems, and the real potential for further development.
In this context, HEDNO S.A. will carry out a more coordinated recording of incidents from severe weather events and emergencies and their impact on consumers, as well as their correlation with Climate Change.
The Research and Innovation Department of HEDNO participated in 2022 in the execution of research projects, which have at their core the decarbonisation of electricity systems and means of transport, through the use of renewable energy sources, through the use of electricity storage technologies, through the development of methodologies and tools for the provision of flexibility services from the part of electricity users and through the electrification of road and maritime transportations.

All research projects of environmental interest are funded by the European Union and contribute to the EU's vision for a net zero economy by 2050. In detail, the research projects in which HEDNO S.A. participates are the following:

X-FLEX: X-FLEX aims to develop a set of information and communication technology (ICT) tools and solutions with the purpose of exploiting at network level the flexibility provided by energy storage systems of different technologies, demand response, controlled RES plants and new energy market mechanisms. These tools will contribute to the sustainability of a stable and secure electricity network with increased penetration of RES and resilience to extreme weather phenomena.

PLATONE: The project uses blockchain technology to create a platform that meets the needs of electricity distribution network operators, including data management. The platform is created based on the existing regulations and will allow small electricity producers to be easily certified so that they can sell surplus energy back to the network. This platform also incorporates an open market system for connection to traditional transmission system operators.

PARITY: The project addresses the "structural inertia" of conventional electricity distribution networks by providing an interactive flexibility framework that will increase the resilience and efficiency of the electricity network, while enabling the adoption of more RES through enhanced real-time control of flexibility, combined with new Active Network Management (ANM) functions.

IELECRIX: The IElectrix project adopts a consumer-centric approach and involvement of customers in the electricity market through the Energy Communities. It also focuses on faster and more efficient penetration of RES into electricity distribution networks and energy transition. Distribution network operators play a key role in ensuring the integration of RES into the network and the transition to green energy. More specifically, in order to achieve all the above objectives, the IElectrix considers the following innovative proposals at technical level: Mobile energy storage systems and smart substations, Implementation of demand response programmes, Digitalization of the LV distribution network.

COORDINET: The CoordiNet project aimed to demonstrate how Distribution and Transmission Network Operators can act in a coordinated manner and use the same resource pool to supply network services in the most reliable and efficient way, through the implementation of large-scale demonstrations in cooperation with electricity market participants (and end-users).

ERIGRID 2.0: Making use of the results of the ERIGrid-1 project, the successor ERIGrid 2.0 project will extend the research services and tools of the European research infrastructures for the validation of smart energy networks with the electricity network as the backbone. Committed to a holistic approach to cyber-physical system-based validation, ERIGrid 2.0 will promote system-level support and training for industrial and academic researchers in power and energy systems research and their technology development.

ALFION: The aim of the project is to design the preliminary studies concerning the infrastructure inside the port of Igoumenitsa for OPS/Cold ironing, RES and energy management systems. In addition, it aims to implement a techno-economic analysis in order to further finance and implement the studies.

CENTAVROS: The aim of the project is to design the preliminary studies concerning the infrastructure inside Volos port for OPS/Cold ironing, RES and energy management systems. Also, the implementation of a techno-economic analysis in order to further finance and implement the studies.

CIPORT: The aim of the project is to design the preliminary studies concerning the internal infrastructure of the port of Piraeus for OPS/Cold ironing, RES and energy management systems. In addition, it aims to implement a techno-economic analysis for further financing and implementation of the studies.

ENFLATE: The project aims to develop a collaborative platform of tools enabling the creation of consumer-driven business models for energy services, exploiting their flexibility potential, integrating them into other non-energy services (multi-sector services) such as those concerning health and transportations.

EV4EU: The aim of the project is to develop innovative technologies for the smoother integration of large number of Electric Vehicles (EVs), using smart and/or bi-directional charging, into the existing energy system infrastructure. The tools to be developed under the project will promote coordination between electric vehicles and renewable energy sources, reduction of greenhouse gas emissions and the decarbonization of the road transport.

ONENET: The aim of the project is to determine the design of a common electricity market for Europe. The project is targeted at issues such as the standardisation of products and services designed for system operators and coordination of all market actors from network operators to customers.

R2D2: R2D2 aims to improve the resilience and reliability of the current Energy Systems against an increasing number of threats that may affect critical infrastructure, with detrimental and damaging effects on different stakeholders and end customers. This will be achieved through the development of four tools dedicated to the prevention, protection and recovery of the Energy System in two different independent but complementary scenarios. The project will be based on the strong energy coordination activities in South-Eastern Europe, in line with the EU legislation and will also be harmonized with the recent activities boosted by ENTSO-E on cyber security in transmission systems.

SYNERGIES: The aim of the project is to develop innovative technologies for the exploitation of energy data through the implementation of an Energy Data Space. The project promotes the creation of an ecosystem focused on energy data while supporting the promotion of innovative applications. The applications focus on making use of the available flexibility of consumers, optimising the operation of energy networks, maximising the integration of RES and (auto)production, monitoring, operation, maintenance and designing of the system, as well as the TSO-DSO collaboration to enhance system resilience, to encourage, inform autoproducers on flexibility markets, as well as to strengthen the role of Energy Communities.

SYNERGY: The project introduces a new reference architecture and a Big Data platform that makes use of primary and secondary data resulting from various sources (APIs, historical data, sensors/IoT, weather conditions, energy markets and data open sources) aiming to help electricity stakeholders (Operators, RES Aggregators, Suppliers, Producers, Building Managers) to enhance the accessibility of their data and improve the intelligence of their energy optimization processes, leveraging innovative data exchange models (intelligence) to improve decision making. To this end, SYNERGY will develop a Big Data and Market Analytics platform, accompanied by Big Data applications for all electricity stakeholders.

PPC RENEWABLES SINGLE MEMBER S.A.

In the context of the Group's commitments to further reducing greenhouse gas emissions and enhancing the use of renewable energy sources in the energy mix:

PPC RENEWABLES Single Member S.A. expanded the Group's portfolio of RES projects by acquiring 55% of the shares of Volterra K-R S.A. and Volterra LYKOVOUNI S.A., in which it has already been a 45% shareholder in each company since 2019. In this way, PPC RENEWABLES SINGLE MEMBER S.A. acquired 100% of three operating wind parks of total capacity 69.7MW in Aitoloakarnania and Viotia. In addition, PPC RENEWABLES SINGLE MEMBER S.A. acquired 100% of the company Iliofaneia S.A., which owns a 2.7 MW photovoltaic park in operation in Viotia, as well as the companies Volterra DOUKAS S.A. and Volterra KOUKOULI S.A., which own wind parks with a total capacity of approximately 40 MW, the construction of which has already been initiated.

During 2022, PPC RENEWABLES SINGLE MEMBER S.A. was declared as the preferred investor within the framework of a tendering procedure carried out by Piraeus Equity Partners, through which a sale and purchase agreement (SPA) was signed for the shares of companies that own wind parks with a total capacity of 43.8 MW and photovoltaic parks of 2 MWp.

It is further noted that through its participation in the RAE's Joint Competitive Procedure 2/2022, the company secured a Compensation Price for 4 PV stations with total capacity approximately 251MW, when the total capacity of all projects that secured a compensation price in the said tender amounted to 538MW.

Moreover, the works for the construction of the AGIOS CHRISTOFOROSs 1, PTELEONAS 1, PTELEONAS 2, CHARAVGI 1 and CHARAVGI 5 PV Stations of total capacity approximately 159MW have been initiated, while a contractor was selected through a selection process for the Civil works and Interconnection works of the company's PV station at "PPC Mine" in Ptolemaida, of total capacity 550MW.

In December 2022, the loan agreement for the 200MW PV station SOLAR ARROW ENA was signed, which together with the company's two other projects in Kozani area, of total capacity 15MW each, marks the completion of the company's flagship project concerning PV stations of total capacity 230MW. The project is co-financed by the European Investment Bank, using funds from the Invest EU programme.

Finally, the Company is a pioneer in the development of Hybrid projects with its participation in the Competitive Procedure 1/2022 of RAE for the implementation and operation of the Special Pilot Project in Astypalaia Island, which will consist of new RES power plants combined with electricity storage facilities.

In general, at the end of the year 2022, PPC Renewables S.A. and by extension PPC Group, has a portfolio of projects in operation with total capacity approximately 300MW, a portfolio of projects under construction with total capacity approximately 700MW, while the Company's projects that are in a mature licensing stage, having received environmental terms and/or a final connection offer, amount to approximately 4.1GW.

Research Programmes of Environmental Interest in which PPC RENEWABLES SINGLE MEMBER S.A. participated.

Within 2022, the Company participated in the following research programmes in which PPC RENEWABLES SINGLE MEMBER S.A. participated.

- Demonstration of a mobile unit for hybrid energy storage based on CO_2 capture and renewable energy sources – CO2toCH4
- Maximizing the impact of innovative energy approaches in the EU islands – INSULAE

2. Labour Issues

Due Diligence Policies and Procedures

''PPC S.A.''

PPC recognises that its human capital is the most valuable asset for the Company, to the extent that employees deliver results and build its core competencies and competitive advantages.

It applies responsible human resources management practices and ensures the shaping of a modern work environment of equal opportunities and mutual respect without discriminations. It is committed to safeguarding the health and safety of its employees by implementing appropriate Occupational Health and Safety Management Systems and carrying out relevant training programmes.

PPC Staff Regulations regulate, inter alia, the rights and obligations of employees, the terms of employment contracts, the relationships formed during work and the implementation of disciplinary procedures.

The revised Recruitment Policy of PPC S.A. was approved by the Board of Directors' Decision No. 131/22-11-2022 as a result of article 185 of Law 4964/2022 and the fact that the Company's recruitments are no longer subject to the legal framework of the Supreme Council for Civil Personnel Selection (ASEP). The new Recruitment Policy was drawn up with the aim of attracting qualified and skilled candidates, capable of meeting the new challenges of the market and supporting the Company's development goals, thus contributing to its rapid transformation. The Recruitment Policy is aimed at filling vacant posts by external candidates who apply for jobs at personnel level with open-ended or fixed-term agreements.

The recruitment of temporary personnel is carried out in order to meet temporary or seasonal needs upon decision of PPC's Chief Executive Officer. The said personnel signs fixed-term employment contractσ which may not exceed eight (8) months within a total period of twelve (12) months.

In the light of reshaping the Personnel Recruitment Policy and in the context of the constant development and constructive regular review of existing procedures and regulations, it was deemed appropriate to update the Company's Executive Recruitment Policy, in compliance with the best practices of the market, with a view to enhancing the Company's competitiveness and flexibility in attracting and selecting the appropriate executives with the best skills for each position. In this context, the Executive Recruitment Policy was approved also by the Decision of the Board of Directors No. 131/22-11-2022, aiming at filling vacant executive positions by external candidates who apply for the specific positions. In accordance with the said Policy, an external candidate may fill an executive position only in case no internal candidate with appropriate expertise, knowledge, skills, and experience qualified for the said position. Moreover, the building blocks of PPC's Executive Recruitment Policy are to ensure equality at all levels by avoiding any discriminatory treatment and promote diversity by respecting all internationally recognized human rights, in order to achieve the implementation of the principles of an equal, fair and impartial recruitment process.

Moreover, provision is made for the recruitment of relatives of deceased employees (work-related fatalities), as well as for filling vacancies by members of large families, people with disabilities and their relatives.

During the four-year period 2019-2022, 3 relatives of deceased employees in work-related accidents were hired by the Company.

As of 31.12.2022, the number of employees with disabilities, employees who were members of large families and relatives of persons with disabilities was **160, 213** and **76** respectively.

PPC has a **Training Project Management System** for the analysis and identification of training needs, the designing of training programmes, the selection of trainees, the selection of trainers, the organisation and implementation of training programmes and the evaluation of the training project (training cycle). The Company has an **Executive Training Policy** (Board Decision No. 83/14-07-2021), which sets the framework for the training of executives at all hierarchical levels, as well as of Specialized Executives.

The members of the Board of Directors, as well as the members of its Committees are remunerated based on the relevant **Remuneration Policy** (the revised Remuneration Policy was approved by the Extraordinary General Meeting of Shareholders dated 14.12.2022 and is posted on the Company's website).

The Company implements an **Evaluation System** which includes bar scales, weighting criteria, links between assessed behaviours and the Company's strategy and discloses to employees their assessment outcomes. In this way, on one hand, employees clearly understand the requirements and expectations associated with their role, and on the other, aim for optimal performance.

In addition to the above, the Company provides additional benefits to its employees, such as group health/life insurance policy, food vouchers, loans and financial aids, special leaves apart from normal leave, a subsidy for nursery care costs and a subsidy for further training of employees (e.g. obtaining a postgraduate degree).

HEDNO S.A.

The issues related to personnel, remuneration and the procurement policy of HEDNO S.A. are regulated according to articles 3 to 9 of Law 4643/2019 (Government Gazette vol. A' no 193/03-12-2019).

The revised Remuneration Policy for Board Members, Committees and Executives of HEDNO,
as well as the Executive Recruitment Process were approved by resolution of the Company's Extraordinary General Meeting of Shareholders on 19.12.2022.

Moreover, within 2022 the Company adopted Rules of Operation, which also incorporate provisions related to corporate governance issues.

Finally, HEDNO S.A implements an employee evaluation system based on the Special Regulation on Evaluation Sheets, which is also posted on the company's internal intranet for the information of all employees.

PPC RENEWABLES SINGLE MEMBER S.A.

The Company has adopted a Human Resources Evaluation System since 2018 (Decision BoD/341/1/13.04.2018), based on which the skills of its human resources are assessed in relation to the scope of work and the duties assigned depending on the level of responsibility of each employee, the training needs are identified, and performance is assessed and linked to remuneration and benefits. In addition, executives are evaluated based on target setting, according to the Remuneration Policy

Finally, the remuneration of the Members of the Board of Directors is determined in the Remuneration Policy for the Members of the Board of Directors and its Committees (Decision BoD//412/4/28.06.2021) approved by the Ordinary General Meeting dated 28.06.2021. The Remuneration Policy was revised by the Extraordinary General Meeting of the Shareholders on 20.12.2022.

Non-Financial Performance Indicators

[ATHEX C-S2 Female Employees]
[ATHEX C-S3 Female employees in managerial positions]
[ATHEX C-S7: Collective Labor Agreements]
[ATHEX A-S3: Pay gap between male and female employees]
[ATHEX A-S4: CEO/Employees pay ratio]

Indicator/Company	**PPC S.A.(1)**		**HEDNO S.A.(2)**		**PPC RENEWABLES S.A.(3)**	
(amounts in thousands euros)	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
Total of employees as of 31.12	7,070	6,634	5,642	5,456	44	39
% Female employees in the Company	27.80%	28.9%	26.07%	25.70%	31.8%	30.8
% of female employees in managerial positions	31.7%	21.95%	32.08%	37.18%	2.3%	2.6
% of active employees covered by Collective Labour Agreements	97.2%	98.0%	93.65%	99.0%	79.5%	97.4%
Pay Gap between male and female employees (%)	3.43%	5.23%	12.63%	11.47%	25.28%	24.98%
Pay ratio of CEO (including employer contributions)	6.02	6.16	5.03	4.70	3.37	2.77
Pay ratio of CEO (without employer contributions)	7.10	7.32	5.75	5.37	5.03	2.95

Notes:

PPC S.A.

-The figures of PPC S.A. also include the employees of Lignitiki Megalopolis Single Member S.A. and Lignitiki Melitis Single Member S.A., given that the merger was completed in 2022 by way of absorption by the parent company.

-The total number of employees does not include employees with a Fixed Term Contract of up to 8 months and employees with 60 daily wages, employees who are seconded to insurance institutions and employees who are transferred to PPC RENEWABLES S.A.

-The pay gap between male and female employees of PPC S.A. is in no case due to the discriminatory remuneration management owing to gender. The payroll is formulated taking into account the use of allowances related to the nature of the job position which affect the total regular remunerations e.g. positions in mines and power plants are mainly staffed by male employees.

(1) HEDNO S.A.

-For the indicators Gender Pay Gap and CEO Pay Ratio, the data based on total gross salaries of employees from the costing of 2022 only for regular personnel have been taken into account.

-With regard to the percentage of women in managerial positions, the calculation was made based on statutory positions and relevant duties assignments (Assistant Director – Head of Unit and executives of higher level) and not according to the definition of the indicator (i.e. 10% of employees with the highest total remunerations). If the proposed measures are implemented by HEDNO S.A., the calculation will include not only employees in managerial positions but also many others (mainly technicians, the majority of whom are men) who, due to the nature of their job, have increased remunerations due to overtime and increments. The percentage of women according to the same calculation amounts to 11.17%.

(2) PPC RENEWABLES SINGLE MEMBER S.A.

-In the total number of employees as of 31.12 the following have been taken into account: for 2022, 33 employees with dependent employment relationship and 11 employees transferred from PPC SA. and for 2021: 28 employees with dependent employment relationship and 11 employees transferred from PPC S.A. It should also be noted that 24 employees of PPC S.A. in 2022 and 21 employees in 2021 provided support services to PPC RENEWABLES SINGLE MEMBER S.A through the new organisation structure (matrix).

-For the indicator % of Female Employees in the Company, % of Female Employees in Managerial Positions and % of Active Employees covered by Collective Labor Agreements, as well as the employees with dependent employment relationship of PPC RENEWABLES SINGLE MEMBER S.A. (33) and those transferred from PPC S.A. (11) are taken into account; the employees of the RES-related Departments of the parent PPC S.A. (24) are not taken into account

-For the indicators Gender Pay Gap and the Pay Ratio of the CEO, only the salaries of employees of PPC RENEWABLES SINGLE MEMBER S.A. have been taken into account due to the limited access to the payroll data of the employees transferred from PPC SA.

Occupational Health and Safety

Due Diligence Policies and Procedures

PPC S.A.

The health and safety of its employees is of top priority for PPC S.A. PPC's updated **Occupational Health and Safety Policy** (which is posted on the Company's website https://www.dei.gr/el/dei-omilos/anthropino-dynamiko/ygeia-kai-asfaleia-stin-ergasia/politiki-yae/) aims at taking all measures and providing all means and necessary resources to safeguard the life as well as the physical and mental health of its personnel.

According to the policy, fostering a healthy and safe workplace for all employees, associates and visitors is at the heart of PPC's business policy, which aims at continuously improving the work environment, the quality of work performed, as well as the satisfaction and wellbeing of employees at all units of the Company.

The Management and all levels of hierarchy are committed to:

- Complying with the regulatory requirements of the applicable legislation on occupational health and safety, as well with the company’s procedures and regulations.
- Preventing and eliminating occupational hazards at its source through scientific and systematic risk assessment in workplaces.
- Ensuring health conditions and preventing occupational injuries and occupational diseases, with the aim to eliminate accidents.
- Systematically informing workers on the risks at work and training them on the rules, regulations, and safe working practices.

- Cultivating an internal culture, establishing safe working behavior.

- Continuously improving working methods and means to reduce hazards, by providing employees with the most advanced personal and collective protective equipment.

- Obligating external partners to comply with the implementation of appropriate health and safety measures and adopt a responsible policy.

- Cooperating with the relevant authorities and neighboring industries for joint health and safety measures and procedures in order to avoid any large-scale industrial accident.

- Consulting with employees' representatives and trade unions on the implementation of occupational health and safety rules.

- The Occupational Health and Safety Department, which is responsible for addressing these issues, has been awarded the ELOT EN ISO 9001 certificate for its Quality Management System. In addition, it holds a license as an External Protection and Prevention Service Provider, capable of providing protection and prevention services to customers inside and outside PPC Group.

- The Company employs a significant number of occupational physicians, safety technicians, nursing staff and auditing physicians. Its priority is to cultivate a mindset focused on occupational safety. Indicatively, it is pointed out that the company conducts personnel emergency response and preparedness training, training programs on safety measures, distribution of all necessary Personal Protective Equipment (PPE), measurements of harmful factors in the Company's workplace, as well as occupational risk assessment studies.

- The Company provides psychological and social worker services to its employees and shows great awareness of the timely information and taking of measures in the event of epidemic viruses.

HEDNO S.A.

The company takes the required measures and has the necessary means and resources to ensure the protection of the life and health of its personnel, the personnel of the Contractors, visitors and of all those who have access to its units and facilities.

The scope of the Occupational Health and Safety Department (OHSD), which is responsible for the management of OHS issues, is to ensure a safe working environment, to continuously improve working methods by providing the necessary equipment, to prevent occupational hazards aiming at reducing work-related accidents, to safeguard good health, as well as to systematically inform employees about the hazards at work and adequately train them on safe working practices.

In compliance with the legislative framework, a significant number of safety technicians and occupational physicians are employed in the OHSD to provide consulting on the implementation of safe working methods and the taking of necessary protective means. Its priority is to shape and promote a safety culture in the Company.

PPC RENEWABLES SINGLE MEMBER S.A.

PPC Renewables S.A. is fully aligned with the Health and Safety Policy of the parent company PPC S.A., and has adopted and fully implements the Group's Health and Safety procedures. In addition, it has concluded an agreement with the OHSD/PPC, the licensed External Prevention and Protection Service Provider (EPPSP), which provides consulting on occupational health and safety issues and consistently provides support for the assessment of occupational hazards, for the emergency response planning, legislative compliance, etc. At the same time, it offers Occupational Physician services to PPC RENEWABLES SINGLE MEMBER S.A.

Moreover, the Company has an autonomous Occupational Health and Safety Policy and has incorporated P.10 [Occupational Health and Safety Risk Identification and Employee Safety Management Process] into the integrated Quality, Health Safety & Environment System in accordance with ISO 9001, ISO 14001, ISO 45001 standards.

Non-Financial Performance Indicators

Indicator/Company	PPC S.A.		HEDNO S.A.		PPC RENEWABLES S.A.	
	2022	2021	2022	2021	2022	2021
Total number of employee accidents according to ESAW (1)	30	38	37	31	-	-
Total number of fatalities involving employees	-	-	-	1**	-	-
Total number of fatalities involving staff of contractors	-	2	3***	2****	-	-

** Death from pathological causes
*** 3 fatalities (3 deaths in total)
**** 2 group fatalities (4 deaths in total)

(1) The methodology taken into account is the "European statistics on accidents at work (ESAW) - Methodology -2001 edition" also used by EU - OSHA and EURELECTRIC. The number of accidents includes all work-related accidents involving regular and seasonal/temporary employees, which caused absence from work for more than three (3) calendar days. Accidents occurring while traveling to and from work, as well as cases of sickness, which are examined separately (from a statistical viewpoint), are not included.

(2) The companies Lignitiki Magalopolis Single Member S.A. and Lignitiki Melitis Single Member S.A., which were merged within 2022 with PPC S.A. are included.

3. Social Issues

Due Diligence Policies and Procedures

For PPC Group, contribution to local communities is inextricably linked to its business activities as it ensures a sustainable future for local communities and stakeholders, as well as for the Group itself.

Taking into consideration the sustainability priorities and social issues, PPC Group Companies actively respond through their social actions, as well as through their business model and mode of operation. These actions involve, inter alia, the development of local communities and the economy, alleviation of poverty through sponsorships and donations, quality education and promotion of professional orientation for young people, as well as actions for the environment aiming at improving the environment both at local and a wider level, in the light of Creating Shared Value for all – the Society, the Environment and the Economy. It also includes activities developed over time that take place every year or where appropriate and pertain to health, sports, culture, and education, aiming to enhance the positive impact achieved in the long term.

The Group is also committed to constantly improving its policies and practices to create a positive impact, by integrating frameworks, techniques, social innovation tools and ensuring their implementation, in order to optimize and make its actions more effective. These practices include the shaping of an appropriate strategy, the planning and implementation of actions, due diligence procedures, as well as target-setting and measurement of the outcomes of Social Innovation, contribution and social impact initiatives and actions which are, directly and indirectly, associated with PPC value chain.

Customer-centric approach - Care for vulnerable customers

PPC S.A.

PPC is tuned with the needs of our time and is continuously developing its services in order to provide immediate and effective customer service. In 2022, PPC's second pilot store opened in Kallithea, with an emphasis on designing digital solutions that further improve customer experience, both by designing different service zones to meet customer needs and by installing bill payment systems that reduce time for payment processing. In addition, MyEnergy Coaches in the majority of PPC Stores are available to give customers personalised advice on energy saving in their households. Finally, the new Satellite Store at Metro Mall is the first fully digitalized self-service PPC Store.

PPC's products were further enhanced through the launching of a new range of add-on services, such as FixIt, FixIt Dual & FixIt Pro, which provide direct technical assistance to residential and business customers.

PPC's activities were further reinforced through strategic partnerships and continuous communication based on the pillars of sustainability and customer service. Specifically, consulting became a key strategic pillar through PPC myEnergy communication platform that includes advice on energy and sustainability issues, as well as digital energy saving tools such as PPC myEnergyCoach, while we focused on actions that promote new customer services that facilitate access and simplify processes such as myDEI and E-contract.

Moreover, taking into account that the accessibility to PPC's services with no exclusions constitutes a moral and social obligation, the Company has extended its customer service to people with hearing impairments. More specifically, customer service can take place via video call with the simultaneous presence of a service representative and a sign language interpreter. In addition, real-time subtitles are available.

Finally, acknowledging the difficulties faced by its consumers due to the energy crisis, PPC fully implemented the State's support measures, incorporating subsidies to eligible customers in both electricity and natural gas, while offering favorable solutions for bill payment with interest-free installments through credit cards and favorable settlement programmes for customers facing severe economic difficulties.

Non-Financial Performance Indicators

The table below depicts the amounts allocated to donations and sponsorships, support to local communities and bodies/organisations for the financial year 2022:

Indicator/Company	**PPC S.A.**		**HEDNO S.A.(3)**		**PPC RENEWABLES S.A.**	
(amounts in thousands euros)	**2022 (2)**	**2021**	**2022**	**2021**	**2022**	**2021**
Social Contribution-Amounts(1) allocated to donations and sponsorships, support to local communities and bodies/organisations	6,441.5	5,368.7	874.7	446.7	149.06	43.2

(1) Amounts relating to donations-sponsorships and entered in the accounts from 01-01 to 31.12.2022
(2) Including the companies Lignitiki Megalopolis Single Member S.A. and Lignitiki Melitis Single Member S.A. since they were merged with the parent company PPC S.A. within 2022.
(3) Including sponsorships with 2% promotion fee

The table below depicts the frequency of service interruptions for the year 2022 according to the data provided by HEDNO S.A:

Index/Financial year	**2022**	**2021 (1)**
System Average Interruption Frequency Index (SAIFI) (number of interruptions per customer)	1.81 interruptions/customer	2.0 interruptions/customer
System Average Interruption Duration Index (SAIDI) (annual interruption time in minutes per customer)	137.99 minutes/customer	144.5 minutes/customer

(1) Final data of service quality report 2021

4.Combatting Corruption and issues relating to bribery

[ATHEX SS-G1: Business Ethics Violation]

Due Diligence Policies and Procedures

PPC S.A.

It is crucial for the Company to comply with the law and respect the principles of its Regulations and Policies. In order to ensure control and compliance with the above, PPC has established internal procedures and organizational structures such as the Internal Audit Department (IAD), the Compliance Department (CD) and the Risk Management Department (RMD), all of which constitute a fully organized corporate Internal Audit System.

Furthermore, the Company, through the Compliance Department (CD), adopted by Board Decision No.71/09.06.2022, the **Anti-Corruption and Bribery Policy**, the implementation of which will strengthen, in combination with the already existing internal regulatory framework of the Company, the prevention and effective fight against bribery and corruption incidents within the Company.

The said Policy is integrated into the "**Ethical and Business Conduct Programme**" Project, in the context of which ethical rules were redefined in line with the international best practices and new Regulations, Policies and Procedures were drafted or existing ones were revised, the adoption of which was completed within 2022. The said Policies, along with the revised Code of Conduct, contribute to the promotion of transparency and integrity within the Company and establish a culture of ethics and conduct.

Specifically, by Board Decision No. 82/14.07.21, the Conflict of Interest Policy has been approved since 2021, aiming not only to eliminate and properly manage conflict of interest situations, but mainly to create a business culture that will prevent such phenomena. Moreover, by Board Decision No. 30/06.04.21, the **Anti- Money Laundering and Counter-Terrorism Financing Policy** was approved, which is applicable to wholesale transactions and futures/option contracts, provided however that the value of the above transactions amounts to at least ten thousand (10,000) euros, regardless of whether they are carried out in a single operation or in several operations which appear to be linked. Furthermore, in order to meet the specific needs of the Energy Management & Trading Business Unit (EMT/BU), a position of Energy Transactions Compliance Director has already been established as of September 2021, entrusted with the task of continuous monitoring the institutional framework governing energy transactions and the implementation of the Energy Transactions Compliance Programme, which is part of the Corporate Compliance and Business Ethics Programme.

Subsequently, within 2022, the following were approved by relevant Board Decisions.

- **Revised Code of Conduct** (No. 72/09.06.2022), which is a mandatory standard of conduct for all employees that must always be applied strictly and without deviations, while it defines and discloses to the related third parties the requirements of the Company towards them in the context of their cooperation,
- **The Policy against Violence and Harassment at Work (**No. 18/1-03-2022) by virtue of Law 4808/2021,
- **The Enforcement Policy & Report/Complaint Handling Procedure** (No. 19/01.03.2022) which aims to ensure that all violations of the Compliance and Business Conduct Programme, including the Company's Code of Conduct, shall be investigated and examined in a fair and consistent manner, while protecting the rights of all parties, thus contributing to proactively addressing phenomena that may affect the Company's reputation and credibility.

The Company, in any incident of corruption that comes to its attention, either after a complaint or after an audit conducted by a Head of Unit and/or the Internal Audit Department, and following thorough investigation, initiates disciplinary proceedings for the employees involved, in accordance with the provisions of Chapter F of PPC's Staff Regulations. For the most part and given the seriousness of the misconducts performed by the employees involved in such cases, such disciplinary proceedings shall be reported by the CEO to the Primary Disciplinary Board, which may impose any of the sanctions designated in the Staff Regulations (Articles 26 and 32 of the Staff Regulations). Incidents of misconduct which constitute criminal offences shall be reported to the competent judicial authorities. It is noted that the provisions of the Enforcement Policy & Report/Complaint Handling Procedure supplement the above procedure with new provisions (proportionately to those under the Staff Regulations) in order to deal correspondingly with potential violations by employees/executives whose contracts are not subject to PPC's Staff Regulations.

Pursuant to the Enforcement Policy & Report/Complaint Handling Procedure an executive of the CD was appointed as the Company's Whistleblowing Officer, entrusted with the task of handling the report/complaint channel (whistleblowing channel), ensuring their proper handling and maintaining communication with the complainant, while three (3) channels for the submission of Reports and Complaints within the Company have been in operation. The CD handled fifteen (15) cases under the Enforcement Policy & Report/Complaint Handling Procedure during 2022.

The Company also takes the appropriate measures, in accordance with the provisions of Law 4557/2018, as applicable, with regard to the prevention and suppression of money laundering and terrorism financing. During 2022, under the Company's Anti-Money Laundering Policy, the Compliance Department drafted implementation instructions, conducted a training seminar for the competent executives and carried out a spot check.
It has also introduced in its internal regulatory framework of operation (Code of Conduct, Model Documents for contract awards, etc.) and implements provisions concerning:

- transparency (Code of Conduct: § 9).
- corruption (Code of Conduct: § 10, Articles 26 and 32 of the Staff Regulations).
- fraud (Code of Conduct: § 12).
- special provisions in the Regulation on Works, Supplies & Services concerning compliance with the Policies of the "Ethical and Business Conduct" Programme. By way of example, the signing of a Certificate of Acceptance of the Company's Code of Conduct by contracting parties, KYC form and an absence of conflict of interest form at all stages of the tendering procedure, the exclusion from its contracts of economic operators who have either been convicted by an irrevocable decision for any of the offences of corruption-bribery, participation in a criminal organisation, committing terrorist acts, child labour, money laundering and fraud, or have been sanctioned for violations of labour law (Decision of PPC's CEO No. 70/2022: "Approval of Model Documents for the conclusion of contracts for Works, Supplies and Services), article 4 of the Regulation on Works, Supplies and Services (Exclusion of Economic Operator): PPC's Board Decision 4/09.02.2022 "Approval of PPC S.A. Regulation on Works, Supplies and Services and 3.4.3 in PPC S.A. Procurement Manual (PPC's Board Decision 58/06.06.2022).

Moreover, pursuant to the Conflict of Interest Policy of PPC S.A., through which the Company provides support, information and guidance to the entire personnel at all levels regarding the principles and rules for the prevention or management of conflict of interest situations and the way to implement them, the following are underway:

- It is the practice of the Board of Directors, at the beginning of each meeting, to submit a declaration of absence of conflict of interest
- Signing of a declaration of non-conflict of interest at all stages of the tendering procedure in which the participants declare that there is no conflict of interest
- Declaration of absence of conflict of interest in the recruitment process
- Establishment of an annual register of declarations of absence of conflict of interest during the performance of their duties by all the Company's executives.

In addition, within 2022, spot checks were carried out in operational areas of "high" risk for the implementation of the Programme's Policies (ongoing monitoring), which will be intensified in 2023.

The actions of the CD to further deepen the Programme Policies and integrate them into the Company's Business Operations, as well as the collaborations with external operators will continue in 2023, with the aim to improve the efficiency of the actions to enhance integrity and transparency, fight corruption and raise awareness among employees/partners.

HEDNO S.A.

The Company implements a Code of Conduct, which in especially in Article 11 (on bribery issues) and more in particular in Articles 3, 8, 9, 10, 16, 18 and 20 thereof (on business ethics in general), contains provisions on the issues of combating bribery and business ethics in general. Moreover, the recently adopted (August 2022) Rules of Operation of HEDNO S.A. contain important provisions regarding business ethics and anti-bribery issues, such as in Articles 21 - 24 on the Internal Audit System of the company, Article 26 on Conflict of Interest and Article 27 on Abti-Money Laundering and Countr-Terrorist Financing. According to the opinion of the Legal Department, there are currently no individual - separate policies - codes of conduct or anti-bribery policy in the company.

PPC RENEWABLES SINGLE MEMBER S.A.

PPC RENEWABLES SINGLE MEMBER S.A. has a Code of Conduct and in 2022, by BoD Decision No. 436/2/04.08.2022, the Company adopted the Anti-Corruption and Anti-Bribery Policy. Moreover, the following policies were adopted by the same decision:

- - Anti-Corruption and Anti-Bribery Policy,
- - Policy against Violence and Harassment at Work,
- - Human Rights Policy,
- - Enforcement Policy & Report/Complaint Handling Procedure and
- - Revision of the Code of Conduct of PPC RENEWABLES S.A.

Non_Financial Performance Indicators

Indicator/Company	**PPC S.A.**		**HEDNO S.A.**		**PPC RENEWABLES S.A.**	
	2022[3]	**2021**	**2022**	**2021**	**2022**	**2021**
Criminal court convictions for matters falling under the criminal offences of corruption, abuse of power, embezzlement, theft, fraud, bribery, accepting bribery, fraud, forgery, false certification or falsification of documents, use of false certification and official secrecy violation (number of court decisions [1]	-	1	-	-	-	-
Employees on whom the Company has imposed disciplinary sanctions in relation to offences of corruption, abuse of power, embezzlement, theft, breach of trust, bribery, accepting bribery, fraud, forgery, false testimony or falsification of documents, use of false certification and official secrecy violation (number of employees) (2)	4	7	-	-	-	-

(1) These are final judgments of criminal courts. The indicator concerns employees while performing duties as employees of the Company. The indicator refers to regular, temporary or seasonal personnel excluding seconded staff, contractors and their personnel.

(2) The disciplinary sanctions imposed in 2022 concern employees who did not hold a managerial position of any hierarchical level. In 2021, six (6) cases involved employees with no assignment of duties of any hierarchical level and one (1) case involved an employee who, at the time the misconduct occurred, was serving as Head of Section and whose duties were revoked after the misconduct was identified.

(3) Including the companies Lignitiki Megalopolis Single Member S.A. and Lignitiki Melitis Single Member S.A. which within 2022 merged with the parent company PPC S.A.

5. Respect for Human Rights

[ATHEX C-S6 Human Rights Policy]

[ATHEX C-G6 Data Security Policy]

Due Diligence Policies and Procedures

PPC S.A.

PPC respects and defends the protection of human rights and strictly condemns child labour, forced and compulsory labour, 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, placement, training, remuneration, and promotion process 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 labour agreement, etc.).
- Freedom of association and collective bargaining (collective labour agreements, etc.).
- Refraining from employing individuals under 18 years of age.
- Condemning discrimination, harassment, offensive or inappropriate behaviour, unfair treatment or reprisals of all kinds (PPC Staff Regulations, Chapter D, article 19 and article 26 par.3 Code of Conduct§ 13).: The Company has in place a Policy against Violence and Harassment at Work, in compliance with Law 4808/2021 for labour protection, which was approved by the Board of Directors' Decision No18/01.03.2022
- Ensuring a work-life balance for its employees (PPC Staff Regulations, Collective Labour Agreements, Management Decisions, etc.).
- Providing incentives to stimulate enhanced employee performance, increase productivity and reduce absenteeism (CEO Decision).

Board of Directors decision No 54/6.6.2022 established the Company's Human Rights Policyhttps://www.dei.gr/el/dei-omilos/i-dei/etairiki-diakivernisi/kodikes-kanonismoi-kai-politikes/

The Policy establishes a framework for the respect and protection of Human Rights, both within the Company and in its sphere of influence.

The Policy expresses the intention of PPC S.A. to show zero tolerance for the violation of Human Rights, by avoiding both such violations by persons falling within the scope of the Policy, and transactions with third parties that may have demonstrably (at least through the issuance of a first instance court judgement) caused violations of these rights.

Furthermore, the purpose of the Policy is to raise the awareness of employees and all parties involved regarding the respect and protection of Human Rights in all aspects of the Company's business activities, including its subsidiaries.

The Policy is binding for:

(i) The members of the BoD
(ii) The executives; and
(iii) Employees with dependent employment contracts, service providers under salaried or non-salary contracts, project contracts, independent services and temporary employment contracts, trainees, interns and volunteers, and employees of third-party service providers.

PPC S.A. ensures that it cooperates with suppliers and other third parties who adopt similar policies in their business.

Within its field of action, PPC S.A. acts proactively and strongly supports, respects and protects human rights:

- Life, Health and Safety at work
- Appropriate working conditions
- Freedom of association and collective bargaining
- Prohibition of Discrimination/Violence and Harassment at work
- Child Labour
- Slavery, forced labour and human trafficking
- Personal Data Protection
- Anti-corruption
- Protection of the Environment
- Local Community Rights
- Disciplinary practices

Employees are responsible for compliance with the principles and rules set out in the Policy.

Violation of the Policy is not tolerated and may result in the sanctions prescribed by the regulatory and legislative framework in force from time to time.

Each employee who becomes aware of a breach of this Policy by another employee shall report it, in accordance with the provisions of the Company's "Sanctions and Whistleblowing Policy".

With regard to non-discrimination when promoting employees, it is noted that:

- in 2014, women held 17% of the Company's managerial positions, while in 2022 they held 32% – an increase of 88.2%.
- in 2014, women represented 31.5% of middle managers, while in 2022 the corresponding percentage amounted to 45%, representing an increase of 42.9%
- the percentage of women among all graduates from which the Company's managers are selected, was approximately 35% in 2020, compared to 36% in 2021 and 37% in 2022.

Data security policy

In 2022, the Company, through an extensive cybersecurity transformation programme, ensured its integration into the broader corporate strategy, from the development of new digital products and services to ensuring the confidentiality, integrity and availability of information and data of both the Information Technology (IT) and Operational Technology (OT) environments.

In the broader context of the transformation, the already existing Framework of Information Systems Security (FISS) has been updated, describing the basic security requirements in terms of:

- risk assessment;
- supply chain risk management;
- identity management and access control;
- system and application security throughout their life cycle;
- threat detection and response to vulnerabilities and risks;
- management of security incidents;
- awareness-raising and training of its personnel and partners regarding information security;

Personal Data Protection

PPC attaches great importance to privacy and the protection of personal data of both employees and other stakeholders. In compliance with the provisions of the General Data Protection Regulation (GDPR) EU 2016/679, as well as with **L. 4624/2019, the Company has adopted a series of Policies and Procedures** aimed at the high level and effective protection of the personal data of its employees, customers and partners. Specifically:

- By Decision No 147/23-11-2021, the Board of Directors approved the updated Personal Data Protection Policy.
- A series of communication and training activities has been carried out to raise awareness of data protection issues.
- Guidelines for the preparation of a Data Protection Impact Assessment (DPIA) on critical business processes were issued
- A special procedure for the drawing up of a Data Processing Agreement (DPA) has been included in the Regulations on Works, Procurements and Services.

Freedom of Association

PPC supports the freedom of association of its staff. The employees participate in various labour 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 29 first level unions.

Trade unionists among employees are protected under relevant legislation (with regards to transfers and dismissals).

Trade union activity is facilitated through appropriate leaves, in addition to those provided for in the relevant legislation, in accordance with the Collective Labor Agreement.

Enterprise-specific collective labour agreements are signed, usually with a 3-year duration, following collective bargaining (in effect from 24.3.2021 with a 3-year duration).

HEDNO S.A.

HEDNO S.A. has a Code of Conduct which includes provisions for the protection of human rights, and in particular Articles 2, 3, 8, 13 and 14 thereof. Provisions on this matter are also included in Articles 29 and 30 of the recently adopted (August 2022) HEDNO S.A. Regulations on training of the Company's executives and on sustainable development. According to the legal department, at this time in there are no distinct policies in the field of human rights at HEDNO S.A., although significant additional regulations in these fields are expected to be included in the new and reformed Code of Conduct for HEDNO S.A., which is being prepared.

Personal Data Protection

HEDNO S.A. has a Data Security Policy (https://deddie.gr/el/oroi-xrisis-asfaleia/politiki-prostasias-prosopikon-dedomenon/)

The main data protection standards which the Company recognizes and/or commits to are:

- GDPR,
- NIS,
- ISO 27001:2013 (The Directorate of Informatics and Digitisation) has already been certified according to ISO 27001 from December 2019 to this day) and,
- National Cyber Security Strategy (2020-2025).

PPC Renewables S.A.

Within 2022, with Decision No ΔΑ/ΔΣ/436/2/04.08.2022 the Company adopted the Human Rights Policy.

Regarding data security, the Company has a backup policy for digital data and the notification of interested parties on the processing of personal data.

Non-Financial Performance Indicators

Indicator/Company	**PPC S.A.**		**HEDNO S.A.**		**PPC RENEWABLES S.A.**	
(amounts in thousand euros)	**2022 (2)**	**2021**	**2022**	**2021**	**2022**	**2021**
Court convictions on incidents of human rights violations in the workplace (number of incidents)(1)	-	-	-	-	-	-
Employees subject to disciplinary penalties by the Company for incidents of human rights violations in the workplace (number of employees)	-	-	-	-	-	-

(1) The indicator is related to final judgements in criminal courts and concerns employees of the Company in the context of exercising their duties by virtue of their status as employees of the Company.

(2) This includes the companies Lignitiki Megalopolis Single-Member S.A. and Lignitiki Meliti Single-Member S.A. which in 2022 merged with the parent company PPC S.A.

Responsible Supply Chain

Due Diligence Policies and Procedures

PPC S.A.

In order to meet its needs in materials and services, as well as to carry out technical works, PPC S.A. enters into agreements/contracts with suppliers, giving priority, where feasible, to local suppliers, with the aim of supporting and developing local economies.

After the completion of the Company's Share Capital Increase on 16.11.2021 and the subsequent change in the composition of its Share Capital, where the participation of the Greek State stands at 34.12%, PPC no longer falls under the subjective scope of a number of provisions, among which is Directive 2014/25 and Law 4412/2016, as amended, while the provision of Article 9(4) of Law 4643/2019, according to which the contracts for works, procurements and services of PPC S.A. are awarded in accordance with the Company's "Regulations on Works, Procurements and Services" remains in effect. As a result of the above, the procedures for awarding procurements, services and works in 2022 are now carried out according to the provisions of the Regulations on Works, Procurements and Services of PPC (Decision no. 4/09.02.2022 of the Board of Directors of PPC), the Procurement Manual (Decision No. 58/06.06.2022 of the Board of Directors of PPC) and the Template Contract Documents (Decision number 70/2022 of PPC's CEO), which constitute the internal framework for the conclusion of PPC contracts. The full text of the Regulations on Works, Procurements and Services of the Company governing the awarding procedures is posted on the Company's website (https://eprocurement.dei.gr/pages/information/).

The procedures for selecting contractors are divided into: Single-Stage Selection Procedures and Multi-Stage Selection Procedures.

The Company is in constant communication with key suppliers to exchange views on the behaviour of the equipment supplied and to transfer know-how to them. The main categories of procurement include materials - spare parts, fixed support equipment, services, works, liquid fuels, lignite (by third parties), natural gas, procurement of electricity and greenhouse gas emission rights.

In order to ensure that contractors and any subcontractors comply with labour and insurance legislation for their staff, depending on the type of service provided, PPC includes a general clause in all contracts it enters into, which provides for the termination of the contract and exclusion of the contractor from future tender procedures in the event of repeated non-compliance. For each payment to a contractor (for the above cases provided for in the contract), PPC requires evidence that the contractor has fulfilled its labour obligations towards its staff and paid the corresponding employer's contributions. In this way, the Company ensures that it concludes contracts with contractors who comply with labour law and have their staff insured as provided for in the relevant legislation.

HEDNO S.A.

The procedures for the procurement of materials, works and services shall be carried out in accordance with the Regulations on Works, Procurements and Services of HEDNO S.A., as amended and in force as of August 2022, ensuring that transparency and objectivity are complied with.

Tender processes with a budget above €60,000 are carried out electronically via the sourceONE platform of cosmoONE, which is the e-Tender System used by the Company.

Selection procedures provided for by the Regulations of 2022 include the Open Procedure, the Restricted Procedure, the Negotiated Procedure, the Competitive Dialogue, the Innovation Partnership. Moreover, regarding special economic operator selection systems, starting in 2021, the procedure of the call for the inclusion of economic operators in prequalification systems for categories of materials such as Centrifugal Concrete Poles, MV Measurement Transformers and Synthetic Insulators was launched.

The implementation of the digital signature, electronic distribution and approval of tender procedures via an application, etc., as well as the introduction of tools, such as e-auctions, which enable the achievement of highly competitive prices, are illustrative examples of the company's consistent commitment to the digitalisation of procurement procedures. Furthermore, the use of Business Intelligence tools for the analysis of expenses and the monitoring of performance indicators on the progress of the tender and purchasing procedures contribute to the identification of points for improvement, reduction of time and cost parameters, and overall rationalisation and optimisation of procedures.

The Company's cooperation with contractors is governed by strict compliance with the provisions of labour and insurance legislation for employees, which is ensured by the terms of the contracts concluded.

The major changes during 2022 relating to the operation and optimisation of the supply chain, include the full implementation of a Telematics System on the Company’s vehicle fleet (full logging of routes, traffic parameters and preventive vehicle inspection data and interconnection with existing systems), as well as the long-term lease of two hundred and ninety-two (292) electric vans, aiming at the electrification of the Company’s fleet to be implemented within 2023.

PPC Renewables S.A.

The procedures based on which the Company selected contracting parties for Works, Procurements and Services contracts in 2021-2022 were based on the Regulation on Works, Procurements and Services of PPC Renewables S.A. (its latest version was adopted by decision of the Company’s BoD in February 2022 and can be found on the Company’s website https://ppcr.gr/images/eprocurement_v2_final.pdf).

The subject of the Regulations in question are the Procedures prior to the conclusion of contracts for works, procurements and services of the Company, irrespective of the amount, by which the Company will select its contractors. These Procedures may be conducted in one or more Stages, in accordance with the provisions of the Regulations and the relevant documents, while the relevant Calls for the initiation of the Procedures may be published or sent to selected Interested Parties.

Selection Procedures are implemented in compliance with the principles of transparency, equal treatment and non-discrimination of the interested parties, protection of fair and free competition, protection of the environment and sustainable development, taking care to ensure the efficiency of the procurement procedures.

Results of Policies/Non-Financial Performance Indicators

For PPC S.A., in 2022, there were no incidents of labour law violations by contractors, and specifically:

With regard to contracts handled by the Supply Chain & Corporate/Commercial Operations' Procurement Department of the Company, there was no labour law violation by contractors for 2022. The same applies for the Production Operations Procurement Division. With regard to the projects under the responsibility of the Hydroelectric Engineering and Construction Division, there were also no incidents of labour law violations in 2022 by the cooperating Contractors. The same also applies for the Division of the Lignite Centre of Western Macedonia , the Division of the Lignite Center of Megalopolis and the Thermal Projects Engineering and Construction Department.

Similarly, for subsidiaries HEDNO S.A. and PPC Renewables S.A., there was no notification/ascertainment of an incident of labour law violations by contractors in 2022.

4. Purpose of the non-financial information provided and its data quality.

Further to the recommendation of the European Securities Markets and Authority (ESMA) and of the Hellenic Capital Market Commission Letter 2708/9-11-2022, the Non-Financial Report of FY2022 should include information on the purpose of non-financial reporting (value chains) and the quality of its data.

The Company integrates the impact of the value chain into its performance in two ways:

1. Regarding its carbon footprint, PPC includes in its own performance the performance of its supply chain through the calculation, monitoring and preparation of actions to improve its Corporate Carbon Footprint. The Company's Corporate Carbon Footprint is the sum of direct (Scope 1) and indirect (Scope 2 and 3) greenhouse gas (GHG) emissions resulting from its activities. In particular, regarding indirect GHG emissions, selected subcategories that depend directly on the operation of the supply chain (type, intensity and characteristics of supplies) are calculated separately and appropriately evaluated. In fact, following the recent adoption and formalisation of a carbon footprint calculation process which also includes external verification, PPC will further improve supply chain performance with focused actions derived from monitoring the historical evolution as well as changes in the relevant figures.

2. Incorporation into the Company's Regulations on Works, Procurements and Services of aspects of its Code of Conduct, and in particular in the revised Regulations and specifically articles 4 and 13, as well as the Procurement Manual (Chapter 2 "Procurement Procedures Framework" and Chapter 3.4 "Grounds for exclusion"). More specifically, the Company may exclude suppliers from the selection procedures if reasons are ascertained that cast doubt on their integrity and reliability, including non-compliance with labour and environmental legislation, corruption and bribery, child labour, etc.

With respect to the quality of the data of the Non-Financial Report, the NFR is prepared based on a comprehensive and strict data and information collection process implemented by the Sustainable Development Division using various IT systems, applications, files and institutionalized/established policies as well as the preparation of controls . This data and the information collected and calculated from the databases kept at PPC's central services, as well as at its individual Divisions / Departments, are also taken into account in the annual Sustainability Report. The Sustainability Report is approved by the Sustainability Committee and its content is brought to the attention of the Company's Audit Committee, as well as to the attention of the Board of Directors of PPC SA. and the important subsidiaries of HEDNO S.A. and PPC RENEWABLES S.A. In addition, the Sustainability Report is subject to external assurance by an independent body, in accordance with the ISAE 3000 International Standard for Assurance Engagements.

5. Information of Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, as well as of Delegated Regulation (EU) 2021/2178 of the Commission of 6 July 2021 supplementing Regulation (EU) 2020/852

The EU Taxonomy Regulation (2020/852/EU) is one of the tools established based on the European Green Deal, which aims to the transformation of the European Union, in a fair manner, into a modern, efficient, competitive and climate-neutral economy by 2050.

The Regulation establishes the technical criteria for determining whether an economic activity qualifies as environmentally sustainable. Consequently, the Regulation sets a common classification system that investors can use, when investing in economic activities that have a significant positive impact on the climate, the environment and the society.

For an economic activity to qualify as environmentally sustainable i.e., Taxonomy-aligned, the activity is required to meet all the following requirements:

- Be Taxonomy-eligible, which means to be recognized (based on its NACE code) that it could potentially have a substantial contribution to one or more of the six (6) environmental objectives set by the Regulation
- Contributes substantially to one, or more, of the six (6) environmental objectives set by the Regulation
- Do not significantly harm any of the other five (5) environmental objectives
- Comply with the minimum social safeguards
- Comply with the technical screening criteria as set by the Commission

The six environmental objectives set by EU Taxonomy Regulation are the following:

- Climate change mitigation
- Climate change adaptation
- Sustainable use and protection of water and marine resources
- Transition to a circular economy
- Pollution prevention and control
- Protection and restoration of biodiversity and ecosystems

Currently, according to the Delegated Acts 2021/2139 and 2022/1214, there are available technical screening criteria only for the two (2) of the six (6) environmental objectives, and specifically for:

- climate change mitigation and
- climate change adaptation.

Disclosure requirements of EU Taxonomy Regulation

According to Article 8, paragraph 1, of EU Taxonomy Regulation (2020/852/EU), any undertaking that is subject to an obligation to publish non-financial information (according to article 19a and 29a of Directive 2013/34/EU), shall include in its non-financial statement or consolidated non-financial statement information on how and to what extent the undertaking's activities are associated with economic activities that qualify as environmentally sustainable.

Specifically, for disclosures that are published during 2023, concerning the financial year 2022, the non-financial undertakings should disclose the following key performance indicators (KPI):

- the proportion of their turnover («Turnover») derived from products or services associated with economic activities that qualify as environmentally sustainable
- the proportion of their capital expenditure («CapEx») related to assets or processes associated with economic activities that qualify as environmentally sustainable.
- the proportion of their operating expenditure («OpEx») related to assets or processes associated with economic activities that qualify as environmentally sustainable.

For reports published during 2022, concerning the financial year 2021, the non-financial undertakings had to disclose the above-mentioned key performance indicators concerning only Taxonomy-eligible and Taxonomy-non eligible economic activities.

EU Taxonomy Reporting

The methodology for the determination of the key performance indicators of PPC Group, was as follows:

1. Identification of the Taxonomy-eligible economic activities
2. Assessment to determine alignment of the Taxonomy-eligible economic activities based on the below:

2.1 Substantial contribution to the climate change mitigation and climate change adaptation environmental objectives

2.2 Do no significant harm (DNSH)

2.3 Compliance with the minimum social safeguards, at Group level

3. Calculation of the key performance indicators

The methodology was based on the EU Taxonomy Regulation (2020/852), its Delegated Acts as well as any additional guidance released:

- The Climate Delegated Acts 2021/2139 and 2022/1214: These Delegated Acts establish the technical screening criteria (TSC) for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation and/or climate change adaptation environmental objectives, as well as for determining whether that economic activity does not significantly harm any of the other environmental objectives.
- The Disclosure Delegated Act 2021/2178: This Delegated Act specifies the content and presentation of information to be reported, concerning environmentally sustainable economic activities.
- Final Report on Minimum Safeguards: This Report, published by the Platform on Sustainable Finance, includes guidance on the application of the minimum social safeguards.

1. Identification of the Taxonomy-eligible economic activities

The determination of the eligible economic activities of PPC Group business activities was conducted based on the NACE codes associated with its activities, which according to the Regulation refer to financial data that are fully consolidated.

PPC is a Group of Companies which consists of (a) PPC S.A. which is the core and has the functions of Supply, Power Generation from conventional and hydroelectric sources of energy, Energy Trading and Electromobility, (b) the main subsidiaries HEDNO S.A. (Distribution) and PPC Renewables S.A., with the latter being the main operator of the transition to "green" electricity generation through Renewable Energy Sources and Storage and (c) the subsidiaries in South East Europe which are active in the trading of electricity.

The economic activities of PPC Group for the financial year 2022 which were identified as eligible are the following:

- Activity 4.1 - Electricity generation using solar photovoltaic technology
- Activity 4.3 - Electricity generation from wind power
- Activity 4.5 - Electricity generation from hydropower
- Activity 4.6 - Electricity generation from geothermal energy
- Activity 4.8 - Electricity generation from bioenergy
- Activity 4.9 - Transmission and distribution of electricity
- Activity 4.10 - Storage of electricity
- Activity 4.29 - Electricity generation from fossil gaseous fuels

2. Eligibility Assessment

PPC Group proceeded with the assessment of the alignment of its eligible economic activities and assets, against:

- The substantial contribution technical screening criteria (TSC) in relation to at least one (1) environmental objective
- The do no significant harm technical screening criteria (TSC) in relation to the remaining five (5) environmental objectives
- The minimum social safeguards

The purpose of this assessment was the determination of the level for alignment of the Group’s eligible economic activities with the TSC and the requirements of Taxonomy Regulation, as well as the identification of potential gaps, in order the Group to develop a specific action plan to align its eligible economic activities, with the Taxonomy Regulation, in the coming years.

2.1 Substantial contribution

An assessment of each asset of the eligible economic activities was carried out against the respective climate change mitigation or climate change adaptation TSC for substantial contribution. It was also determined whether each activity is considered an enabling or a transitional economic activity.

Electricity generation using solar photovoltaic technology

The Group is active in the construction of photovoltaic parks, as well as in the production of electricity from photovoltaic parks, through its 100% subsidiary PPC Renewables SA.

For 2022, the total capacity of the projects in operation is 34 MW.

Electricity generation from wind power

The Group is active in the installation of wind turbines in wind farms, as well as in the production of electricity from wind farms, through its 100% subsidiary PPC Renewables SA.

For 2022, the total capacity of the projects in operation is 147 MW.

Electricity generation from hydropower

The Group produces electricity both through its Large Hydroelectric Power Stations of the Parent Company, and through Small Hydroelectric Power Stations of its 100% Subsidiary PPC Renewables SA. The Large Hydroelectric Power Stations (HPPs) are classified into 4 main river Complexes (Acheloos, Aliakmonas, Arachthos, Nestos) and two independent HPPs (Plastiras and Ladonas). The total capacity of both Large and Small Hydroelectric Power Stations in operation is 3.3 MW.

Electricity generation from geothermal energy

Geothermal electricity production exploits the heat from the ground. The chosen technology for the projects of PPC Renewables S.A. is a closed-circuit binary power plant with close to zero emissions. PPC Renewables S.A., for geothermal technology, has a strategic partner, the "Geothermal Target 2", owning the 49% of shares. The entire development is divided into two interconnected areas. PPC Renewables S.A. reserves the exclusive right to explore and develop the geothermal fields that it controls and manage their wastewater, while the "Geothermal Target 2" will use the geothermal fluids that belong to PPC Renewables S.A. for energy production. According to the above, PPC Renewables SA. incurs expenses that appear in its financial statements and for this reason the specific activity is included in the alignment assessment.

Electricity generation from bioenergy

PPC Renewables S.A. develops electricity production projects exclusively from biomass, with a total capacity of 25 MW.

Transmission and distribution of electricity

The Group is active in the Distribution of Electricity in the Low and Medium Voltage, through its 100% subsidiary HEDNO S.A., which also operates and develops the installation of equipment to increase the controllability and observability of the electricity system and to enable the development and integration of renewable energy sources.

The Group is also active in the installation, maintenance and operation of electric vehicle (EV) charging stations, supporting electric infrastructure for the electrification of transport, through DEI Blue's electromobility services.

Storage of electricity

PPC Renewables S.A. develops electrochemical energy storage projects using batteries, with a total capacity of 1,043 MW.

Electricity generation from fossil gaseous fuels

The Group produces electricity through the steam power plants (SPP) of the Parent Company using natural gas as fuel. The installed capacity of the Group's gas-fired SPPs exceeds 2,650MW and includes the SPPs of Komotini, Megalopolis, Aliveri and Lavrio - Keratea. At the end of December 2022, PPC proceeded with the acquisition of 51% of the company's shares under the name "Alexandroupolis Monoprosopi S.A." from the company Damco Energy. This company is planning the construction and operation of a new natural gas-fired electricity production unit, with a nominal capacity of 840 MW, in Alexandroupolis and is expected to be completed by the end of 2025.

2.2 Do No Significant Harm (DNSH)

An assessment of each asset of each economic activity was carried out against the DNSH technical screening criteria of climate change adaptation, as well as for the rest four (4) of environmental objectives (the sustainable use and protection of water and marine resources, the transition to a circular economy, the pollution prevention and control and the protection and restoration of biodiversity and ecosystems) for the economic activities that they are available.

2.3 Minimum Social Safeguards

PPC Group was assessed against the requirements of the minimum social safeguards as set out in Article 18 of the EU Taxonomy Regulation (2020/852/EU). The minimum social safeguards are a set of defined UN, EU and other international human rights and code of ethics guidelines, as follows:

- The OECD Guidelines for Multinational Enterprises
- The UN Guiding Principles on Business and Human Rights
- The principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labor Organization on Fundamental Principles and Rights at Work
- The International Bill of Human Rights

According to the Final Report on Minimum Safeguards of the Platform on Sustainable Finance, the minimum social safeguards cover the following areas:

- Human rights, including labor rights
- Corruption/Bribery
- Taxation
- Fair Competition

3. Accounting policy for the determination of key performance indicators (KPIs)

3.1 Turnover (turnover KPI)

The proportion of turnover referred to in Article 8(2), point (a), of the Regulation (EU) 2020/852 is calculated as the part of the net turnover derived from products or services, including intangibles, associated with Taxonomy-aligned economic activities (numerator), divided by the net turnover (denominator) as defined in Article 2, point (5), of Directive 2013/34/EU. The turnover covers the revenue recognized pursuant to International Accounting Standard (IAS) 1, paragraph 82(a), as adopted by Commission Regulation (EC) No 1126/2008[2].

To avoid double counting in the allocation in the numerator of turnover across economic activities, the figures used have eliminated intergroup transactions.

In addition to the calculation of turnover KPI at Group level, it has been also calculated taking into account the disaggregated data relevant to the electricity generation activity.

[2] *Commission Regulation (EC) No 1126/2008 of 3 November 2008 adopting certain international accounting standards in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council (OJ L 320, 29.11.2008, p. 1).*

3.2 Capital expenditure (CapEx)

The proportion of CapEx referred to in Article 8(2), point (b), of Regulation (EU) 2020/852 is calculated as the numerator divided by the denominator as specified in points 1.1.2.1 and 1.1.2.2 of Annex I of the delegated Regulation (EU) 2021/2178.

Denominator

The denominator covers additions to tangible and intangible assets during the financial year considered before depreciation, amortization and any re-measurements, including those resulting from revaluations and impairments, for the relevant financial year and excluding fair value changes. The denominator also covers additions to tangible and intangible assets resulting from business combinations.

For non-financial undertakings applying international financial reporting standards (IFRS) as adopted by Regulation (EC) No 1126/2008, CapEx shall cover costs that are accounted based on:

(a) IAS 16 Property, Plant and Equipment, paragraphs 73, (e), point (i) and point (iii);

(b) IAS 38 Intangible Assets, paragraph 118, (e), point (i);

(c) IFRS 16 Leases, paragraph 53, point (h).

Leases that do not lead to the recognition of a right-of-use over the asset are not counted as CapEx.

Numerator

The numerator equals to the part of the capital expenditure included in the denominator that is any of the following:

(a) related to assets or processes that are associated with Taxonomy-aligned economic activities;

(b) part of a plan to expand Taxonomy-aligned economic activities or to allow Taxonomy-eligible economic activities to become Taxonomy-aligned (‘CapEx plan’) under the conditions specified in the second subparagraph of point 1.1.2.2 of Annex I of the delegated Regulation 2021/2178 EU;

The CapEx plan, referred to in the first paragraph of point 1.1.2.2 of Annex I of the delegated Regulation 2021/2178 EU, meet the following conditions:

(a) the plan aims either to expand the undertaking’s Taxonomy-eligible and Taxonomy-aligned economic activities or to upgrade Taxonomy-eligible economic activities to render them Taxonomy-aligned within a period of five years;

(b) the plan is disclosed at economic activity aggregated level and be approved by the management body of non- financial undertakings either directly or by delegation.

Where the relevant technical screening criteria are amended before the completion of the CapEx plan, non-financial undertakings shall either update the plan within two years to ensure the economic activities referred to in point (a) are aligned with the amended technical screening criteria upon the completion of the plan or restate the numerator of the CapEx KPI. The updating of plan shall restart the period referred to in point (a). The period referred to point (a) of the second paragraph of this point 1.1.2.2 can exceed five years only where a longer period is objectively justified by specific features of the economic activity and the upgrade concerned, with a maximum of 10 years. That justification shall feature in the CapEx plan itself and in the contextual information detailed under point 1.2.3 of the Annex I of the delegated Regulation 2021/2178 EU.

Where the CapEx plan fails to meet the conditions referred to in the second paragraph of this point 1.1.2.2, previously published KPI related to capital expenditure shall be restated.

The numerator also contains the part of the CapEx for adaptation of economic activities to climate change in accordance with Annex II to this Climate Delegated Act. The numerator provides for a breakdown for the part of CapEx allocated to substantial contribution to climate change adaptation.

To avoid double counting in the allocation in the numerator of CapEx across economic activities, the figures have eliminated intergroup transactions.

3.3 Operating expenditure (OpEx)

The proportion of OpEx referred to in Article 8(2), point (b), of Regulation (EU) 2020/852 is calculated as the numerator divided by the denominator as specified in points 1.1.3.1 and 1.1.3.2 of the Annex I of the delegated Regulation 2021/2178 EU.

Denominator

The denominator covers direct non-capitalized costs that relate to research and development, building renovation measures, short-term lease, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment by the undertaking or third party to whom activities are outsourced that are necessary to ensure the continued and effective functioning of such assets.

Numerator

The numerator equals to the part of the capital expenditure included in the denominator that is any of the following:

a) related to assets or processes associated with Taxonomy-aligned economic activities, including training and other human resources adaptation needs, and direct non-capitalized costs that represent research and development;
b) part of the CapEx plan to expand Taxonomy-aligned economic activities or allow Taxonomy-eligible economic activities to become Taxonomy-aligned within a predefined timeframe as set out in the second paragraph of point 1.1.3.2 of the Annex I of the delegated Regulation 2021/2178 EU.

The CapEx plan, referred to in the first paragraph of point 1.1.3.2 of Annex I of the delegated Regulation 2021/2178 EU, shall meet the conditions specified in point 1.1.2.2 of the Annex I of the delegated Regulation 2021/2178 EU.

Research and development costs already accounted for in the CapEx KPI is not counted as OpEx.

To avoid double counting in the allocation in the numerator of OpEx across economic activities, the figures have eliminated intergroup transactions.

3.4 Key Performance Indicators 2022

In the following tables the percentages of turnover, CapEx and OpEx of Taxonomy aligned, Taxonomy-non-aligned and Taxonomy-non eligible economic activities for the financial year 2022, are presented, according to the results of the alignment assessment of the economic activities of PPC Group.

Turnover				Substantial contribution criteria						DNSH criteria ('Does No Significant Harm')										
Economic activities	EU NACE code	Turnover	Proportion of total Turnover	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned proportion of Turnover FY22	Taxonomy-aligned proportion of Turnover FY21	Category (Enabling activity)	Category (Transitional activity)
		'000€	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
A. Taxonomy-Eligible Activities																				
A.1 Taxonomy-aligned activities																				
Total Turnover from taxonomy-eligible and aligned activities (A.1)		**0**	**0%**	**0%**	**0%**	-	-	-	-								**0%**	*	**0%**	**0%**
A.2 Taxonomy-non-aligned activities																				
Electricity generation using solar photovoltaic technology (4.1)	D35.11	1,998	0.02%																	
Electricity generation from wind power (4.3)	D35.11	22,392	0.20%																	
Electricity generation from hydropower (4.5)	D35.11	12,844	0.11%																	
Electricity generation from geothermal energy (4.6)	D35.11	0	0%																	
Electricity generation from bioenergy (4.8)	D35.11	0	0%																	
Transmission and distribution of electricity (4.9)	D35.13	395,652	3.52%																	
Storage of electricity (4.10)	-	0	0%																	
Electricity generation from fossil gaseous fuels (4.29)	D35.11	0	0%																	
Total Turnover from taxonomy-non-aligned activities (A.2)		**432,887**	**3.85%**																	
Total Taxonomy-eligible Turnover (A.1 + A.2)		**432,887**	**3.85%**														**0%**	*	**0%**	**0%**
B. Taxonomy-Non-Eligible Activities																				
Total Turnover from Taxonomy-non-eligible activities (B)		**10,820,221**	**96.15%**																	
Total Turnover (A+B)		**11,253,107**	**100%**																	

* There was no obligation to be calculated for 2021

In the following Turnover table, **only** the data of the Group's Electricity Production Sector are displayed.

Turnover				Substantial contribution criteria						DNSH criteria ('Does No Significant Harm')										
Economic activities	EU NACE code	Turnover	Proportion of total Turnover	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned proportion of Turnover FY22	Taxonomy-aligned proportion of Turnover FY21	Category (Enabling activity)	Category (Transitional activity)
		'000€	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
A. Taxonomy-Eligible Activities																				
A.1 Taxonomy-aligned activities																				
Total Turnover from taxonomy-eligible and aligned activities (A.1)		0	0%	0%	0%	-	-	-	-								0%	*	0%	0%
A.2 Taxonomy-non-aligned activities																				
Electricity generation using solar photovoltaic technology (4.1)	D35.11	2,089	0.04%																	
Electricity generation from wind power (4.3)	D35.11	32,284	0.60%																	
Electricity generation from hydropower (4.5)	D35.11	63,873	11.70%																	
Electricity generation from geothermal energy (4.6)	D35.11	0	0%																	
Electricity generation from bioenergy (4.8)	D35.11	0	0%																	
Electricity generation from fossil gaseous fuels (4.29)	D35.11	2,469,148	45.78%																	
Total Turnover from taxonomy-non-aligned activities (A.2)		**3,134,395**	**58.12%**																	
Total Taxonomy-eligible Turnover (A.1 + A.2)		**3,134,395**	**58.12%**														0%	*	0%	0%
B. Taxonomy-Non-Eligible Activities																				
Total Turnover from Taxonomy-non-eligible activities (B)		**2,258,588**	**41.88%**																	
Total Turnover (A+B)		**5.392.982**	**100%**																	

* There was no obligation to be calculated for 2021

CapEx				Substantial contribution criteria						DNSH criteria ('Does No Significant Harm')										
Economic activities	**EU NACE code**	**CapEx**	**Proportion of total CapEx**	**Climate change mitigation**	**Climate change adaptation**	**Water and marine resources**	**Circular economy**	**Pollution**	**Biodiversity and ecosystems**	**Climate change mitigation**	**Climate change adaptation**	**Water and marine resources**	**Circular economy**	**Pollution**	**Biodiversity and ecosystems**	**Minimum safeguards**	**Taxonomy-aligned proportion of CapEx FY22**	**Taxonomy-aligned proportion of CapEx FY21**	**Category (Enabling activity)**	**Category (Transitional activity)**
		'000€	**%**	**%**	**%**	**%**	**%**	**%**	**%**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**%**	**%**	**E**	**T**
A. Taxonomy-Eligible Activities																				
A.1 Taxonomy-aligned activities																				
Total CapEx from taxonomy-eligible and aligned activities (A.1)		**0**	**0%**	**0%**	**0%**	**-**	**-**	**-**	**-**								**0%**	*****	**0%**	**0%**
A.2 Taxonomy-non-aligned activities																				
Electricity generation using solar photovoltaic technology (4.1)	D35.11	143,580	17.02%																	
Electricity generation from wind power (4.3)	D35.11	95,725	11.35%																	
Electricity generation from hydropower (4.5)	D35.11	13,264	1.57%																	
Electricity generation from geothermal energy (4.6)	D35.11	85	0.01%																	
Electricity generation from bioenergy (4.8)	D35.11	25	<0.01%																	
Transmission and distribution of electricity (4.9)	D35.13	330,030	39.13%																	
Storage of electricity (4.10)	-	220	0.03%																	
Electricity generation from fossil gaseous fuels (4.29)	D35.11	20,038	2.38%																	
Total CapEx from taxonomy-non-aligned activities (A.2)		**602,967**	**71.50%**																	
Total Taxonomy-eligible CapEx (A.1 + A.2)		**602,967**	**71.50%**														**0%**	*****	**0%**	**0%**
B. Taxonomy-Non-Eligible Activities																				
Total CapEx from Taxonomy-non-eligible activities (B)		**240,386**	**28.50%**																	
Total CapEx (A+B)		**843,353**	**100%**																	

* There was no obligation to be calculated for 2021

OpEx				Substantial contribution criteria						DNSH criteria ('Does No Significant Harm')										
Economic activities	EU NACE code	OpEx	Proportion of total OpEx	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned proportion of OpEx FY22	Taxonomy-aligned proportion of OpEx FY21	Category (Enabling activity)	Category (Transitional activity)
		'000€	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
A. Taxonomy-Eligible Activities																				
A.1 Taxonomy-aligned activities																				
Total OpEx from taxonomy-eligible and aligned activities (A.1)		**0**	**0%**	**0%**	**0%**	-	-	-	-								**0%**	*	**0%**	**0%**
A.2 Taxonomy-non-aligned activities																				
Electricity generation using solar photovoltaic technology (4.1)	D35.11	19	<0.01%																	
Electricity generation from wind power (4.3)	D35.11	1.601	0.31%																	
Electricity generation from hydropower (4.5)	D35.11	304	0.06%																	
Electricity generation from geothermal energy (4.6)	D35.11	0	0%																	
Electricity generation from bioenergy (4.8)	D35.11	0	0%																	
Transmission and distribution of electricity (4.9)	D35.13	130,906	25.66%																	
Storage of electricity (4.10)	-	0	0%																	
Electricity generation from fossil gaseous fuels (4.29)	D35.11	29,455	5.77%																	
Total OpEx from taxonomy-non-aligned activities (A.2)		**162,285**	**31.82%**																	
Total Taxonomy-eligible OpEx (A.1 + A.2)		**162,285**	**31.82%**														**0%**	*	**0%**	**0%**
B. Taxonomy-Non-Eligible Activities																				
Total OpEx from Taxonomy-non-eligible activities (B)		**347,784**	**68.18%**																	
Total OpEx (A+B)		**510,069**	**100%**																	

* There was no obligation to be calculated for 2021

Nuclear and fossil gas related activities		
Row	**Nuclear energy related activities**	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

Taxonomy-aligned economic activities (denominator) - Turnover **Amounts on '000€**							
		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
Row	**Economic activities**	**CCM + CCA**		**Climate change mitigation (CCM)**		**Climate change adaptation (CCA)**	
		Amount	**%**	**Amount**	**%**	**Amount**	**%**
1.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
2.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
3.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
4.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
5.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
6.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**0**	**0%**	**0**	**0%**	**0**	**0%**
8.	**Total applicable KPI**	**11,253,107**	**100%**	**0**	**0%**	**0**	**0%**

Taxonomy-aligned economic activities (numerator) - Turnover Amounts on '000€							
		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
Row	**Economic activities**	**CCM + CCA**		**Climate change mitigation (CCM)**		**Climate change adaptation (CCA)**	
		Amount	**%**	**Amount**	**%**	**Amount**	**%**
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0%	0	0%	0	0%
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0%	0	0%	0	0%
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0%	0	0%	0	0%
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0%	0	0%	0	0%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0%	0	0%	0	0%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0%	0	0%	0	0%
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**0**	**0%**	**0**	**0%**	**0**	**0%**
8.	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**0**	**100%**	**0**	**0%**	**0**	**0%**

Taxonomy-eligible but not taxonomy-aligned economic activities - Turnover Amounts on '000€							
		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
Row	**Economic activities**	**CCM + CCA**		**Climate change mitigation (CCM)**		**Climate change adaptation (CCA)**	
		Amount	**%**	**Amount**	**%**	**Amount**	**%**
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
7.	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	432,887	3.85%	**0**	**0%**	**0**	**0%**
8.	**Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	**432,887**	**3.85%**	**0**	**0%**	**0**	**0%**

Taxonomy non-eligible economic activities - Turnover

Amounts on ‘000€

Row	Economic activities	Amount	%
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%
2.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%
3.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%
4.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%
5.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%
6.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%
7.	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**10,820,221**	**96.15%**
8.	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**10,820,221**	**96.15%**

Taxonomy-aligned economic activities (denominator) - CapEx Amounts on '000€							
		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
Row	**Economic activities**	**CCM + CCA**		**Climate change mitigation (CCM)**		**Climate change adaptation (CCA)**	
		Amount	**%**	**Amount**	**%**	**Amount**	**%**
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**0**	**0%**	**0**	**0%**	**0**	**0%**
8.	**Total applicable KPI**	**843,353**	**100%**	**0**	**0%**	**0**	**0%**

Taxonomy-aligned economic activities (numerator) - CapEx Amounts on ‘000€							
		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
Row	**Economic activities**	**CCM + CCA**		**Climate change mitigation (CCM)**		**Climate change adaptation (CCA)**	
		Amount	**%**	**Amount**	**%**	**Amount**	**%**
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0%	0	0%	0	0%
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0%	0	0%	0	0%
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0%	0	0%	0	0%
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0%	0	0%	0	0%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0%	0	0%	0	0%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0%	0	0%	0	0%
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**0**	**0%**	**0**	**0%**	**0**	**0%**
8.	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**0**	**100%**	**0**	**0%**	**0**	**0%**

Taxonomy-eligible but not taxonomy-aligned economic activities - CapEx Amounts on '000€							
		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
Row	**Economic activities**	**CCM + CCA**		**Climate change mitigation (CCM)**		**Climate change adaptation (CCA)**	
		Amount	**%**	**Amount**	**%**	**Amount**	**%**
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	20,038	2.38%	0	0%	0	0%
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
7.	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	582,929	69.12%	**0**	**0%**	**0**	**0%**
8.	**Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	**602,967**	**71.50%**	**0**	**0%**	**0**	**0%**

Taxonomy non-eligible economic activities - CapEx **Amounts on ‘000€**			
Row	**Economic activities**	**Amount**	**%**
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%
2.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%
3.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%
4.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%
5.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%
6.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%
7.	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**240,386**	**28.50%**
8.	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**240,386**	**28.50%**

Taxonomy-aligned economic activities (denominator) - OpEx Amounts on '000€								
		Amount and proportion (the information is to be presented in monetary amounts and as percentages)						
Row	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**0**	**0%**	**0**	**0%**	**0**	**0%**
8.	**Total applicable KPI**	**510,069**	**100%**	**0**	**0%**	**0**	**0%**

Taxonomy-aligned economic activities (numerator) - OpEx Amounts on ‘000€							
		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
Row	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0%	0	0%	0	0%
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0%	0	0%	0	0%
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0%	0	0%	0	0%
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0%	0	0%	0	0%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0%	0	0%	0	0%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0%	0	0%	0	0%
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**0**	**0%**	**0**	**0%**	**0**	**0%**
8.	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**0**	**100%**	**0**	**0%**	**0**	**0%**

Taxonomy-eligible but not taxonomy-aligned economic activities - OpEx Amounts on '000€							
		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
Row	**Economic activities**	**CCM + CCA**		**Climate change mitigation (CCM)**		**Climate change adaptation (CCA)**	
		Amount	**%**	**Amount**	**%**	**Amount**	**%**
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	29,455	5.77%	0	0%	0	0%
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
7.	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	132,830	26.05%	**0**	**0%**	**0**	**0%**
8.	**Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	**162,285**	**31.82%**	**0**	**0%**	**0**	**0%**

Taxonomy non-eligible economic activities - OpEx **Amounts on '000€**			
Row	**Economic activities**	**Amount**	**%**
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%
2.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%
3.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%
4.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%
5.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%
6.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%
7.	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**347,784**	**68.18%**
8.	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**347,784**	**68.18%**

Statement of Corporate Governance

Introduction

Corporate governance is the system of management and control of societes anonymes. It is a set of structures, principles, rules, procedures and practices through which the continuous improvement of the efficient operation of the company is sought for the benefit of its shareholders and those with a legitimate interest in its operation, the enhancement of the long-term economic value of the Company and the protection of the general corporate interest.

The implementation and adherence to best corporate governance practices is a key commitment and priority for "Public Power Corporation S.A." [hereinafter, "PPC" or "the Company"] due to its significant role in the Greek economy and the public benefit nature of the services it provides. An indication of the importance that PPC gives to corporate governance is the establishment of the Legal Affairs & Corporate Governance Division ("LACGD"), which is charged with the introduction of new and the update of existing corporate governance practices that will keep the Company aligned with international best practices.

Already from the year 2021 the Company, in full compliance with Law 4706/2020, has harmonized all the provisions of its Articles of Incorporation and adopted a series of Policies and Regulations that ensure transparent and effective governance and has established the necessary organizational structures for their fuller adoption and implementation.

The Company continues to update the existing and develop new Policies and Regulations, due to the constantly changing environment in which it operates and the consequent need to continuously adapt both the organizational structure and the practices it adopts and applies, taking into account in particular the provisions of the Hellenic Corporate Governance Code of the Hellenic Corporate Governance Council, which the Company has adopted and applies, and the relevant Decisions of the Board of Directors of the Hellenic Capital Market Commission.

In this context, in 2022, the Company revised its Articles of Incorporation and its Rules of Operation, aiming to highlight the strategic and supervisory role of the Board of Directors, as well as the proper and effective operation of its corporate bodies.

Furthermore, and in compliance with the relevant provision of the Hellenic Corporate Governance Code, the role of the Independent Non-Executive Vice-Chairman of the Board of Directors of the Company, who also chairs the Company's Nomination Remuneration and Recruitment Committee, has been strengthened.

In addition, aiming at strengthening the role of the Audit Committee so as to be consistent with the expansion of the scope of PPC's business activities as a Group, the Extraordinary General Meeting of the Company's shareholders dated 14.12.2022 approved the increase of the number of its members from five (5) to six (6) with the election of an additional member.

In consequence of the above and given that the evaluation of the Board of Directors is part of the Company's Corporate Governance System, the Policy and Procedure for the Evaluation of the Suitability and effectiveness of the Board of Directors and its Committees was approved (BoD Decision No. 45/10-05-2022), based on which the first internal evaluation of the Board of Directors and its Committees was carried out in 2022 and the areas that need further improvement were identified.

In accordance with article 14 of Law 4706/2020, the Company has ensured the adoption of Corporate Governance policies by its major subsidiaries, PPC Renewables Single Member S.A. and HEDNO S.A. Specifically, PPC Renewables Single Member S.A. already has Rules of Operation, a Code of Conduct and has adopted and applies eight (8) Policies and Regulations in accordance with the guidelines of the parent company and the Regulations and Policies adopted by PPC S.A. Moreover, HEDNO S.A. has already initiated the relevant adjustment by adopting similar Policies and Regulations, which is currently underway.

In addition, the Company, through the Compliance Department, continued and completed during 2022 the adoption of new Regulations, Policies and Procedures within the framework of the Ethical and Business Conduct Program, which had already started in 2021, in line with international best practices In particular, in 2022 the following were approved: a) the Revised Code of Conduct (BoD Decision No. 72/09.06.2022), which is a mandatory standard of conduct for all employees that must always be applied strictly and without deviations, while it defines and discloses to the related third parties the requirements of the Company towards it, in the context of their cooperation; b) the Policy against Violence and Harassment at Work (BoD Decision no. 18/1-03-2022) in application of Law 4808/2021, c) the Anti-Corruption and Bribery Policy (BoD Decision No. 71/09.06.2022), and d) the Enforcement Policy & Report/Complaint Handling Procedure (BoD Decision No. 19/01.03.2022).

The Company has already committed itself, taking into account global trends in Corporate Governance, to move towards the adoption of Environmental, Social, Governance (ESG) practices. This commitment also stems from the conviction that, for a modern company, creating value for its stakeholders (shareholders, employees, investors, suppliers, customers and civil society at large) is not only achieved through the achievement of strong financial performance but mainly through good Governance and the impact of the Company's activities on Society and the Environment. In this context, the revised Sustainable Development Policy was approved, as well as the revised Environmental Policy of PPC S.A., as an integral part thereof (BoD Decision No. 88/12-07-2022), which defines the basic framework of the Company's commitment to the threefold of Environment, Society, Corporate Governance.

All this framework of the Corporate Governance System, the Sustainable Development Policy and the Corporate Social Responsibility constitute the axis of the Company's operation and aim to ensure sustainable development and maximize its value.

It should be noted that with the limitation of the indirect participation of the Greek State, through HCAP, to 34.12% at the end of 2021, the Company ceased to be subject to specific laws and regulations and to the restrictions provided for in special laws applicable to public enterprises, thus expanding its operational flexibility and facilitating the implementation of the relevant best practices of Corporate Governance.

Specifically, on 16.11.2021 the share capital increase of PPC was completed and on 2.3.2022 the total number of shares in PPC owned by the HRADF (corresponding to 10.32%) was transferred from the HRADF to HCAP, in application of article 147 of Law 4876/2021. Therefore, HCAP currently holds 34.12% of the share capital of PPC SA.

Following the above, the shareholding composition of PPC S.A. on 31.12.2022 was as follows:

- The Hellenic Corporation of Assets and Participations S.A. (HCAP), in which the Greek State holds 100% of the shares and voting rights, directly held 34.12% of the share capital and voting rights of PPC,
- Selath Holdings S.à r.l. held 10% of the share capital and voting rights of PPC; and
- Institutional investors and the general investor community, holding the remaining 55.88%, which include:

  - Helikon Long Short Equity Fund Master ICAV with a total participation of 6.48% in the voting rights of PPC (namely, the sum of voting rights attached to shares and voting rights deriving from financial instruments), according to the announcement of Helikon Investments Limited dated 29.9.2021, and
  - Covalis Capital LLP and its ultimate controller Mr. Zilvinas Mecelis with a total shareholding of 5.26% (namely, the sum of the voting rights attached to shares and the voting rights deriving from financial instruments of PPC S.A.), according to the notification dated 20.10.2022 of Covalis Capital LLP.

Structure of the Corporate Governance Statement

The current Statement of Corporate Governance is prepared pursuant to the provisions of article 152 of Law 4548/2018, article 18 of Law 4706/2020, as in force, as well as the provisions of the Hellenic Corporate Governance Code of the Hellenic Corporate Governance Council (HCGC), which was issued in June 2021 and has been adopted and is implemented by the Company, following the relevant approval of its Board of Directors, and in conformance with article 17 of Law 4706/2020.

This Statement of Corporate Governance is a special part of the Annual Management Report of the Board of Directors and contains all the information required by law. In addition, it includes the Company's response to specific practices under the Chapters of the Hellenic Corporate Governance Code of the HCGC, which has been adopted and is implemented.

In particular, the structure of this Statement of Corporate Governance (hereinafter referred to as "Statement") is as follows:

I. **Statement of Compliance with the Corporate Governance Code**

II. **Deviations from the Corporate Governance Code and Justification of Deviations**

III. **Corporate Governance Practices applied by the Company in addition to the provisions of the legislation**

IV. **Internal Control System (ICS) - Results of the Internal Control System's Evaluation**

V. **Information regarding the Company's control status (points (c), (d), (f), (h) and (i) of paragraph 1 of Article 10 of Directive 2004/25/EC of the European Parliament and of the Council, of 21 April 2004 on public takeover bids**

VI. **Composition and Functioning of the Governing Bodies**

A. Board of Directors

1. Composition and functioning - term of office of each member of the Board.
2. Curriculum Vitae of the members of the Board of Directors
3. Chairman and Chief Executive Officer (hereinafter, "CEO")
4. Appointment of non-executive members and, of these, the non-executive members that the Board of Directors views as independent and the rationale behind this view
5. Number of meetings of the Board of Directors and the frequency of participation of each member - issues each member dealt with
6. Reference to the Suitability Policy for the Members of the Board of Directors
7. Evaluation of the Suitability and Effectiveness of the Board of Directors and its Committees
8. Other Professional Engagements of the members of the Board of Directors
9. Number of shares held by each member of the Board and any key Executive member of the Company
10. Remuneration Policy for the Members of the Board of Directors
11. Disclosure of direct and indirect conflicts of interest
12. Verification of the fulfilment of independence criteria of the Independent Non-Executive Members of the BoD
13. Communication with shareholders and other stakeholders

1.1

B. Audit Committee

i. Composition and functioning - term of office of members
ii. Curriculum Vitae of the members of the Audit Committee
iii. Responsibilities of the Audit Committee
iv. Frequency of Audit Committee meetings and members' participation
v. Proceedings of the Committee for the fiscal year 2022
vi. Committee Evaluation

C. Nomination, Remuneration, and Recruitment Committee

i. Composition and functioning - term of office of members
ii. Curriculum Vitae of the members of the Nomination, Remuneration, and Recruitment Committee
iii. Responsibilities of the Nomination, Remuneration, and Recruitment Committee
iv. Frequency of meetings Nomination, Remuneration, and Recruitment Committee and members' participation
v. Proceedings of the Nomination, Remuneration, and Recruitment Committee for the fiscal year 2022
vi. Evaluation of the Nomination, Remuneration, and Recruitment Committee

D. Other Committees

VII. **Diversity Policy**
VIII. **Related Parties Transactions Policy**
IX. **General Meeting and Shareholders' Rights**
X. **Sustainable Development Policy**
XI. **Non-Financial Reporting**

ANNEX

1. Curriculum Vitae of the Chief Officers of the Company

2. Shares held by the Chief Officers of the Company

I. Statement of Compliance with the Corporate Governance Code

The Company, complying with the Regulations of article 17 of Law 4706/2020 and following the decision No. 86/14.07.21 of its Board of Directors, adopted and implements the Hellenic Corporate Governance Code (hereinafter referred to as the "Code") of Hellenic Corporate Governance Council (HCGC), which was published in June 2021, and is also available on the Company's website (https://www.dei.gr/el/dei-omilos/i-dei/etairiki-diakivernisi/kodikes-kanonismoi-kai-politikes/).

II. Deviations from the Corporate Governance Code and Justification of Deviations

The Corporate Governance Code which has been adopted and is being implemented by the Company, establishes principles beyond the mandatory framework of Corporate Governance legislation and is implemented based on the principle "Comply or Explain", according to which the Company is required to explain the reasons for deviations from its specific practices.

Following the above and based on the principle "Comply or Explain", below are presented the deviations of the Company's regulations from the said practices of the Code, always taking into account that PPC SA. also for the fiscal year 2022 was subject to legal provisions and regulations regarding the recruitment and remuneration process of the executives:

Hellenic Corporate Governance Code	Explanation/Justification of deviations
Role and Competencies of the Board of Directors (provision 1.11 of the HCGC - definition of responsibilities of the CEO and the Deputy Chief Executive)	In the initial Articles of Incorporation of the Company according to the issued Presidential Decree 333/2000 (Government Gazette no 278/20.12.2000 vol. A') which has the force of law, there is an opposite regulation. The powers and competencies of the CEO are provided directly by the Articles of Incorporation (par. 2 and 3 of article 15)
Diversity criteria for senior managers (provision 2.2.15 of the HCGC)	Proof of fulfilment of the diversity criteria for the executives as well, is the fact that in 2022 the percentage of women in managerial positions in the Company rose to 32% from 17% in 2014, marking an increase of 88.2% (including the ranks starting from Assistant Directors/Head of Units of the Company). In addition, the percentage of women mid-level employees (including the ranks of Heads of Section and Heads of Subsection) rose to 45% in 2022 compared to 31,5% in 2014, namely an increase of 42,9%.
Ensuring that the members of the Board can devote sufficient time to the performance of their duties (provisions 2.2.17 & 2.2.18 of the HCGC)	The frequency of participation of each member of the Board in the meetings that took place during the fiscal year 2022 demonstrates that in essence there is no question of deviation from the provisions of the Code. In addition, it is recommended that the members of the Board of Directors, in terms of their external professional commitments, not participate in Boards of Directors of more than five (5) companies of different interests, and the non-executive members to not participate in Boards of Directors of more than of (5) five listed companies.
The role of the Nomination Committee in the process of nominating candidates, in the preparation of the succession plan for the Board members and the senior executives (provision 2.3.7 of the HCGC)	The Nomination Remuneration and Recruitment Committee is responsible for approving and recommending to the Board of Directors the Executive Recruitment Policy. One of the criteria for the selection of executives is their potential to take up positions at higher hierarchical levels in the future. The design of a succession and career development plan for executives as a process will be subject to approval by the Nomination Remuneration and Recruitment Committee.
The Remuneration Committee has the responsibility to determine the remuneration system for the members of the Board and the senior executives (provision 2.4.8 of the HCGC)	The current Remuneration Policy applies only to the members of the Board of Directors; the determination of the remuneration system for executives is not covered by this Policy. To date there has been no change in executive remuneration, however, in the event of a possible future change to the executive remuneration system, the Nomination Remuneration and Recruitment Committee will be involved by submitting a relevant a recommendation to the Board of Directors of the Company.
Refund of the variable remuneration of the members of the Board of Directors (provision 2.4.14 of the HCGC).	According to the Company's Remuneration Policy, which was approved by the Extraordinary General Meeting of Shareholders on 14-12-2022, no provisions for recovery of variable remuneration are foreseen. However, the degree of achievement of the objectives of the executive members of the Board of Directors is confirmed after the audit and final approval of the Group's financial statements, which means that there is no case of incorrect financial data being used to calculate this variable remuneration.

III. Corporate Governance Practices applied by the Company in addition to the provisions of the legislation

For the fiscal year 2022, the Company has been applying the rules and practices apart from those provided for or required by the standing legislation governing listed companies (Law 4548/2018, Law 4449/2017, 4706/ 2020, and Law 4972/2022). Following the reduction of the indirect participation of the Greek State at the end of 2021, the Company has been readjusted to the common type of private sector companies.

In particular and pursuant to the above for the financial year 2022, these practices and Regulations are set out below:

- The powers and the competencies of the CEO, who is the highest-ranking executive officer of the Company, are directly provided for in the Articles of Incorporation (par. 2 and 3 Article 15 of the Articles of Incorporation of the Company, as well as section VI.A.3 below).
- The Vice Chairman of the Board of Directors in accordance with article 2 par. 1.3.7 of the Rules of Operation has responsibilities consistent with those of the Senior Independent Director (Provision 2.2.22 of the Hellenic Corporate Governance Code)
- Apart from the BoD and the CEO, in the Company operates a Procurement Committee (Article 18b of the Articles of Incorporation~~.~~ Its composition and responsibilities are set out below in section VI.C 'Procurement Committee'.
- There are Deputy CEOs reporting to the CEO (Article 15a of the Articles of Incorporation of the Company, "Deputy CEOs ").
- The Board of Directors consists of eleven (11) members, out of which at least five (5) are independent non-executive members (article 9, par. 1, case a of the Articles of Incorporation), meaning that its composition exceeds the threshold that is set in Law 4706/2020 article 5 par. 2, which provides that the independent non-executive members shall not be less than one third (1/3) of the total number of its members.
- The Audit Committee of the Company, which operates pursuant to the provisions of article 44 of Law 4449/2017 as in force, and taking into account article 9 of Law 4643/2019, consists of six (6) members, which shall be in their totality and not in their majority, pursuant to Law, independent from the Company, within the meaning of the provisions of article 9 of Law 4706/2020.
- The Company has established a Nomination, Remuneration & Recruitment Committee in accordance with Articles 10, 11 and 12 of Law 4706/2020. The Nomination, Remuneration & Recruitment Committee consists of three (3) members, which shall be in their totality and not in their majority, as provided in Law 4706/2020, independent non-executive members of the Board of Directors of the Company.
- In addition to the Committees under article 10 of Law 4706/2020, the Company has an Executive Committee, a Risk Management Committee, a Hedging Committee and a Cybersecurity Committee.
- The prohibition applied to the members of the Board of Directors, 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 (par.2 article 13 of the Articles of Incorporation “Prohibition of competition – Participation in the Board of Directors of subsidiary companies”).
- The Articles of Incorporation of the Company expressly provide on one hand that the BoD may meet by way of teleconference (par. 2 article 11) 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 (article 22 par. 4).

IV. Internal Control System (ICS) - Results of the Internal Control System Evaluation

Internal Control System

The Company has established an Internal Control Systems (hereinafter referred to as "ICS") which includes all the internal control mechanisms and procedures governing the Company, including Risk Management, Internal Audit and Regulatory Compliance, in order to cover, on a continuous basis, each of its activities and to contribute to its safe and effective operation. In particular, the Company's ICS aims at the following:

- the consistent implementation of the business strategy, with the efficient use of the available resources,
- the identification and management of the material risks associated with its business and operations,
- the effective functioning of the Internal Audit Department,
- ensuring the completeness and reliability of the data and information required for the accurate and timely determination of the Company's financial position and the preparation of reliable financial statements, as well as its non-financial position,
- The compliance with the regulatory and legislative framework, as well as the internal regulations governing the Company's operation.

Based on the Company's Rules of Operation, the Board of Directors ensures that the Company's ICS is operating adequately and effectively, ensuring that the functions of the units that constitute the ICS are independent of the business areas they control and that they have the appropriate financial and human resources, as well as the powers for their effective operation, as required by their role. The reporting lines and the allocation of responsibilities of the functions that make up the ICS are clear, enforceable and duly documented.

The Audit Committee ensures the monitoring, examination and evaluation of the adequacy and effective operation of the ICS, the evaluation of which is part of the overall evaluation of the Company's Corporate Governance System, which is carried out by the Board of Directors on a three-year minimum basis (in accordance with paragraph 1 of Article 4 of Law 4706/2020).

The Company has a Policy and Procedure for the Evaluation of the ICS which have been prepared in accordance with paragraphs (3i) and (4) of Article 14 of Law 4706/2020 and the Decision 1/891/30.9.2020 of the Hellenic Capital Market Commission, as amended by the Decision 2/917/17-06-2021 of the Hellenic Capital Market Commission. The ICS Evaluation Policy includes the general principles as to the scope and range of evaluation of the ICS by an independent evaluator, the periodicity of the audit, the basic principles of assigning the evaluation to an external evaluator, as well as the procedure for monitoring and communicating the results of the evaluation to both the Company and its significant subsidiaries. The ICS Evaluation Process describes the individual stages of the selection of the independent evaluator, who shall conduct the evaluation of the ICS in accordance with the above.

The Company's ICS includes the functions of Internal Audit, Regulatory Compliance and Risk Management as described below:

- **Internal Audit**

The Internal Audit, according to Law 4706/2020, as in force, is an independent organizational unit within the Company, with the purpose of monitoring and improving the Company's operations and policies regarding its Internal Control System.
The Internal Audit Department (IAD) reports functionally to the Audit Committee and administratively to the CEO. The Director of the IAD is appointed by decision of the Board of Directors following a recommendation of the Audit Committee and fulfills the requirements of functional and administrative reporting and independence of Law 4706/2020. In order to carry out the tasks of the IAD, its Director shall have access to any organisational unit of the Company and shall take knowledge of any information required for the performance of his/her duties.

The mission of the IAD under its Articles of Incorporation is to ensure adequate and valid control of the Company in order to protect the interests of the shareholders, in accordance with the applicable legislation, the principles of Corporate Governance and the best practices of Internal Audit, ensuring that:

- Risks are identified and managed appropriately to achieve its objectives.
- Compliance with PPC's policies and procedures, the Regulations and the applicable Legislation is achieved.
- PPC’s resources are acquired and used in an effective and economical way.
- PPC's assets are adequately protected.
- The financial information is reliable.

For the implementation of articles 1 to 24 of Law 4706/2020, the Internal Audit Department shall monitor, control and evaluate in particular:

- the application of the Rules of Operation and the ICS, in particular with regard to the adequacy and correctness of the financial and non-financial information provided, the Risk Management, the Regulatory Compliance and the Corporate Governance Code adopted by the Company,
- the quality assurance mechanisms,
- the corporate governance mechanisms; and
- the compliance with the commitments contained in the Company's prospectuses and business plans regarding the use of funds raised on the regulated market.

The mission of the IAD, its organisation and staffing, its responsibilities, its relations with the Supervisory Authorities, as well as the responsibilities of its head, its terms of operation and its Code of Conduct are detailed in its Charter, which forms an integral part of the Company's Rules of Operation. The Audit Committee proposes the IAD's Charter to the Board of Directors for approval.

The IAD's annual audit programme is prepared on the basis of the Group's operational risk assessment.The audit programme and the requirements for the necessary resources are submitted for approval to the Board of Directors, after taking into account the opinion of the Audit Committee.

The annual audit programme of the IAD for 2022 indicatively included:

- Eleven (11) audits of the compliance with the Company's Rules of Operation and the individual Policies and Procedures including the implementation of the Risk Management and Regulatory Compliance System as well as of the Corporate Governance Code adopted by the Company.
- Three (3) quality assurance related audits.
- Twenty-five (25) audits of the effectiveness of the ICS in terms of the adequacy and accuracy of the financial information provided.
- One (1) audit in relation to compliance with commitments regarding the use of funds.
- One (1) special procurement audit for the implementation of the Regulation on Works, Supplies and Services (RWSS) and five (5) individual audits related to the overall operation of procurement.

The IAD submitted the reports of the audits completed based on the approved audit programme (2021 - 2022) to the auditees and the competent supervisory units as well as to the Audit Committee presenting its comments, the related risks, suggestions for improvement as well as the comments of the auditees and the agreed actions.

The IAD also submitted to the Audit Committee summary quarterly reports on the most important issues and its recommendations as well as the results of the auditees' response to the implementation of the agreed actions according to the relevant time schedule. The above reports were presented to the Board along with the comments of the Audit Committee.

The Head of the IAD shall inform the Audit Committee on the effectiveness of the IAD’s functioning, the adequacy of resources as well as his/her access to the organisational units and the data required for the performance of its tasks. The Head of the IAD participated in the General Meetings of the Company.

- **Compliance Department**

The Company, recognizing the need to adapt to a new business environment, which is developing internationally with the adoption of new necessary regulations and corporate governance codes, has already established the Compliance Department since 2017.

The mission of the Compliance Department (CD) is, on the one hand, to monitor compliance with applicable laws, other than the institutional and regulatory framework regarding environmental and energy trading issues and, on the other hand, to promote ethical standards of conduct and protect the Company's reputation through the effective identification, assessment, prevention, supervision and resolution of any non-compliance with the Company's internal rules and ethical conduct policies, within the framework of the Internal Control System (ICS).

Within the framework of its mission and in cooperation with the relevant Business Units, in 2022, the CD completed the project "Ethical and Business Conduct Programme" with the development and approval of Policies which, in combination with the revised Code of Conduct, contribute to the promotion of transparency and integrity processes within the Company and establish a culture of ethics and conduct. Specifically, this Programme includes the following policies: the Conflict of Interest Policy, the Anti-Money Laundering and Counter-Terrorism Financing Policy, the Policy against Violence and Harassment at Work, the Enforcement & Reporting/Complaint Handling Procedure, the Anti-Corruption and Bribery Policy and the Revised Code of Conduct.

Subsequently, during 2022, actions were implemented to update and properly implement the said Policies in the Company's Operations. Specifically:

- all employees were informed, and the said actions were posted both on the Company's website and the intranet portal.
- Manuals - Implementation Guidelines were prepared, which include cases and examples of implementation, clarifications and specifications of those provided for in the Policies of Conflict of Interest, Enforcement and Anti-Corruption and Bribery, which were communicated to all employees,
- a Conflict of Interest Register was established in application of the Conflict of Interest Policy, conflict of interest situations were managed with the submission of recommendations by the Compliance Department and the specific provisions of the Conflict of Interest Policy and the other Policies were incorporated into the Regulation on Works, Supplies & Services of the Company (DUE Diligence Third Parties)
- in application of the Enforcement Policy, an executive of the CD was appointed as the Company's Whistleblowing Officer, entrusted with the task of handling the complaints/reports channel (whistleblowing), ensuring their proper handling and maintaining communication with the complainant, and three (3) channels for the submission of Reports and Complaints within the Company were in operation.the CD handled fifteen (15) cases under the Enforcement Policy during 2022,
- spot checks were carried out in operational areas of "high" risk for the implementation of the Programme's Policies (ongoing monitoring),
- the staff of the CD provided continuous guidance and support to the company’s units and to external partners for the proper implementation of the Policies. In total 163 requests were answered,
- in the context of the parent company's supervision of the Group's major subsidiaries, Policies and Regulations have been adopted by PPC RENEWABLES, both in compliance with Law 4706/2020 and with the "Ethical and Business Conduct" Programme, while the adoption by HEDNO of the policies of this Programme is in progress.
- A Memorandum of Understanding was signed with the National Transparency Authority and a series of actions will be implemented within the year 2023 to strengthen the Group's culture of transparency and integrity,
- collaborations with external bodies and professional associations with the exchange of know-how were carried out in order to improve the effectiveness of actions aiming to enhance integrity and transparency, fight corruption and raise awareness among employees/partners, which will continue in 2023,
- continuous participation of the CD executives in training programmes and issuance of professional Certificates.
- The educational activities of the CD aiming at deepening the Program Policies and integrating them into the Company's operations will be intensified in 2023.

In the context of monitoring compliance with the General Data Protection Regulation (GDPR), the office of the Company's Data Protection Officer conducted 44 training cycles of seminars with the participation of 487 employees from the "critical" (in terms of the volume of personal data processed) General Directorates of the Company. Accountability Templates (DPA, DPIA, Activity Files) and the completion instructions/manuals were prepared. Based on the above templates, the Office of the Data Protection Officer issued an opinion on 414 DPAs and 4 impact studies (DPIAs) and verified the updating of the Company's activity files.

In addition, and for the specific needs of the Energy Management and Trading Business Unit, a position of Director of Energy Transactions Compliance was established in September 2021, entrusted with the continuous monitoring of the institutional framework governing energy transactions and the implementation of the Energy Transaction Compliance program, which is part of the corporate Compliance and Ethical & Business Conduct Program, as well as with the drafting of internal guidelines and policies to ensure the compliance of energy transactions. In this context, within 2022, the Compliance Department:

- made an inventory of the specific regulatory obligations of the Energy Management and Trading Business Unit,
- drafted guidelines aiming to avoid market manipulation, both for transactions in financial instruments and for transactions in wholesale energy products,
- drafted implementation instructions, conducted a training seminar for the relevant executives of the Energy Management and Trading Business Unit and carried out a sample implementation audit, in application of the Company's Anti-Money Laundering Policy,
- prepared guidelines for the implementation of the Company's Regulation on the Handling of Internal Information.

➢ **Risk Management Department and Committee**

The establishment of the Risk Management Department in 2019 and the subsequent establishment of the Risk Management Committee in 2020, aimed at shielding the company against internal and external risks arising from the conduct of its business activity, through the central monitoring and coordination of the management of exposure to these risks.

The Risk Management Department is responsible for the development and implementation of an appropriate risk management system, in line with the Company's risk management policy, which a) assesses (identifies, quantifies and prioritizes in terms of importance) all corporate risks, b) establishes a strategy for the Company's management of and response to these risks (acceptance or avoidance of the risk, mitigation of the risk by modifying the related corporate action, sharing or transferring the risk), and c) defines processes to monitor the evolution of risks by introducing appropriate procedures and control indicators. It should be noted that the competence and responsibility for the management of individual risks remains with the Services to which these risks pertain.

The Risk Management Committee is entrusted with the risk oversight of all the activities of the Company and the contribution to the development of the Risk Management Corporate Framework, as well as with the monitoring and reporting of the significant Corporate Risks.

Operating within this framework, the Company highlights its commitment to the establishment of a business environment that not only respects and complies with the law, but also enhances the Company’s value, thus ensuring its good reputation and credibility.

➢ **Information Systems**

▪ **Cybersecurity**

In 2022, through an extensive cybersecurity transformation program, the Company ensured that cybersecurity is integrated into the broader corporate strategy, from the development of new digital products and services to ensuring the confidentiality, integrity and availability of information and data in both the Information Technology (IT) and Operational Technology (OT) environment.
In the broader context of the transformation, the existing Framework of Information Systems Security (FISS) was updated, which describes the basic security requirements regarding:
risk assessment,

- supply chain risk management,
- identity management and access control,
- security of systems and applications throughout their life cycle,
- detecting threats and addressing vulnerabilities and risks,
- managing security incidents,
- raising awareness and training of its staff and partners on information security
- and the general compliance of the company with the obligations arising from the regulatory - legislative environment

In addition, the Cybersecurity Committee has been established with the main task of overseeing and ensuring the proper management of the relevant risks and the commitment of the Board of Directors regarding Cybersecurity.

Moreover, the Company has set up the role of Responsible for Information and Network Security (RINS), in accordance with Law 4577/2018 (NOG vol. A' no 199) and the Ministerial Decision (MD) 1027/2019, as applicable, which among others:

- It is the contact point and cooperates with the National CyberSecurity Authority and the relevant CSIRT.
- Coordinates and supervises the Company with regard to the obligations arising from the relevant law, the MD and other provisions of the European Union or the National CyberSecurity Authority regarding the security of Information and Network Systems.

▪ **Information Systems Governance**

In 2022, the Company's IT department, as part of a detailed and extensive consulting project, in collaboration with an external partner, completed the mapping of the Company's operating model, through the mapping of processes covering the governance of Information Systems.

Specifically, the following procedures applied by the IT were mapped in detail:

- Demand Management
- Solution Design
- Change Management
- Incident Management
- Problem Management
- Development Management
- Release Management

At the same time, in addition to the specific advisory work, the Technology Governance & IT Projects Department drafted the following procedures implemented by the IT:

- IT Project Management
- IT Document Management
- IT Portfolio Management
- Management of the process for the creation of RFPs (Request for Proposal) aiming to the selection of IT external partners for the Conclusion of Partnerships with External Partners

Finally, the operation of the Change Management Committee (CMC) continued, which ensures and approves the proper design of the Information Systems, based on the architecture standards set by the Division.

➢ **Procedure for the preparation of financial statements and financial reports**

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

Allocation of competences
The executives involved have clearly separated roles and areas of responsibility, thus enhancing the effectiveness of the Internal Control System.

Procedures for accounting monitoring and preparation of financial statements

- Existence of accounting principles and policies for the operation of the Accounting Services of the Group.
- Existence of procedures in relation to the issuing of financial statements and their consolidation at Group level.
- Regular follow-up of the International Financial Reporting Standards, as these are adopted by the European Union, and corresponding adjustment of the accounting principles and Policies of the Group, as required.
- A special approval by the top executives of the Company is required for the execution of accounting entries, which concern specialized, non-recurring accounting events.
- Audits are being carried out by the Information Technology Department on the information subsystems' data, before being integrated into the General Accounting.
- Monthly reconciliations of the data (balances) of the information subsystems with the General Accounting balances are carried out by the Accounting Department.
- Regular communication of the executives of the Finance Division with the Top Management and the Audit Committee for the ratification and recording of the important events that affect the financial statements.
- Regular communication of the Chartered Auditors with the Top Management and the Audit Committee with regard to the progress and the results of the Company's compulsory audit.

Asset safekeeping procedures

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

Transaction approval limits

The operation of the Services, at all administration levels, as well as of the Company's Bodies/Bodies of persons is governed by the Financial and Administrative Jurisdictions System by which the jurisdictions in matters of approvals by the Governing Bodies and the executives of the Company are defined.

The Audit Committee monitors, on an ongoing basis, the effective operation of the Company's Internal Control System, quality assurance and Risk Management Systems, of the Regulatory Compliance and the Internal Audit Department, regarding the Company's financial information, without violating its independence. The Audit Committee receives and examines the reports of the IAD as provided by article 16 of Law 4706/2020 and monitors the updating of the Board of Directors by the IAD on their content, especially with regard to the financial information of the Company.

The Board of Directors regularly reviews the corporate strategy, the main business risks for the Company, as well as the Internal Control System in place in order to ensure that: The Internal Control System formulated and implemented by the Company ensures the consistent implementation of the corporate strategy, the identification and management of material risks in accordance with the Enterprise Risk Management Framework, the assurance of the completeness and reliability of the data and information required for the accurate and timely determination of the Company's financial position and the preparation of reliable financial statements, compliance with the regulatory and legislative framework, as well as the internal Regulations governing the operation of the Company and the effective operation of the Internal Audit Department.

The Audit Committee monitored issues related to the objectivity and independence of the Company's Chartered Auditors. During the fiscal year 2022, projects were assigned to the firm of the Company's Chartered Auditors. The Audit Committee consented to these engagements, after having taken into account the submitted Declarations of Independence and the assurances of no conflict of interest in accordance with the international practice.

Results of the Internal Control System's evaluation process in accordance with article 1 4, par. 3 section j and par. 4 of L. 4706/2020 and the relevant decisions of the of the Capital Market Commission's Board of Directors.

The Company, by Decision No 154/20.12.2022 of its Board of Directors , assigned to KPMG Certified Auditors S.A. the assessment of the adequacy and effectiveness of the Internal Control System of the Company, the Public Power Corporation S.A., and its significant subsidiaries, the Hellenic Electricity Distribution Network Operator S.A. and PPC RENEWABLES SINGLE MEMBER S.A., with reference date 31 December 2022, in accordance with the provisions of section j of par. 3 and par. 4 of article 14 of L. 4706/2020 and decision 1 /891 /30.09.2020 of the Hellenic Capital Market Commission's Board of Directors as applicable (the "Legislative Framework").

The assurance was performed in accordance with the audit program included in the decision of the Hellenic Accounting and Auditing Standards Oversight Board (HAASOB), number 040/2022 and the International Standard on Assurance Engagement 3000 "Assurance Engagements other than Audits or Reviews of Historical Financial Information".

Based on the work performed by the evaluator regarding the assessment of the adequacy and effectiveness of the Company's Internal Control System and its significant subsidiaries, we report that no material weaknesses were identified.

V. Information regarding the Company's control status (Information items (c), (d), (f), (h) and (i) of paragraph 1 of Article 10 of Directive 2004/25/EC of the European Parliament and the Council, dated 21st April 2004 on public takeover bids)

Share Capital Structure

The share capital of the Company as of 31.12.2022 amounted to nine hundred forty seven million three hundred sixty thousand (947,360,000) euros, divided into three hundred eighty two million (382,000,000) common registered shares, with a nominal value of two euros and forty eight cents (€ 2.48) each.

Until the preparation of this Statement, no change has occurred in the share capital of the Company.

Restrictions on 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 Company's shares with voting rights following any increase of the share capital, was abolished, pursuant to the Act of Legislative Content dated 7.9.2012 (which was ratified by article 2 of Law 4092/2012).

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

With regard to the significant participations (over 5%) in the share capital and voting rights of the PPC S.A. within the meaning of the provisions of articles 9 to 11 of Law 3556/2007, as of 31.12.202:

- the Hellenic Corporation of Assets and Participations S.A. (HCAP S.A.) held 34.12% of the shares and voting rights,
- Selath Holdings S.à r.l. held 10.0% of the shares and voting rights
- while the total participation of "Helikon Long Short Equity Fund Master ICAV" in the voting rights (namely, the sum of voting rights attached to shares and voting rights through financial instruments) amounted to 6.48%, according to the notification of Helikon Investments Limited dated 29.9.2021; and
- the total participation of Covalis Capital LLP and its ultimate controller Mr. Zilvinas Mecelis in the voting rights of PPC S.A. (namely, the sum of voting rights attached to shares and voting rights through financial instruments) amounted to 5.26%, according to the notification dated 20.10.2022 of Covalis Capital LLP.

The relevant information on the number of shares and voting rights held by people with significant shareholdings has been obtained from the share register maintained by the Company, which is updated by Axialine of the Athens Stock Exchange, as well as from the notifications that have been received under law (Market Abuse Regulation) by the Company on behalf of its shareholders.
On 2.3.2022, following a relevant OTC transaction, the ipso iure transfer of all shares in PPC owned by the Hellenic Republic Asset Development Fund (HRADF) (corresponding to 10.32%) from the HRADF to the Hellenic Corporation of Assets and Participations S.A. (HCAP), without consideration and exempt from any tax and/or third party rights, was completed, in execution of the provision of article 147 of Law 4876/2021. As a result, the shareholding of HCAP in PPC amounts to 34.12 % directly/indirectly with the corresponding voting rights, while the HRADF no longer has any shareholding in PPC.

Shares with special control rights

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

Voting rights restrictions

There are no restrictions on voting rights.

Agreements between Company's shareholders

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

Rules on appointing and replacing members of the Board of Directors

According to article 9 of the Company's Articles of Incorporation, the Board of Directors consists of eleven (11) members, including the CEO, elected by the General Meeting of shareholders of the Company, based on the Company's Suitability Policy, as in force and posted on the Company's website, which includes the Conflict of Interest Policy and rules for safeguarding diversity on the Board of Directors in terms of gender, age, representation of shareholders and educational and professional background. The Board of Directors elects from among the said members its Chairman and Vice Chairman, pursuant to article 14 of the Articles of Incorporation. One (1) non-executive member out of the aforementioned members of the Board of Directors represents the employees of the Company. This member shall be elected by the General Shareholders' Meeting from a list of proposed candidates submitted to the Nomination, Remuneration and Recruitment Committee by the most representative trade union (ASOP),) at least two (2) months before the expiry, in any way whatsoever, of the term of the previous member, in order to be evaluated and elected by the General Meeting of the Shareholders as defined above.

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

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

According to par.2 article 6 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, Law 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 of article 6 of the Articles of Incorporation of PPC as mentioned above were applied to the PPC's latest share capital increase in 2021, pursuant to the decisions of the Board of Directors held on October 29, 2021 and on November 11, 2021, issued based on the relevant decision of the Shareholders' Extraordinary General Meeting held on October 19, 2021.

The provisions of articles 49 to 51 of Law 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 of the General Meeting for the purchase of own shares.

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 in case the Hellenic Republic ceases to control the Company in any way whatsoever, this may lead to Mandatory Prepayment or may constitute an Event of Default of these loans.

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 S.A. 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. As of the date of drawing up of this Statement, there has been no change in the above agreement as a result of the change in control of PPC S.A. As at 31 December 2022, no change had occurred in the above 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 a period of 30 working days, pursuant to the procedure provided for in the shareholders' agreement. As at 31 December 2022, no change had occurred in the above agreement.

Agreements with members of the Board of Directors or Company Personnel

Pursuant to the Company's Remuneration Policy approved by the Extraordinary General Meeting of Shareholders held on 14-12-2022, for the period 2020-2025, an additional incentive shall be provided to reward the executives of PPC S.A. and PPC Renewables Single Member S.A. for their contribution to the achievement of the medium-term goals of the Group, in the form of four (4) cycles of Stock Awards, which is governed by the provisions of article 114 of Law 4548/2018 in conjunction with the article 49 the same law and will be carried out through own shares of the Company. The terms of the Program can be found in Annex III of the Company's Remuneration Policy https://www.dei.gr/media/q3vjbijw/epexhghseis-epi-tou-3ou-thematos-ths-egs-14122022_politikh-apodochon.pdf. A detailed description of the acquisition of own shares regarding the aforementioned stock awards programme can be found in Notes 7 and 26 of 2022 Financial Statements.

On 22.8.2022, the Company signed a Mandate Contract with the current Chairman and CEO, Mr. Georgios Stassis. Moreover, the Company has signed Work Contracts for a three-year period with the Executive Members of the Board of Directors and at the same time Deputy CEOs, Mr. A. Paterakis and Mr. G. Karakousis as of 20.1.2020 and 27.02.2020 respectively. Furthermore, the Company has signed a Work Contract for a three-year period with the Deputy CEO and non-member of the BoD, Mr. I. Kopanakis, on 20.01.2020, which expired on 20.01.2023. Finally, within 2020, PPC proceeded to the filling up of vacant statutory posts of Chief Officers, Directors, Assistant Directors/ Heads of Unit level, through public call, with fixed-term contracts for a period of up to three years, which may be renewed only once. Employees of the Company and nominees outside the Company were entitled to participate in the said procedure.

VI. Convocation and Functioning of the Governing Bodies

A. Board of Directors

1) Composition and functioning of the BoD – term of office of each member

Composition and Term of Office of the Board of Directors

Pursuant to Article 9 of the Company's Articles of Incorporation, 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 iure until the first Ordinary General Meeting to be held after the expiration of its term.

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.

The participation of independent and/or non-executive members to the Board of Directors shall not exceed three consecutive terms, namely nine (9) years in total.

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.

The Board of Directors consists of eleven (11) members, including the CEO, elected by the General Meeting of shareholders of the Company, based on the Company's Suitability Policy, as in force each time and posted on the Company's website, which includes the Conflict of Interest Policy and rules for safeguarding diversity on the Board of Directors in terms of gender, age, representation of shareholders and educational/professional background. The Board of Directors elects from among the said members its Chairman and Vice Chairman, pursuant to article 14 of the Articles of Incorporation. One (1) non-executive member out of the aforementioned members of the Board of Directors represents the employees of the Company. This member shall be elected by the General Shareholders' Meeting from a list of proposed candidates submitted to the Nomination, Remuneration and Recruitment Committee by the most representative trade union (ASOP), at least two (2) months before the expiry, in any way whatsoever, of the term of the previous member, in order to be evaluated and elected by the General Meeting of the Shareholders as defined above.

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).

In the event that for any reason whatsoever there is a vacancy in the office of the CEO, or the latter is absent or temporarily unable to perform his/her duties, the Chairman of the Board of Directors shall temporarily act as CEO, unless otherwise specified by the Board of Directors.

In the event that for any reason whatsoever there is a vacancy in the office of the Chairman of the Board of Directors, or the latter is absent or temporarily unable to perform his/her duties, the Vice Chairman of the Board, appointed pursuant to par.1 article 14 of the Articles of Incorporation, shall temporarily act as Chairman. If the posts of the Chairman of the Board of Directors and the CEO coincide to the same person and for any reason whatsoever there is a vacancy in the office, or he/she is absent or temporarily unable to perform his/her duties, an executive member from among the members of the Board of Directors, to be appointed or already appointed by the Board of Directors, shall temporarily act as CEO. In such cases, the Board of Directors shall convene the General Meeting of the shareholders as soon as possible to elect the new CEO.

For the selection of the candidate members on the Board of Directors, upon decision of the Board of Directors, the company has established a Nomination, Remuneration and Recruitment Committee consisting of at least three (3) non-executive Board members, independent in their majority. The Nomination, Remuneration and Recruitment Committee on the one hand identifies and proposes to the Board of Directors, and through it to the General Meeting, persons suitable for membership on the Board of Directors, based on the procedure provided for in the Company's Rules of Operation and pursuant to the Suitability Policy adopted by the Company, and on the other hand examines any impediments and incompatibilities, as well as the criteria of independence of candidates for membership on the Board of Directors (especially in the case of appointment of independent members), pursuant to Law 4706/2020 and Law 4548/2018, as in force, for candidates proposed by the Nominations, Remuneration and Recruitment Committee itself or by the shareholders.

The Board of Directors shall post on the Company's website twenty (20) days prior to the date of the meeting of the General Meeting related to their election, the nominations for membership on the Board of Directors' with detailed curricula vitae and rationale of its proposal for each candidate.

Pursuant to the Company's Articles of Incorporation as in force as of 7-4-2022 regarding the member-employee representative on the Board of Directors of the Company, the Nomination, Remuneration and Recruitment Committee, in view of the election of members of the Board of Directors due to the expiration of their term of office, sent a letter to the GENOPO/PPC-KIE for appropriate action, to which letter there was no response and therefore no employee was nominated as Member-Employee Representative for the one (1) seat on the Board of Directors.

Nevertheless, pursuant to article 9 par. 3 of the Articles of Incorporation of PPC S.A. *"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)".* Given that, the failure to fill the position of Member-Employee Representative shall not impede the constitution and lawful functioning of the Board of Directors.

Following the above, the Annual General Meeting of the Company's shareholders on 29-06-2022 decided the election of Mr. Grigorios Dimitriadis as a Member of the Board of Directors for a term of office starting on 29-06-2022 and ending on 28-06-2025, the election of Ms. Despina Doxaki, as Independent Non-Executive Member of the Board of Directors, for a term of office starting on 29-06-2022 and ending on 28-06-2025, the election of Mr. Georgios Stassis, as Chief Executive Officer of PPC S.A, Mr. Pyrros Papadimitriou, Mr. Stephanos Kardamakis and Mr. Stephanos Theodoridis as Independent Non-Executive Members of the Board of Directors and Mr. Alexander Paterakis and Mr. Alexandros Fotakidis as Members of the Board of Directors for a term of office starting on 22.08.2022 and ending on 21.08.2025 respectively.

The existing ten-member (10) Board of Directors, which consists of eight (8) men and two (2) women, in full compliance and harmonization with the provisions of Law 4706/2020 on suitability, diversity and, above all, adequate gender representation on the Board of Directors, was formed into a Body on August 23, 2022 as follows:

Member	Position on the BoD	Term of office starting on	Term of office ending on
Georgios Stassis	Chairman of the BoD & Chief Executive Officer, Executive Member	22 August 2022	21 August 2025
Pyrros Papadimitriou	Vice Chairman of the BoD, Independent Non-Executive Member	22 August 2022	21 August 2025
George Karakousis	Deputy Chief Executive Officer, Executive Member	17 December 2021	16 December 2024
Alexandrer Paterakis	Deputy Chief Executive Officer, Executive Member	22 August 2022	21 August 2025
Grigorios Dimitriadis	Non-Executive Member	29 June 2022	28 June 2025
Alexandros Fotakidis	Non-Executive Member	22 August 2022	21 August 2025
Maria Psillaki	Independent Non-Executive Member	17 December 2021	16 December 2024
Despina Doxaki	Independent Non-Executive Member	29 June 2022	28 June 2025
Stefanos Kardamakis	Independent Non-Executive Member	22 August 2022	21 August 2025
Stefanos Theodoridis	Independent Non-Executive Member	22 August 2022	21 August 2025

2. Curriculum Vitae of the members of the Board of Directors

The brief CVs of the Company’s BoD members are as follows:

Georgios Stassis, Chairman & CEO, Executive Member

Georgios Stassis has more than 17 years of experience in the energy market. He has held important positions in various organizations and associations within the energy sector in Greece and the southeast Europe, and within all parts of a utility value chain (generation, distribution, supply). Previously worked for ENEL SpA, as President & CEO of Enel Romania SrL., the largest vertical integrated energy company in Romania, and before as head of Green Power for Eastern Europe and Middle East. 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) and has attended Executive Courses at Harvard Business School (US) and at Elis Academy (Italy).

Pyrros Papadimitriou, Vice-Chairman, Independent Non-Executive Member

Pyrros Papadimitriou is an economist, lawyer and associate professor in International Economic Relations at the University of Peloponnese. He holds a Degree in Political Science & Public Administration from the University of Athens (1985), a Law Degree from Athens Law School (1989), a Post-Graduate Diploma in Economics from Sussex University (1987), a Master in Economics (1988) and a Ph.D. in Economics (1992) both from Kent University at the UK. In the past he worked as a financial analyst at Gerald & National Inter Commodities in London (1989-1990) and continued as a 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 Pyrros founded HEADWAY Economic Consultants Ltd and he remained the main shareholder of the company until the end of 2021. Between 2006-2015 as a co-founder, Pyrros cooperated with 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, Pyrros, as Chairman and Chief Executive Officer, ran the privatization project of Olympic Airlines, Olympic Airways – Services and Olympic Aviation. In 2012 he has been appointed 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 AG.During the last years, Pyrros, apart from his academic duties, implements various consulting projects for governments in the developing word in the field of public financial management and employment. From October 2019, he is also the general director of the research institute KMOP Policy Center ASBL, based on Belgium.

George Karakousis, Executive member

George Karakousis is an executive with significant experience in commercial roles in the technology, telecommunications and energy sectors. 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 18 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 recent years he has been leading the commercial transformation of PPC with very positive results. 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.

Alexander Paterakis, Executive member

Alexander Paterakis holds a BSc 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, while in 2008 he joined Vodafone where he was promoted to CIO. He then moved in Etihad Etisalat (Mobily), where he was appointed as a Chairman of Infotech Mobility India Pvt Ltd and completed his career as a CIO in Saudi Arabia actively promoting the ICT transformation. Since 2016 he provides business consulting services focusing on the digital strategy field. In 2018 he assumed the position of CIO in AXIATA Celcom, a telecommunication provider company in Malaysia.

Grigorios Dimitriadis, Non-Executive Member

Gregory D. Dimitriadis is the Chief Executive Officer and Executive Board Member of GROWTHFUND, the National Fund of Greece, since February 2021. He studied in the UK and the USA, holding a bachelor with honours in engineering (Manchester Metropolitan University) and two masters; one in the field of telecommunications (University College London) and another in international business relations and international negotiations (The Fletcher School, Tufts University).
He is an executive with national and international experience in leading management positions in both the private and public sector. He served as Chairman of Enterprise Greece and Secretary General for International Economic Affairs of the Ministry of Foreign Affairs, dealing with numerous strategic investments in Greece and led the development of the National Strategy for Trade & Investment Promotion. Prior to that, he was Executive VP at HVA International in Amsterdam, Managing Director of Iskra Zaščite (Raycap Group) in Ljubljana, Chairman & CEO of the Athens Urban Transport Organization, and project leader for Greece's National Strategy for exports at the Ministry of Development.

Alex Fotakidis, Non-Executive Member

Alex Fotakidis is a Partner at CVC and Head of CVC Greece. Alex joined CVC in 2006 and is based in Athens. Alex is responsible for all of CVC's investment activities in Greece, including Hellenic Healthcare Group, Skroutz, Vivartia, Dodoni, PPC and Ethniki Asfalistiki. He previously spent five (5) years at CIBC World Markets, working in the European Leveraged Finance team with primary role the origination, structuring, execution and syndication of debt financing for buyouts on behalf of private equity clients. Alex holds an MSc in Environmental and Natural Resource Economics and a BSc in Economics and Geography, both from University College London.

Maria Psıllaki, Independent Non-Executive Member

Maria Psillaki is Professor at the Department of Economics of the University of Piraeus. She studied at the University of Nice Sophia Antipolis, in France where she received her Bachelor, Master and PhD with the highest honors. For her PhD in Finance, she received a scholarship from the French Ministry of Education. She has held visiting research positions in London (Birckbeck College, University of London) as Visiting Researcher (Post-Doctoral Research Fellow), funded by the CEPR (Centre for Economic Policy Research) and ERSC (Economic and Social Research Council) and in Chicago as Visitor Researcher at the Graduate Booth School of Business, University of Chicago. She has lectured at various universities abroad to both undergraduate and postgraduate programs. She has also held visiting faculty positions at European and American universities such as the Rutgers University in New Jersey (USA), Department of Business Administration, and the University of Cyprus, Department of Public and Business Administration. Before joining the University of Piraeus in 2009, she was Associate Professor at the University of Nice-Sophia Antipolis in France at the Economics Department from 2001 until August 2008. Finally, since 2009 she is a tutor at the Hellenic Open University in the "Banking" postgraduate program. She has participated in various European research Programs. She has published in high quality reviewed journals such as the Journal of Small Business Management, the European Journal of Operational Research, the Journal of Business Finance and Accounting, the Journal of Banking and Finance, the Small Business Economics, the Applied Financial Economics, the Journal of Productivity Analysis. She serves as referee in a number of reputed journals such as the Journal of Banking and Finance, the Small Business Economics, the European Journal of Operational Research. From 2009 to 2012 she was Vice President of the Hellenic Finance and Accounting Association (HFAA). Her areas of expertise are in corporate finance, and banking.

Despina Doxaki, Independent Non-Executive Member

Despina Doxaki was born in 1968. She graduated from the School of Law of the National and Kapodistrian University of Athens and is holder of an LLM in European Law from the Institute of European Studies in Brussels. She has more than 26 years of working experience in cross-border transactions mainly in collaboration with commercial, investment, institutional and development banks and specializes (1) in structuring and negotiating national and international complex financial contracts such as structured finance, (2) project finance in all development sectors such as energy, infrastructure projects, real estate, tourism, hospitals etc. through PPP or/and Concession Agreements, (3) corporate finance and transformations (IPOs, capital markets transactions) (4) all types of corporate lending, debt restructuring and refinancing etc. During her career she has worked at the European Commission, KPMG, Alpha Bank S.A., KIS ATE, while for the last 15 years she has worked in Kyriakidis-Georgopoulos Law Firm, in Brussels in the English Law Firm Stanbrook&Hooper (McDermont&Ellis) and in the international law firms Chadbourne/NRF, Shearman and Milbank in London.Since 2018 she has been Head of Legal at the Hellenic Financial Stability Fund. She has work experience in Athens, London and Brussels and speaks Greek, English and French.

Stefanos Theodoridis, Independent Non-Executive Member

Stefanos Theodoridis has served for more than 35 years as Senior Executive of business groups in Greece and abroad, of which 25 years as CEO. From 1989 to 2006, he held the position of CEO at DIAGEO S.A., initially for Greece and in the last years for Southern & Eastern Europe. He was responsible for 18 countries and 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 leader in Tourism & Leisure industry. From 2012 to date, he holds the position of CEO at TEMES Group, one of the leading companies in the development and management of high-end tourism destinations and holiday destinations, such as Costa Navarino and HILTON ATHENS. In addition to his current position, he is Vice Chairman of GIOCHI PREZIOSI Group, a toy import and trading company in Greece & Turkey, Member of the BoD of the Foundation for Economic & Industrial Research (IOBE) and Member of the Board of Directors of the Hellenic-Swedish Chamber of Commerce and Member of the Tourism and Development Committee of the Hellenic American Chamber of Commerce. He is married and has two children.

Stefanos Kardamakis, Independent Non-Executive Member

Stefanos Kardamakis was born in Athens in 1967. He graduated from the Department of Mechanical Engineering of the National Technical University of Athens in 1991. He then obtained a Master's degree (MSc) in Finance, Commerce and Shipping from City University, Cass Business School of London.He started his professional career in 1993 in the Technical Department of Adelfia Shipping Enterprises.In 1994 he joined the Dutch Bank ABN AMRO as Customer Manager of the Shipping Finance Department, where he was promoted to the position of Vice President. In 2004 he served as Head of the newly established Shipping Division of Egnatia Bank in the field of financing. During his 14-year career in the Banking industry he was involved in financing proposals, financial transactions and products, as well as in concluding large, syndicated loans with other banks on behalf of large shipping companies. He was also occupied with the optimization of internal processes and the introduction of new methods to better monitor and improve operational & credit risk, as well as the restructuring of non-performing loans. In 2008, he assumed the position of CFO at Conbulk Shipping S.A. and since 2019, he has also held the position of Chief Operating Officer, being responsible, apart from the financial management, for the operational, technical and procurement department of the said company.

The composition of the Board of Directors is fully compliant with the Regulations of Law 4706/2020 on Corporate Governance.

Functioning of the Board of Directors

With regard to the functioning of the Board of Directors, the Company's Articles of Incorporation provide for the following:

Competences of the Board of Directors

The Board of Directors 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 assets. The Board of Directors shall approve, upon recommendation of the CEO: a) the Strategic Plan, which determines the strategic goals for the attainment of the Company's objectives, 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 monitor the implementation of the Strategic Plan and the Business Plan.

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 fulfilment of its object, with the exception of those issues which either by law or by the Articles of Incorporation, expressly fall within the jurisdiction of the General Meeting.

The Board of Directors shall, upon recommendation of the CEO, 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 Nomination Remuneration and Recruitment Committee, approves the recruitment policy of the Company, pursuant to the relevant legislation as applicable each time.

The Board of Directors shall decide, upon recommendation of the CEO: a) the necessity of establishing positions of Deputy CEOs, as well as on their number and competencies thereof, b) the basic organization of the company divided into Divisions, which constitute the highest administrative level of its organizational structure, c) the establishment of positions of Chief Officers and their competencies.

The Board of Directors may, upon recommendation of the CEO, delegate part of its administration and representation competencies, except for those which, pursuant to the Law and its Articles of Incorporation require collective action or fall within the exclusive jurisdiction of the CEO 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 CEO, to the Deputy CEOs, to one or more of the Board Members, to the Company's Committees, to the Chief Officers, to the Directors or to employees of the Company.

The aforesaid persons to whom the competencies 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 Law 4548/2018 as applicable and to article 12 of the Company's Articles of Incorporation.

Convocation and Functioning of the Board of Directors

The Board of Directors shall meet at the seat of the Company and/or outside its seat at the facilities of PPC at Kozani, Megalopolis and Aliveri, upon the call of the Chairman or his/her substitute on such day and hour as determined by him/her, 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 a meeting by way of teleconference if he/she 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.

At the request of two (2) Board Members, the Chairman or his/her substitute shall be obliged to convene the Board of Directors, setting the date of the meeting, which shall not be later than seven (7) days from the submission of the relevant request, under penalty of inadmissibility, which shall also clearly state the proposed items on the agenda to be discussed by the Board of Directors. In case the Board of Directors is not convened by the Chairman or his/her substitute within the aforementioned deadline, the requesting members shall be allowed to convene themselves the Board of Directors within five (5) days from the expiration of the above deadline of seven (7) days, by notifying the relevant notice to the remaining members of the Board of Directors.

The agenda of the meetings shall be determined by the Chairman and its items shall be clearly stated in the notice sent to the members of the Board at least two (2) working days prior to the date of the meeting and at least five (5) working days in the event that the meeting is to be held at a venue other than the company's seat, otherwise the decision-making is allowed only if all members of the Board of Directors are present or represented at the meeting and none of them objects to the decision-making.

A quorum of the Board shall be deemed to be present and the meeting shall be deemed valid if, pursuant to paragraph 6 of the present article, one more than half the number of members is present or represented. In no case, however, shall the number of members physically present be less than three (3). In determining the number required to form a quorum, fractions, if any, shall be ignored.

The Board of Directors shall take its decisions by absolute majority of the members present or represented. In case of equality in votes, the Chairman's vote shall prevail.

Each Board Member may, following written authorization, validly represent only one member thereof. The representation to the Board of Directors may not be assigned to a person who is not member of the Board of Directors.

Minutes of the proceedings and decisions of the Board of Directors shall be kept in accordance with the Law and in particular with article 93 of Law 4548/2018, as applicable. The minutes shall be signed by the Chairman and the Board Members who attend the relevant meeting. In the event that one of the members refuses to sign, this shall be indicated in the minutes accordingly.

The copies of and the excerpts from the minutes of the Board of Directors shall be signed by the Chairman or by a person designated by the Board of Directors to this end, without any other validation being necessary.

The General Counsel may attend the meetings of the Board of Directors without having the right to vote, unless otherwise decided by the Board of Directors.

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 decision of the Board of Directors, even if no meeting has preceded. 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 Law 4548/2018.

In the case of the previous paragraph the signatures of the Board Members or their representatives may be substituted with the exchange of messages via email or other electronic communication media, e.g. by means of a qualified digital signature.

Liability and duties of the Board Members

Each Board Member shall be liable vis-a-vis the company, in accordance with articles 96 to 102 of Law 4548/2018, for any fault committed, due to an action or omission during the performance of their duties, which constitutes violation of their duties, in accordance with the Law and the company's 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 appropriately, any conflict of interest 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, as soon as they take knowledge thereof. In any case, the aforementioned persons shall be obliged to refrain from any action related to corporate actions which may give rise to such conflict of interest until the date on which the company will examine the conflict of interest statement.

The Board Members shall be bound, inter alia, to handle the corporate affairs with a view to promoting corporate interest, to oversee the execution of the decisions 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 Law 4548/2018, which include regulations concerning transactions with related parties shall also apply to Chief Officers and Directors of the Company.

The appointment and the dismissal for any reason whatsoever of the Board Members and of the persons empowered to represent the company jointly or severally shall be subject to publication, as stipulated by articles 12 and 13 of Law 4548/2018, as applicable, together with their identity particulars and in any case as provided for by law each time.

Compensation of Board Members

The company shall establish a remuneration policy and shall draw up a remuneration report, pursuant to articles 110 to 112 of Law 4548/2018 and article 11 of Law 4706/2020 as applicable, in accordance with article 17 par. 1 of the Company's Articles of Incorporation as in force.

3. Chairman, Vice-Chairman of the Board of Directors and Chief Executive Officer

Chairman of the Board of Directors

The Chairman of the BoD shall be elected by the Board of Directors. The capacity of the Chairman of the BoD may coincide with that of the CEO. In this case, the Board of Directors shall mandatorily appoint the Vice-Chairman from among its non-executive members.

The Chairman of the BoD guides the BoD, shall contribute to ensuring the efficient flow of information, both within the BoD and between the BoD and its Committees and shall be responsible for its effective overall operation. The Chairman of the BoD shall encourage and promote open and critical discussions and ensure that divergent views can be expressed and discussed in the decision-making process.

The Chairman of the BoD determines the items on the agenda of the meetings and ensures that issues of strategic importance are discussed as a matter of priority. The Chairman should also ensure that the BoD makes informed and appropriate decisions and that the relevant documents and information are received in a timely manner before the meeting.

The Chairman of the BoD shall contribute to a clear allocation of duties between the BoD Members and ensure the efficient flow of information between them, so that the BoD Members in their supervisory function have the opportunity to contribute constructively to the discussions and to exercise their voting right on a proper basis and in a well-informed manner.

Vice-Chairman of the Board of Directors

The Chairman of the BoD shall be elected by the Board of Directors. Since in PPC the capacity of the Chairman of the BoD coincides with that of the CEO, the Board of Directors has appointed the Vice-Chairman from among its Independent Non-Executive Members, who in the event that for any reason whatsoever there is a vacancy in the office of the Chairman of the Board of Directors, or the latter is absent or temporarily unable to perform his/her duties, the Vice Chairman of the Board shall temporarily act as Chairman and shall have the following responsibilities: to support the Chairman, to act as a liaison between the Chairman and the members of the Board of Directors, to coordinate the independent non-executive members and to lead the evaluation of the Chairman.

Chief Executive Officer

The Chief Executive Officer of the Company shall be elected by the General Meeting of Shareholders and his term of office shall be three years.

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 powers under the Articles of Incorporation or the resolutions of the Board of Directors and may authorize or empower other persons members of the Board of Directors to senior or top executives of the Company and any kind of PPC's service units to represent him.

The Chief Executive Officer shall have the following duties under the Articles of Incorporation and such other duties as the Board of Directors may delegate to him by resolution:

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

Deputy CEOs

The Deputy Chief Executive Officers 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.

Secretary of the Board of Directors

The Secretary of the Board of Directors, who is the Director of the BoD Secretariat shall provide support to the Board of Directors, ensuring its smooth and efficient functioning.

The BoD Secretariat, in the context of its mission, shall be responsible for handling all matters related to the functioning of the Board of Directors, in accordance with the Law, the Articles of Incorporation and the Regulations of the Company and for handling matters pertaining to the administrative and operational support of the Board Committees and their members.

4. Definition of the non-executive BoD members that the Board of Directors views as independent and the rationale behind this view

Non-Executives and Independent Non-Executives Members of the BoD shall have a purely supervisory and strategic role in contrast to the Executive Members who are responsible for the implementation of the BoD strategy and have executive responsibilities regarding the management of the Company.

The independent Non-Executives Members of the BoD play a key role in enhancing the effectiveness of controls and the balance within the BoD by improving the oversight of decision-making by the executive management, as well as by ensuring that:

- the interests of all stakeholders, including minority shareholders, are duly taken into account in the discussions and decision-making of the BoD.
- the undue domination of individual BoD Members who represent a specific group or category of stakeholders is mitigated or compensated for; the decision-making is not dominated by an individual or a small group of members; and
- conflicts of interest between, on the one hand, the Company, its business units, other entities that fall within the accounting scope of consolidation and, on the other hand, external stakeholders, including customers, are subject to proper management.

The independence criteria of the Independent Non-Executive Members of the Board of Directors are specified in the Suitability Policy for the members of the Board of Directors of PPC S.A., as well as in the Procedure for Disclosure of any Dependency Relations of the Independent Non-Executive Members of the Board of Directors of PPC S.A. as follows:

A Non-Executive Member of the BoD is considered independent if during his/her appointment and during his/her term of office:

(a) does not hold, directly or indirectly, a percentage of voting rights greater than zero-point five percent (0.5%) of the Company's share capital, and

(b) is free from financial, business, family or other dependent relationships, which may influence its decisions and its independent and objective judgement (hereinafter referred to as "dependent relationships").

A dependent relationship exists in the following cases:

(a) When a member receives any significant remuneration or benefit from the Company, or from an affiliated company, or participates in a stock options system or any other performance-related remuneration or benefit system, other than remuneration for his/her participation in the BoD or in its Committees, as well as in the collection of fixed benefits within the framework of the pension system, including the rescheduled benefits, for his/her previous services in the Company. The criteria defining the meaning of meaning of significant remuneration or benefit are defined in the Company's remuneration policy.

(b) When the member or person who has close ties with the member maintains or has maintained a business relationship during the last three (3) financial years prior to his/her appointment with:

(ba) the Company, or

(bb) an affiliated person of the Company, or

(bc) a shareholder who directly or indirectly holds a stake equal to or greater than ten percent (10%) of the Company's share capital during the last three (3) financial years prior to his/her appointment, or an affiliated company, provided that this relationship affects or may affect the business activity of either the Company or the person referred to in par. 1 or the person having close ties with it. Such a relationship exists especially when the person is a significant supplier or a significant customer of the Company.

c) When the member or the person who has close ties to the member:

(ca) has been a member of the BoD of the Company or of an affiliated company thereto for more than nine (9) financial years in total at the time of his/her election,

(cb) has been a Senior Executive or entered into an employment or project or service relationship or a salaried mandate relationship with the Company or with an affiliated company thereto during the last three (3) financial years prior to his/her appointment,

(cc) is related to the second degree by blood or by marriage, or is a spouse or partner equated with a spouse of a Board Member or Senior Manager or shareholder, with a participation percentage equal to or greater than ten percent (10%) of the Company's share capital or an affiliated company thereto,

(cd) has been appointed by a specific shareholder of the Company, in accordance with the Articles of Incorporation, as provided for in article 79 of Law 4548/2018,

(ce) represents shareholders holding directly or indirectly a percentage equal to or greater than five percent (5%) of the voting rights at the General Meeting during his/her term of office, without any written instructions;

(cf) has carried out a statutory audit to the Company or to an affiliated company thereto, either through a company or by himself/herself or by an up to second-degree relative by blood or by marriage, or by his/her spouse, during the last three (3) financial years prior to his/her appointment,

(cg) is an Executive member in another company, in the BoD of which an Executive member of the Company participates as a non-executive member.

(d) When the member falls under one of the dependent relationships provided for in any other statutory or regulatory texts to which the Company is subject and which the Company applies, either on an optional or a mandatory basis (for instance, Articles of Incorporation of the Company, Corporate Governance Code, Rules of Procedure of the Board of Directors).

The Independent Non-Executive Members of the Board of Directors jointly submitted a Report to the Annual General Meeting of Shareholders on 29.06.2022, in accordance with article 9 par. 5 of Law 4706/2020 and the relevant guidelines of the Hellenic Capital Market Commission with reference to the manner in which the Non-Executive Members of the Board of Directors, including the Independent Non-Executive Members fulfilled their obligations in the financial year 2021 with regard to:

a) Monitoring and review of the Company's strategy and its implementation, as well as of the achievement of its objectives.

b) Ensuring effective supervision of executive members, including monitoring and controlling their performance.

c) Considering and expressing their views on proposals submitted by executive members, based on existing information.

Also, in compliance with the relevant provision of the Hellenic Corporate Governance Code of the Hellenic Corporate Governance Council, which the Company has adopted and applies, the Non-Executive Members of the Board of Directors of the Company met on 12.12.2022, with the Independent Vice-Chairman of the Board of Directors in the chair. During the said meeting, improvement actions were discussed following the internal evaluation of the Board's performance conducted during the first half of 2022.

5. Number of meetings of the Board of Directors, frequency of participation of each member and issues dealt with by the Board of Directors

In 2022, 26 meetings of the Board of Directors took place. In particular, the table below shows the number of meetings attended by the members of the Board of Directors.

Member	Position on the BoD	Number of meetings attended by the BoD members
Georgios Stassis	Chairman & Chief Executive Officer, Executive Member	26
Pyrros Papadimitriou	Vice-Chairman, Independent Non-Executive Member	25
George Karakousis	Deputy Chief Executive Officer, Executive Member	25
Alexander Paterakis	Deputy Chief Executive Officer, Executive Member	24
Maria Psillaki	Independent Non-Executive Member	26
Despina Doxaki	Independent Non-Executive Member	23
Stefanos Kardamakis	Independent Non-Executive Member	23
Stefanos Theodoridis	Independent Non-Executive Member	18
Michael Panagiotakis	Independent Non-Executive Member	12
Pantelis Karalefteris	Non-Executive Member - Employee Representative	12
Nikolaos Fotopoulos	Non-Executive Member - Employee Representative	12
Grigorios Dimitriadis	Non-Executive Member	9
Alexandros Fotakidis	Non-Executive Member	11

Note:

(1) On 29.06.2022 the term of office of the Members of the Board of Directors - Employee Representatives Mr. Pantelis Karalefteris and Mr. Nikolaos Fotopoulos expired.

(2) The Annual General Meeting of the Company's shareholders held on 29.06.2022 decided the election of Mr. Grigorios Dimitriadis following the reduction of the positions of Employee Representatives from two (2) to one (1) (due to the relevant amendment of the provisions of the Company's Articles of Incorporation).

(3) The Annual General Meeting of the Company's shareholders on 29.06.2022 decided the election of Mr. Alexandros Fotakidis, with term of office starting on 22.08.2022, to replace Mr. Michael Panagiotakis, due to the expiration of his term of office on 21.08.2022.

The main issues discussed at the Board of Directors' meetings during the 2022 financial year:

- Approval of the Financial Statements.
- Approval of new and/or revision of existing Regulations and Policies in the context of compliance with the new law on corporate governance.
- Approval of the amended Remuneration Policy, approval of the FY 2021 Remuneration Report, approval of the report on the degree of achievement of the CEO's objectives, which are also the Group's objectives, for the Financial Year 2021.
- Approval of a new Regulation on Works, Supplies and Services (RWSS) of PPC S.A.
- Procurement issues (tendering procedures, contracts, awarding, etc.).
- Subsidiaries' issues (new investments, financing, mergers, changes in share capital, etc.).
- Bond loans (approval of the prospectus and related documents, amendment of contracts, etc.).
- Risk Assessment and Annual Audit Plan (AAP) of the Internal Audit Department (IAD) for the year 2022.

- Amendments to the Articles of Incorporation.
- Proposal to the General Meeting of the Company's shareholders for the election of Board members and Chief Executive Officer due to the expiry of their term of office.
- Appointment of members of the Audit Committee, Appointment of members of the Nomination, Remuneration and Recruitment Committee.
- Staff management issues, new recruitment policy, recruitment notices and organisational changes, voluntary redundancy scheme 2022.
- New investments (approval of the implementation of an investment in the telecommunications sector, development, installation and operation of the East Med Corridor cable system (EMC System), establishment of a company jointly with Motor Oil (Hellas) Corinth Refineries S.A. for the production, storage and trading of green hydrogen).
- Establishment of a plan to purchase own shares.
- Approval of the 2023 Budget.

6. Suitability Policy for the members of the Board of Directors of PPC S.A.

The Company has a Suitability Policy for the members of the Board of Directors, which was drafted according to the guidelines of the Hellenic Capital Market Commission (Circular no. 60 / 18-09-2020) and includes:

a. the principles concerning the election or replacement of the Board members, as well as the renewal of the term of office of the existing BoD members
b. the criteria for the evaluation of the individual and collective suitability of the BoD members
c. the criteria of diversity and adequate gender representation
d. the role of the Nomination, Remuneration and Recruitment Committee
e. the induction training program of the BoD members, and
f. the continuous monitoring and evaluation of the Board’s suitability

Any amendments to the Suitability Policy that are material (i.e., if they introduce derogations or significantly change its content, in particular with regard to the general principles and criteria applied) are submitted for final approval to the General Meeting. The amendments to the said Policy, especially when they concern changes in the legal framework of Corporate Governance, are approved by the Board of Directors upon the recommendation of the Chief Officer of the Legal Affairs and & Corporate Governance Division and with the consent of the Nomination, Remuneration and Recruitment Committee. Simple organisational changes are approved by the Chief Executive Officer.

The Suitability Policy of the Company was initially approved by the Board of Directors' decision no 46/13-05-2021, in accordance with article 3 par. 1 of Law 4706/2020 and by the Extraordinary General Meeting of Shareholders, pursuant to article 3 par. 3 of Law 4706/2020, on 4 June 2021. Two amendments to the Suitability Policy followed, which were approved by the Company's Board of Directors' Decisions No. 132/26.10.21 & 10/23.02.22, respectively. The second amendment became effective by the resolution of the Extraordinary General Meeting of the shareholders of the Company dated 17.03.22. Finally, the last amendment to the Suitability Policy of the Company was approved by the Board of Directors' Decision No. 45/10-05-2022.

The updated text of the Company's Suitability Policy is posted on the Company's website (https://www.dei.gr/el/dei-omilos/i-dei/etairiki-diakivernisi/organosi-etaireias/dioikitiko-symvoulio-dei/)

Monitoring the implementation of the Suitability Policy of the Board of Directors

The BoD is responsible for monitoring the implementation of the Suitability Policy and its periodical assessment, assisted by the Nomination Remuneration and Recruitment Committee, the Audit Committee and the Legal Affairs and Corporate Governance Division, as well as by other organizational units of similar scope, such as the Internal Audit Department and the Human Resources & Organisation Department, as deemed appropriate.

Training Policy for Board Members

The Company has a Training Policy for Board Members (BoD Decision No. 80/29-06-2021), through which it adopts a structured and effective education system that meets the needs of the induction program of the new members as well as those of the continuous training of the Board members.

Through said education system, the Company seeks to contribute to the development of the BoD members, to ensure their suitability, and ultimately to the effective operation of the BoD and its committees.

7. Evaluation of the Suitability and Effectiveness of the Board of Directors and its Committees

In 2022 the Board of Directors (BoD) by its Decision no. 45/10-05-2022 approved the Policy and Procedure for the Evaluation of the Suitability and Effectiveness of the Board of Directors of PPC S.A. and its Committees (the "Policy").

Based on the above Policy, the first internal evaluation of the individual and collective suitability and effectiveness of the Board of Directors and its Committees was carried out in 2022, covering a period of twenty-four (24) months prior to its commencement.

The evaluation of the effectiveness of the Board of Directors at the individual level was carried out using self-assessment questionnaires.

In particular, the individual performance of each member was examined, taking into account his/her capacity (executive, non-executive, independent non-executive) and specifically:

- the fulfilment of his/her duties, in accordance with the provisions of the Company's Articles of Incorporation, the Company's Regulations and Policies and the applicable legislation,
- the degree of compliance with the policies and procedures of the Board of Directors and the Company to the extent that they apply to each member,
- his/her contribution to the effective functioning and overall performance of the Board of Directors,
- the degree of consistency and participation in the BoD meetings,
- the participation in BoD committees and the assumption of specific responsibilities/projects,
- the use of knowledge and experience,
- the effectiveness in managing the matters he/she undertakes to deal with.

The evaluation of the Chairman of the Board of Directors was carried out through the use of questionnaires completed by all Board members -except for the Chairman- and submitted anonymously to the Nomination Remuneration and Recruitment Committee. Specifically, the evaluation of the Chairman focused on the following criteria:

- Relationship management and degree of communication with the members of the Board and its individual Committees,
- Communication with executives, shareholders and other stakeholders,
- Ability to coordinate collective discussions,
- Ensuring that the Board members are provided with correct and timely information prior to the holding of Board meetings,
- Demonstrating leadership skills,
- Creating an environment of "confidentiality" for Board members to raise issues and concerns,
- Promoting constructive discussion/dialogue and effective decision-making process during Board meetings.

Since the capacities of Chairman and CEO of the Company coincide into the same person, the assessment was made for both positions.

The individual suitability of Board members was assessed for all Board members, regardless of their capacity, based on the following criteria:

1. Allocation of sufficient time
2. Adequacy of knowledge, skills and experience
3. Guarantees of good repute and morality; and
4. Independent judgement and absence of conflicts of interest

For the criteria 3 and 4, each member of the Board of Directors submitted, inter alia:

- Declaration by Board Members on own interests or conflicts of interest/duties
- Declaration under Article 3 par. 4 of Law 4706/2020 on the non-issuance of a final conviction for loss-making transactions of the Company
- Declaration on the assessment of the reputation, integrity and honesty of the members of the Board of Directors according to the questionnaire included in the Suitability Policy for the members of the Board of Directors of the Company (Section V of the Annex "Suitability Policy")

Based on the above, a summary table of the collective suitability/effectiveness of the Board of Directors was completed, taking into account the individual self-assessments of the Board members, the assessments of the collective suitability of the Board of Directors, as well as the evidence of individual suitability, focusing mainly on the following issues:

a. Suitability of the Board for the exercise of its responsibilities,
b. Suitability of the composition of the Board of Directors for the management of the Company and balanced decision-making,
c. Collective suitability of members to make decisions and monitor the operation of the Company as a whole,
d. Board members' expertise in key areas of knowledge,
e. Level of managerial and administrative skills,
f. Understanding of the Board's areas of responsibility and possessing the necessary skills to exercise management and oversight of the Company,
g. Implementation of the Company's Diversity Policy,
h. Ensuring that there is no exclusion, as regards the possibility of selection and election as a member of the Board,
i. Meeting the criteria of adequate representation by gender,
j. Representation of a wider range of shareholders, who, either individually or in aggregate, represent at least 10% of the Company's share capital.

On the basis of the above, the following conclusions were reached:

The composition of the Board of Directors was deemed adequate given the size of the Company, the complexity of its activities and its business model. The Board of Directors of the Company is composed of persons from different business sectors both in the domestic and international market, with high professional qualifications, covering a wide age range, and combining dynamism and experience. Furthermore, the composition of the Board of Directors meets the quota requirements of the Law regarding the adequate representation of the underrepresented gender (25%). In any case, the Diversity Policy adopted by the Company applies.

In 2020 the Board of Directors met twenty-one (21) times and in 2021 thirty (30) times and took 144 and 172 Decisions respectively, in their majority accompanied by written recommendations. The participation rate of the Board members in the BoD meetings was high.

The participation of each of the Board members in the work of the Board of Directors during the last two years was deemed significant both in in terms of carefully considering the issues submitted to it and in the decision-making process

In the Board of Directors there is a clear distinction between its executive function and its supervisory-non-executive function. All members of the Board are fully aware of its structure and responsibilities.

The members of the Board of Directors are aware of the decision-making process and recognise the importance of transparency in decision-making, as well as when corporate decisions are in line with the corporate strategy and serve the corporate interest.

The members of the Board of Directors actively participate in the decision-making process, always with the necessary independence in thought and judgement.

The role of the Chairman of the Board of Directors has had a catalytic effect on its smooth operation, as he ensures the efficient flow of information received from the internal or external environment to the members of the Board and its committees and convenes meetings at regular intervals in order to discuss corporate issues. The Chairman of the Board creates an atmosphere of respect during meetings and encourages and promotes open and critical discussion.

Taking into account the long-term perspective of the Company, a series of improvement proposals and actions were presented aiming at further improving the flow of information in general to the Board of Directors, the process of making recommendations, the recording of the proceedings of the Board of Directors, the further involvement of the non-executive Board members in the effectiveness of the Internal Control System, and the intensification of information and training actions for the members of the Boards of Directors, with a view to maintaining and deepening the knowledge and skills necessary for the exercise of their responsibilities.

Results of the Audit Committee’s Evaluation

With regard to the results of the Audit Committee’s evaluation, the Chair of the Audit Committee, Maria Psyllaki, submitted to the Chairman of the Audit Committee, Pyrros Papadimitriou, a summary of the Evaluation Report of the Audit Committee, the conclusions of which are summarized as follows:

The Audit Committee of PPC S.A. has been established in accordance with the Law and has independence, which allows it to conduct constructive discussions and exchange views with the Board of Directors, and generally operates within the framework set by its Rules of Operation and the Company’s Articles of Incorporation. Due to the Company's size, activities and the issues raised, the meetings are sufficient in number to address all issues that fall within the Committee’s remit.

In this context, the Audit Committee holds periodic meetings with the aim of monitoring the internal audit systems, corporate governance and open corporate communication, in order to identify any important issues with Management. Minutes are kept of all meetings of the Audit Committee, which include a summary of the content of the discussions and the supporting material submitted. The minutes of the Committee meetings shall be complete, prepared in a timely fashion and submitted, where required by the applicable provisions, before the expiry of the legal deadlines of compulsory Law. Aiming at its smoother operation, the Audit Committee proposed the improvement of the flow of information, given the complexity of the issues it handles.

Results of the Evaluation of the Nomination, Remuneration and Recruitment Committee (NRRC)

The Independent Vice Chairman of the Board**,** Pyrros Papadimitriou, in his capacity as Chairman of the NRRC, drafted the Report of the first internal evaluation of the NRRC in accordance with the above, the conclusions of which are summarised below:

The NRRC consists of three (3) non-executive members of the Board of Directors, who are in their entirety, and not in their majority, as stipulated by Law 4706/2020, independent of the Company, in the sense of the provisions of Law 4706/2020.

Moreover, the NRRC has complementarity and a combination of qualifications among its members, and each member has the necessary knowledge, skills and competencies to effectively fulfil their duties. It meets at regular intervals and has 100% participation by its members to date. The Secretary of the NRRC undertakes the organization of its meetings, attends meetings, edits the drafting and timely signing of the minutes, and keeps complete records.

The materials NRRC members receive before meetings are adequate and ensure that they are properly informed.

NRRC decisions comprise, as appropriate, recommendations or announcements or reports to the Board of Directors. The Committee, through its Chairman, submits its decisions to the Chair of the Company's Board of Directors for inclusion in Board meetings and for the necessary executive decisions to be taken.

In accordance with the above, the composition of the NRRC was deemed adequate and its method of operation effective, and as such no issue was raised for drawing up an action plan for improvement actions in the near future.

8. External professional obligations of the Board of Directors members.

The external professional obligations of the BoD members are provided in the table below:

Board Member	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.)
Giorgos Stassis	Civil Engineer	Member of the Board of Directors of the following companies: PPC Renewables Single Member S.A. Arkadian Sun Ena S.A. Arkadian Sun Dio S.A. Solar Arrow Ena S.A. Amalthia Energiaki S.A. SOLARLAB S.A. Solar parks Western Makedonia Ena S.A. Solar parks Western Makedonia Dio S.A. Geothermikos Stochos S.A. Geothermikos Stochos Dio sole shareholder S.A. EEN VOIOTIA S.A. PPC RENEWABLES- EDF EN GREECE PPC RENEWABLES- - TERNA ENERGY S.A. PPC RENEWABLES - ROKAS S.A. GITANI S.A.

		VORINO PELLIS S.A. MYHS SMIXIOTIKOU S.A. OROS ENERGY S.A. GREENESCO ENERGIAKI S.A. SOLAR PARK KILIZA S.A. SOLAR PARK AG. ONOUFRIOS S.A. SOLAR PARK MPAMPO VIGLIES S.A. SOLAR PARK LOUKO S.A. SOLAR PARK LEYKIVARI S.A. VOLTERRA LYKOVOUNI S.A. VOLTERRA K-R S.A. Eurelectric – the European Union of the Electricity Industry Board Member at the HELLENIC AMERICAN CHAMBER OF COMMERCE
Pyrros Papadimitriou	Attorney-at-law, Economist, Professor at University of Peloponnese	KMOP Policy Center ASBL (Co-director of a non-profit research center in Belgium)
George Karakousis	Engineer	-
Alexander Paterakis	IT Consultant	Strategic consultant, Lumia Capital 2014 Management Non-Executive Member of PPC RENEWABLES Non-Executive Member of HEDNO S.A.
Grigorios Dimitriadis	Engineer	CEO AND MEMBER OF THE BOARD OF GROWTHFUND Board Member OF THE HELLENIC CORPORATE GOVERNANCE COUNCIL (HCGC)
Alex Fotakidis	Economist	**Member of the Board of Directors of the following companies:** ETHNIKI SA SKROUTZ INTERNET SERVICES S.A. VENETIKO HOLDINGS S.àr.l.

		SAIGA S.àr.l. ETHNIKI HOLDINGS S.àr.l. HELLENIC HEALTHCARE S.àr.l. **Chairman of the BoD of the companies:** BARBA STATHIS S.A. ELLINIKI ZYMI VENETIKO HOLDINGS S.A. CVC ADVISERS GREECE S.A.
Maria Psyllaki	Economist, Professor at the Department of Economics of the University of Piraeus	Member of the BoD of the Hellenic Exchanges Shareholders Association -(CoEx), Non-profit Association
Despoina Doxaki	Attorney-at-law, Head of Legal Service at the Financial Stability Fund	-
Stefanos Kardamakis	Mechanical Engineer Director of the CONBLUK SHIP MANAGEMENT CORPORATION	-
Stefanos Theodoridis	Senior Executive Officer	BYZADIUM S.M.S.A., Managing Director PANORAMA SA, Chairman NAVARINO BELLA VISTA, Vice-Chairman TEMES S.A., Managing Director COSTA NAVARINO NORTH PROPERTIES, Chairman & Managing Director COSTA NAVARINO SOUTH PROPERTIES, Chairman & Managing Director IONIAN HOTEL ENTERPRISES S.A., BoD Member DUNES GOLF S.A., Vice-chairman PREZIOSI GROUP, Vice-Chairman VINEYARDS S.A., Chairman GREKA ICONS S.A., Chairman PHILOMEL PROPERTIES S.A., Chairman & Managing Director AZOV S.A., Chairman & Managing Director

		ARMIDE PROPERTIES S.A., Chairman & Managing Director ATHENS BEACH CLUB S.A., BoD Member ELECION ENERGY S.A., Chairman PILEAS S.A., Chairman TVIC S.A., Chairman ALAS TOURISTIKI I.K.E., Administrator STADIO 2020, Non-Executive Chairman

9. Number of shares held by **the Board** members **(article 18, par. 3 Law 4706/2020)**

Member	**BoD Position**	**Number of Shares owned as of 31.12.2022**
Giorgos Stassis	BoD Chairman & CEO, Executive Member	-
Pyrros Papadimitriou	Vice Chairman of the BoD Independent, Non-Executive Member	-
George Karakousis	Deputy CEO Executive Member	-
Alexander Paterakis	Deputy CEO Executive Member	-
Grigorios Dimitriadis	Non-Executive Member	-
Alexandros Fotakidis	Non-Executive Member	-
Maria Psyllaki	Independent, Non-Executive Member	-
Despoina Doxaki	Independent, Non-Executive Member	-
Stefanos Kardamakis	Independent, Non-Executive Member	-
Stefanos Theodoridis	Independent, Non-Executive Member	6,656
Michail Panagiotakis (1)	Independent, Non-Executive Member	-
Pantelis Karaleftheris (2)	Non-Executive Member/ Representative of Employees	-
Nikolaos Fotopoulos (2)	Non-Executive Member/ Representative of Employees	-

2.1 **Notes**

3.1 (1) The term of office of Mr. Michail Panagiotakis expired on 21 August 2022

4.1 (2) The term of office of Board Members – Employee Representatives, Pantelis Karaleftheris and Nikolaos Fotopoulos expired on 29-06-2022.

The number of Company’s shares held by the members of the Audit Committee, non-members of the Board of Directors (third parties)

Member	BoD Position	Number of Shares owned at 31.12.2022
Evangelos Angeletopoulos	Audit Committee member - Non-BoD member (third party)	-
Aimilios Stasinakis [(1)]	Audit Committee member - Non-BoD member (third party)	-
Konstantinos Cholevas	Audit Committee member - Non-BoD member (third party)	-
Christos-Stergios Glavanis	Audit Committee member - Non-BoD member (third party)	-

Note

(1) Following the resignation for personal and professional reasons submitted by the member of the Audit Committee, Mr. Aimilios Stasinakis, with effect from 30 April 2022, on 5 May 2022, the Extraordinary General Meeting of the Company's Shareholders elected as its member, the Board of Directors’ recommendation, Konstantinos Cholevas, replacing the resigned member and for the remainder of his term of office.

The number of Company shares that Executive members and Directors held are provided later on in the appendices of this Statement.

10. **Remuneration Policy for the Board of Directors**

The Company has established and implements a Remuneration Policy for members of its Board of Directors and Committees (hereinafter “Remuneration Policy”). The Company’s current Remuneration Policy was approved by decision of the Extraordinary General Meeting of Shareholders on 14.12.2022 and is effective for four (4) years from the date of its approval, unless revised and/or amended earlier by virtue of another decision of the General Meeting due to a material change in the conditions on the basis of which it was prepared.

This Remuneration Policy of the Company supplements the Remuneration Policy as adopted pursuant to the Decisions of the Company’s General Meeting of Shareholders of 4.6.2021 and takes into account the relevant best practices for listed companies, Law 4548/2018 on the reform of the law on public limited companies, Law 4706/2020 on Corporate Governance, the provisions of the Company’s Articles of Incorporation and the Corporate Governance Code that the Company has chosen to follow.

The Remuneration Policy for the BoD's members and its Committees has as its purpose to contribute to the implementation of the Company's business strategy, to serve its long-term interests, as well as to contribute to its sustainability by establishing a remuneration framework for Executives that a) favours their alignment with short-term and long-term corporate targets, b) supports team spirit and performance, c) recognizes their efforts and the level of their contribution to its results, so that the Company continues to create added value for its customers, shareholders, employees and the Greek economy.

The forms of remuneration and benefits that may be paid pursuant to the Remuneration Policy approved by the General Meeting to the Non-Executive Members of the Company's Board of Directors are summarised below:

- The gross sum of 600 euros per BoD meeting
- Additional benefit: For travel expenses incurred by the Members of the Board of Directors outside the Regional Unit of the place of their permanent residence in order to attend the meetings of the Board of Directors or its Committees, travel, accommodation and meal expenses shall be paid, according to the applicable provisions of the Company.

For any non-executive members from the Company's regular staff,

- The fixed remuneration paid for their position,
- The additional benefits of regular personnel.

In addition, members of the Committees of the Board of Directors of the Company are paid

(a) the gross amount of 13,000 euros to the Chairman of the Committee, and 11,000 euros to the members per year, and (b) the gross amount of 400 euros per Committee meeting.

The overall amount of the above compensations for participation in BoD Committees shall not exceed, for the Chairman and each Member of the Committee, the gross amount of 23,000 euros per year.

The forms of remuneration and benefits that may be paid under this Policy **to the Executive Members of the Company's BoD** are summarised below:

- Fixed remuneration: The fixed remuneration amount is delimited in this Policy, is precisely determined by the BoD and is included in the annual remuneration report which is submitted to the General Meeting. The BoD reviews the base salaries of its executive members and decides whether conditions justify adjustments, on the recommendation of the Nominations, Remuneration and Recruitment Committee. When considering base salary raises, the criteria used are inflation, market wage levels, the need to retain talent, individual performance, and average increases in salary among the Company's general personnel. The amount of annual gross remuneration is determined through the PPC's Fixed Executive Remuneration Scheme (FERS)
- Variable annual earnings (bonus): This amount is determined through the Variable Executive Remuneration Scheme (VERS) of PPC
- Reward Incentive: For the 2020-2025 period, an additional incentive shall be provided to reward the executives of PPC and PPC Renewables for their contribution to the achievement of the mid-term objectives of the Group, in the form of four (4) cycles of Stock Awards, according to Annex III "Stock Awards Plan" of the Remuneration Policy. The Board of Directors shall be authorized to determine any details of implementation of this Plan, as well as the respective activation condition of each cycle of the Plan, in accordance with its provisions.

- Provision of a company car and coverage of the respective expenses.

- Private medical and life insurance plans with parallel third-party insurance coverage for any acts and/or omissions that may be attributed to them during the exercise of their duties.

- Additional benefit: For travel expenses incurred by the Members of the Board of Directors outside the Regional Unit of the place of their permanent residence in order to attend the meetings of the Board of Directors or its Committees, travel, accommodation and meal expenses shall be paid, according to the applicable provisions of the Company.

- BoD participation remuneration gross amount 600 euros per BoD meeting

Additionally, the Executive members of the Company's BoD Committees are paid

(a) gross amount of 13,000 euros for the Chairman of the Committee and 11,000 euros for the members annually, and

(b) gross amount per Committee meeting of 400 euros.

The overall amount of the above compensations for participation in BoD Committees shall not exceed, for the Chairman and each Member of the Committee, the gross amount of 23,000 euros per year.

PPC's current Renumeration Policy is available on the Company's official website https://www.dei.gr/el/dei-omilos/i-dei/etairiki-diakivernisi/kodikes-kanonismoi-kai-politikes/

The total of the remuneration granted to the BoD members during fiscal year 2022 is included in the respective Remuneration Report, which will be posted in the Company's website when the required approvals are received.

The full content of the Remuneration Report of the Board of Directors for financial year 2022, in accordance with the provisions of article 112 of Law 4548/2018, and the Remuneration Policy will be submitted for approval to the Shareholders General Meeting in 2023, for the approval of the financial results of fiscal year 2022.

11. **Disclosure of direct and indirect conflicts of interest**

The Company implements a Conflict of Interest Policy. Through this Policy, the Company seeks to provide support, information and guidance to all staff (Senior Management and employees) on the principles and rules for the prevention or management of conflict-of-interest situations and how to apply these principles and rules. PPC implements appropriate mechanisms and procedures for the timely identification of conflicts, both prior to the taking up of duties by its executives and during the performance of their duties.

In accordance with the above Policy, all members of the BoD of the Company and any third person to whom duties have been assigned by them must, through the Company Secretary, notify, in a timely, adequate and written manner, the other members of the BoD of the direct or indirect conflict of interest of which they are aware of and which has arisen from the Company's transactions and/or during the performance of their duties.

Where the BoD is informed of the existence of direct or indirect conflict of interest or decides, following relevant notification by the involved/interested member of the BoD, that such a conflict exists, the interested party/BoD member involved in the relevant transaction is not entitled to vote on those matters in which there is direct or indirect conflict of interest ("abstention rule"). In these cases, decisions are made by the other members of the BoD.

At each meeting of the BoD (and the Committees of the BoD), and before the start of the discussion of the items on the agenda, the Company Secretary reminds the participating members of the BoD of the relevant "abstention rule".

The Secretary of the BoD prepares a register of conflicts of interest reported by the members of the BoD, which is constantly updated. The information contained in this register is sufficiently detailed to allow proper understanding of any conflict of interest situation and shall be made available to the Audit Committee and the Legal Affairs and Corporate Governance Division upon request.

Throughout fiscal year 2022 the "abstention rule" was applied in four meetings of the Board of Directors, where the members in question of the Board of Directors did not vote on four items of the agenda. More specifically, on 31.3.2022 (1) one Executive Member of the BoD abstained; on 28.6.2022 (1) one Executive Member of the BoD abstained; on 4.10.2022 (1) one Executive Member of the BoD abstained, and on 19.12.2022 when all three (3) Executive Members of the BoD abstained.

12. Determination of the independence of the independent non-executive members of the Board.
The Nomination, Remuneration and Recruitment Committee, in compliance with par. 3 of article 9 of L. 4706/2020, confirmed the fulfilment of the independence conditions, within the meaning of par. 1 and 2 of article 9, of the six (6) independent members of the Board of Directors. (Appendix on BoD Member Suitability Policy, Section XII).

13. Communication with shareholders and other stakeholders
The Company places great emphasis on communication and cooperation with stakeholders. Stakeholder groups have been defined as the result of internal management consultations, discussions and working meetings of the Company's Top Management with Executives. However, the prioritization of stakeholders and their priorities is a dynamic process, and for this reason, the map of stakeholders is regularly reviewed by the Board of Directors.

The aim of the Company's Board of Directors is to create the conditions for an ongoing interactive dialogue with stakeholders, in order to understand the effects of the Company's activity and improve its performance, taking into account the opinions, concerns, needs and suggestions of all stakeholders, that it affects and is affected by, in its decision making and the development of its strategy.

In this context, the Company has developed communication mechanisms with the shareholders and other stakeholders in order to understand their interests, so as to take them into account in BoD discussions and decision-making.

In particular:

Communication with the shareholders and the investor community

The PPC, by adopting corporate governance best practices for the General Meetings, has the capability to remotely conducting all the General Meetings of shareholders via teleconference, enabling each shareholder (natural person or institutional investor) to participate, express their views and vote.

Furthermore, PPC shareholders may also submit proposals for the election of new members of the Board of Directors. In accordance with the Company's Suitability Policy, the proposals above accompanied by the necessary information which will allow the evaluation of the suitability of the nominated persons, as specified within the aforementioned Policy, are submitted to the Nomination, Remuneration and Recruitment Committee at least seven (7) days prior to the General Meeting that will decide the appointment of the members, in order to ensure that the evaluation of the nominated persons' suitability is as exhaustive as possible.

The Chairman and CEO, the CFO and the Investment Relations Division are in ongoing communication with institutional investors through:

- Teleconferencing that takes place to comment on the financial results.
- participation in roadshows, both in Greece and abroad,
- one-on-one meetings with institutional investors.
- presentations of the strategy of PPC and the Group in general (Investor Days)

At the same time, the Investment Relations Division is in constant communication with shareholders, financial analysts and the investment community in general, providing information (based on publicly available information) on the progress of PPC's quantitative and financial figures, current business developments, while communicating the positions, strategy and vision of Management.

Constructive dialogue with other stakeholders

- The Company conducts a materiality analysis every two years in order to prioritize the material issues for the Company and the stakeholders. The results of the materiality analysis are discussed by the Board of Directors and are taken into account in the risk assessment process and in decision making. The stakeholder groups, which have been defined via internal consultations, discussions and working meetings of the Top Management of each Company with executives, are the following: Employees, High Voltage Customers, Medium Voltage Customers, Low Voltage Customers, Organizations, Regulatory Authorities, Sustainable Development Agencies, Investment Community, Financial Institutions, Non-Governmental Organizations and Local Communities, Media, State - Public Agencies- Local Government Organizations, Business Communities (Greek and International), Partners and Suppliers, other companies in the same industry, Academic Community and Research Centers.
- The Company publishes the material issues that emerge from the stakeholders' questionnaires and the actions taken during the fiscal year to address them. The most recent materiality analysis was carried out in Q3 of 2021.
- In 2022, on the initiative of the Company's Sustainable Development Division, a survey was carried out concerning PPC S.A. and the major subsidiaries HEDNO S.A. and PPC Renewables Single Member S.A., to form the list of identified Sustainable Development issues. The purpose of the survey was to collect information that will contribute to the preparation and compilation of the list of identified Sustainable Development issues that will be examined in 2023, based on the new data for the Group and the broader international developments that have emerged since August 2021, in the context of the new materiality analysis that will be carried out using the double materiality approach, during the first half of 2023. The survey was carried out in the form of focus groups and questionnaires that were provided to top and senior management executives. The results of the survey showed useful qualitative data that will contribute to better understanding and handling of sustainable development/ESG issues by the management of the three Group companies.
- PPC Group, faithful to its commitment to providing transparent, reliable, and comparable information for stakeholders on the impact its activity has on the ecosystem, published its Sustainability Report for 2021 in December 2022. This report sets out in detail the performance of PPC SA and its major subsidiaries on Sustainable Development issues, based on the ESG criteria, and presents actions that contribute to the achievement of the UN's seventeen (17) Sustainable Development Goals.
- Company employees are systematically informed about the developments in the Company.
- Finally, in 2022, on the initiative of the Human Resources Division, the 'Great Place to Work' employee satisfaction survey was carried out, with the main evaluation factors being credibility, respect, pride, fairness and collegiality, the results of which will be used appropriately so that the Company can focus its efforts on the areas where they will have the greatest added value with the aim of creating an exceptional work environment that ensures optimum and smooth operation.

B. Audit Committee

1. Composition and functioning - term of office of members

The Audit Committee of PPC SA operates within the framework of the provisions of Article 10 of Law 4706/2020 “on corporate governance” and having regard to Article 9 of Law 4643/2019, and in accordance with the provisions of secondary legislation, such as the relevant circulars and decisions of the Hellenic Capital Market Commission), as in force from time to time (indicatively the circulars/letters 1302/28.04.2017, 1508/17.7.2020, 427/21-02-2022) of the Directorate of Listed Companies of the Hellenic Capital Market Commission.

Its purpose is to assist the Board of Directors in fulfilling its duties and responsibilities to shareholders, the investment community and third parties, and particularly ensuring the integrity, objectivity, adequacy, and efficiency of the following:

- the financial reporting procedures and in particular the financial reporting process and the process of the statutory audit of the individual and consolidated financial statements by independent auditors – accountants,
- the corporate governance, risk management, quality assurance and internal control systems,
- the Internal Audit Department, which it oversees and
- the Company’s Procurement function for works, supplies, and services.

The current Audit Committee of PPC S.A., further to the decisions of the Extraordinary General Meeting of shareholders on 14.12.2022, constitutes an independent ‘mixed’ committee consisting of three (3) Independent Non-Executive Members of the Board of Directors and three (3) third persons (non-Members of the Board of Directors) in accordance with article 44, paragraph 1, case a, sub-case (ab) of Law 4449/2017, as in force.

Specifically, the members of the Audit Committee have been appointed by the General Meeting of the Shareholders as follows: Four (4) members, pursuant to Article 44 of Law 4449/2017, as in force, independently of the Company within the meaning of the provisions of Law 4706/2020, and two (2) members, in accordance with Article 9 of Law 4643/2019, chosen from a list of persons with proven experience in the sector of works, supplies and services contracts, who are independent of the Company, in the sense of the provisions of Law 4706/2020.

The members of the Company’s existing Audit Committee were elected as follows:

the Extraordinary General Meeting of the Company’s shareholders on 14.12.2022 elected the additional sixth (6th) member of the Audit Committee, Christos-Stergios Glavanis, for a three-year term of office.

Following the authorisation given by the Ordinary General Meeting of the Company's shareholders on 29.6.2022, by its Decision No. 79/5-7-2022, the Board of Directors appointed as its members, the Independent Non-Executive Members of the Audit Committee, Despina Doxaki, Stefanos Kardamakis and Maria Psyllaki, with a three-year term coinciding with their term on the Board of Directors, who are elected pursuant to Article 44 of Law 4449/2017, as in force.

Evangelos Angeletopoulos, elected by the Extraordinary General Meeting of 8 May 2020, with a three-year term in office, namely from 8 May 2020 to 7 May 2023, and Konstantinos Cholevas, elected by the Extraordinary General Meeting of 5 May 2022, serving out the term of the resigned member, had been elected as non-members of the Board of Directors in accordance with article 9 of Law 4643/2019.

Subsequently, during its meeting of 21 December 2022, the Audit Committee elected Ms. Maria Psyllaki, Independent Non-Executive Member of the Company’s Board of Directors, as Chairperson thereof, in accordance with the provisions of Article 44 par. 1 of Law 4449/2017, as in force.

According to the above:

Maria Psyllaki	Independent Non-Executive Member of the BoD	Chairperson of the Audit Committee	With a three-year term of office, i.e., from 17.12.2021 until 16.12.2024
Despoina Doxaki	Independent Non-Executive Member of the BoD	Member	With a three-year term of office, i.e., from 29.6.2022 until 28.6.2025.
Stefanos Kardamakis	Independent Non-Executive Member of the BoD	Member	With a three-year term of office, i.e., from 22.8.2022 until 21.8.2025
Christos-Stergios Glavanis	Non-BoD member	Member	With a three-year term of office, i.e., from 14.2.2022 until 13.12.2025
Evangelos Angeletopoulos	Non-BoD member	Member	With a three-year term of office, i.e., from 8.5.2020 until 7.5.2023
Konstantinos Cholevas	Non-BoD member	Member	To replace a member who resigned, and for the remainder of the three-year term of such member, i.e. from 5.5.2022 to 7.5. 2023

2. Curriculum Vitae of the existing Audit Committee members

For reasons of completeness the curriculum vitae of the Audit Committee members are listed below:

The curriculum vitae of Ms. Maria Psyllaki, Ms. Despina Doxaki and Mr. Stefanos Kardamakis, are presented in detail in Section VI.4 of this Statement. The curriculum vitae of non-members of the Board who are members of the Audit Committee are listed below:

Evangelos Angeletopoulos, Non-Member of the Board, Member of the Committee

Mr. Evangelos Angeletopoulos is a C-Level Executive with forty (40) years of extensive involvement and experience in many fields of management and operations as an executive, researcher, business consultant, professor, mentor and analyst/writer. He has managed a number of special projects with a high degree of difficulty and complexity, covering a wide range of business activities and requirements in companies and organisations, heavy industry, commerce, FMCGs, and provision of services, in both the public and private sectors.

Christos-Stergios Glavanis, Non-Member of the Board, Member of the Committee

Mr. Christos Glavanis, Certified Public Accountant, has more than 35 years of experience in the audit profession. He has served for more than 30 years as a senior executive of the EY audit firm, both in Greece and in the region of Central and Southwest Europe. He serves as Chairman of the Audit Committee of Attica Bank and has served as Chairman of the Audit Committee of the Hellenic Financial Stability Fund (HFSF). He holds a degree in economics from the University of Hull and is a Member of the Institute of Chartered Accountants of England & Wales as well as the Institute of Certified Public Accountants of Greece.

Konstantinos Cholevas, Non-Member of the Board, Member of the Committee

Mr. Konstantinos Cholevas has served as a senior executive for 23 consecutive years at leading multinational companies (LafargeHolcim, Lafarge, SAP, CoCa Cola 3E, Rank Xerox) and in key positions with recognised and tangible results in the sectors of Business Administration, Development of New Business Activities, Marketing, Exports & International Energy & Fuel, Supply Chain, IT, Corporate Transformation, Optimization of Procedures/Systems and Best Business Practices, Management and Organisation of complex projects. He developed and managed two new international activities in the Energy sector and managed large-scale and complex industrial operations and business projects with complex and international teams of employees and associates, exceeding business objectives. Mr. Cholevas is the recipient of several professional awards, most recently the 2019 Professional of the Year by the European Logistics Association.

In addition, the conditions of independence, as defined by the current regulatory framework and in particular by par. 1 and 2 of article 9 of L. 4706/2020, are met by all the members of the Audit Committee.

3. Responsibilities of the Audit Committee

According to the requirements of article 44 of Law 4449/2017, as in force, the Audit Committee shall be responsible for the following:

- Monitoring the external audit process and informing the BoD about its result.
- Monitoring, reviewing and evaluating the corporate governance, quality assurance and internal control systems.
- Overseeing the selection of chartered auditors - accountants or audit firms and reviewing their independence.
- Monitoring, reviewing and evaluating the corporate governance, quality assurance and internal audit systems.
- Monitoring, reviewing and evaluating the procurement function for works, supplies and services.

The purpose, competencies and functioning of the Audit Committee are described in detail in its Rules of Procedure, which are posted on the Company's website (https://www.dei.gr/el/dei-omilos/i-dei/etairiki-diakivernisi/organosi-etaireias/epitropes-ds/).

4. Frequency of Audit Committee Meetings and participation of members

In 2022, the Audit Committee met twenty-three (23) times. The number of participations of each member in the meetings of the Audit Committee is presented in the table below:

Member	Position in Committee	Number of Meetings attended by members of the BoD / Total Number of Meetings held
Maria Psyllaki	Chair of the Audit Committee	23/23
Despoina Doxaki	Member	22/23
Stefanos Kardamakis	Member	17/23
Christos-Stergios Glavanis (1)	Member	1/1
Evangelos Angeletopoulos	Member	23/23
Konstantinos Cholevas (2)	Member	13/13
Aimilios Stasinakis (2)	Member	10/10

***Notes:**

(1) From 14 December 2022, the date of election of Mr. Christos-Stergios Glavanis by the Company's Extraordinary General Meeting of Shareholders, until 31 December 2022, one (1) meeting of the Audit Committee was held with the participation of Mr. Glavanis.
(2) Mr. Aimilios Stasinakis, during the period from 01-01-2022 to 05-05-2022, participated in all 10 meetings of the Audit Committee. Mr. Konstantinos Holevas, who was elected by the General Meeting of Shareholders on 5 May 2022 to replace resigning member Aimilios Stasinakis, participated in all the meetings that took place during the period (13 meetings)

5. Proceedings of the Audit Committee for the fiscal year 2022

During the meetings of the Audit Committee in the fiscal year 2022, all the issues provided in the Company's Rules of Operation and in the Rules of Procedure of the Internal Audit Unit were discussed and addressed. The main ones are summarized below:

A. External Audit / Financial Reporting Procedure

- Re-evaluation of the independence of the audit company that carries out the statutory audit of the Company's individual and consolidated financial statements and the absence of a conflict of interest in view of the renewal for another year of the conduct of the statutory audit for 2022, given that the Company's Ordinary General Meeting of Shareholders on 24-6-2020 had approved the assignment of the statutory audit for FY20, FY21 and FY22.
- Ensuring the independence and objectivity of the Certified Public Accountants throughout FY22, in accordance with the relevant provisions of Law 4449/2017 and Article 5 of Regulation (EU) 537/2014.
- Monitoring the process of financial reporting and the course of the compulsory audit of the Company's individual and consolidated financial statements for the fiscal year 2021.
- Monitoring the process of financial reporting and the course of the compulsory audit of the Company's individual and consolidated financial statements for the first half of 2022.
- Monitoring the process of the Company's internally prepared individual and consolidated financial statements for the first quarter and the nine months of the fiscal year 2022.
- Update on the amount of letters of guarantee that were issued and remained in force for the first and second half of 2020.
- It is underlined that for FY22, the Audit Committee held five (5) meetings with the external auditors, supervising the process of the relevant audit of the financial statements.

B. Internal Control System

I. Risk Management Division

During 2022, the Audit Committee was briefed by the Director of Risk Management Division on the RMD activities and risk management in the Company. In particular:

- the key principles of the planning and operation to date of the Corporate Risk Management Framework were presented and the Committee was informed about the project of identifying and quantifying the main corporate risks, which was carried out with the assistance of an external consultant.
- the methodology followed and the results of the project for identifying and quantifying corporate risks were presented, and the Committee was briefed on the classification (risk register) of Company Risks.
- the Committee, along with the external advisor that helped the RMD in the exercise, analysed the most important risks recognised by the exercise for the identification and quantification of the main corporate risks and the controls for their management.

II. Compliance Division (CD)

The Audit Committee was briefed by the Compliance Director and the Energy Transaction Compliance Director on the action plan and the objectives they implemented during 2022.

The Compliance Division's work, as presented to the EU, specifically included:

- Completion of the 'Ethics and Compliance program', with the main milestones being the revision and approval of the Code of Conduct, preparation and approval of the Policy against Corruption and Bribery, the Policy against Violence and Harassment at Work, in implementation of Law 4808/2021, the Sanctions Policy and the Whistleblowing Policy.
- DUE Diligence Third Parties (1st phase - Planning). Prepared a plan with the prerequisites for the thorough inspection of Suppliers and Partners.
- Implementation of action for updating and correct implementation of Policies in Business Operation.
- Cooperation with external agencies and professional associations
- Organizational Changes (implementation of a new Organizational Chart of the Compliance Directorate).
- Continuous training of compliance officers (Webinars SEKASE, HCAP, Dpo Network).
- Recording of the main, specific regulatory obligations of the Energy Management & Trading Business Unit with regard to the energy exchange.
- Preparation of guidelines for preventing market manipulation and insider dealing.
- Implementation of the corporate policy against money laundering actions in the context of the transactions of the Energy Management & Trading Department operations.

III. Energy Transaction Compliance Division (DSYMES)

The Energy Transaction Compliance Division's work, as presented to the Audit Committee, specifically included:

- Holding of a training seminar aimed at familiarising the competent officers of the Energy Management & Trading Department with the current legislative and regulatory framework for money laundering and terrorist financing operations.
- Drawing up of implementation guidelines for the Energy Management & Trading Department, with the aim of facilitating and effectively implementing the Policy.
- Conclusion of a contract by the Energy Management & Trading Department with business information services provider Dun & Bradstreet (ICAP representative) to derive assessment data in relation to compliance with the Anti-Money Laundering and Terrorist Financing Framework.

IV. Internal Audit Department (IAD)

Regarding the scheduling of the IAD audit activity, the Audit Committee received and evaluated the annual Programme and the resource requirements for its completion. The annual audit programme of the IAD was prepared based on the relevant legislative framework with regard to the IAD's obligations, as well as based on risk assessment. More specifically, it includes audits concerning:

- the implementation of the Rules of Operation and the Internal Audit System, especially with regard to the adequacy and correctness of the financial reporting, regulatory compliance and the corporate governance code followed by the Company;
- the quality assurance mechanisms
- the corporate governance mechanisms
- compliance with the commitments contained in prospectuses and the Company's business plans;
- the Company's procurement system, and more specifically the implementation of the Regulation of Works, Supplies and Services.

The Audit Committee recommended to the BoD the annual audit programme and the enforcement of the IAD with the necessary audit resources. It also assessed and recommended to the BoD, together with the IAD, the required changes to the annual audit programme during the year.

With regard to monitoring the audit work and the results of the internal audit, the Audit Committee took note of the detailed reports to the audited units. In addition, it monitored the work of the IAD through quarterly reports and was briefed in detail on the most important issues of the audits and the results of the response of the audited units to the IAD's improvement proposals. Based on the above, the Audit Committee recommended that the quarterly reports be submitted to the BoD jointly with the IAD.

In 2022, the Internal Audit Director was evaluated for 2021, in accordance with the evaluation procedures for personnel kept by Human Resources.

The Audit Committee monitored its independence and sufficient access to business units and information on the exercise of its duties throughout the year.

.C. Operation of the Company's Procurement function for works, supplies and services

The Audit Committee, in implementation of the provisions of the existing legal and regulatory framework that governs the Operation of the Company's Procurement function during year 2022:

- Carried out Random Checks to monitor the correct application of the Regulatory Framework applicable to the Company (Procurement Manual, Regulation of Works, Supplies and Services, etc.)
- Monitored the Performance of the Procurement function, based on indicators (Key Performance Indicators - KPIs)
- Submitted proposals for improving the Company's Procurement function.

D. Sustainable Development Policy

In the context of drawing up and implementing the Group's Sustainable Development strategy, which is based on the philosophy of creating shared value between the company, society and the environment, the Sustainable Development Policy was presented to the Audit Committee and was revised (BoD decision No. 88/12.7.2022) with the aim of gradually aligning the business model with it, in the framework of the transformation of PPC and the Group as a whole.

Within 2022, a number of actions and initiatives were undertaken and coordinated by the Sustainable Development Directorate and supervised by the Sustainability Committee, in collaboration with other units of the Company and the Group's major subsidiaries (HEDNO and PPC Renewable) that relate to monitoring and strengthening of the corporate transition taking place in terms of sustainable development and based on the ESG criteria, such as:

- PPC Group's inclusion to the international "Science Based Targets initiative" (SBTi)
- The response to the international initiative of the "Task Force on Climate Related Financial Disclosures" (TCFD)
- The Group's commitment to the ten general principles of the UN Global Compact
- Response to the CDP Climate Change Global Initiative
- The Company's participation as a signatory (one of 330 companies worldwide) to the Business For Nature campaign "Make it Mandatory"
- The Group's participation in the "Women's Empowerment Principles" initiative, etc.

6. Audit Committee Evaluation

In accordance with the Rules of Procedure of the Audit Committee, the Committee is periodically evaluated in terms of its performance under the supervision of its Chairman, who is responsible for the implementation of the evaluation process.

The first internal evaluation of the Audit Committee was carried out in fiscal year 2022 in the context of the evaluation of the BoD and its Committees, which was based on the new Policy and Procedure for Evaluation of the Suitability and Effectiveness of the BoD and its committees. Extensive reference to the results of the Audit Committee's assessment is provided in paragraph 7 "Evaluation of Suitability and Effectiveness of the Board of Directors and its Committees" of Section VI. Composition and Functioning of the Governing Bodies of this Statement

C. Nominations, Remuneration & Recruitment Committee

1. Composition and operation of the Committee – members' term of office

The Company has established a Nominations, Remuneration & Recruitment Committee, in accordance with articles 10, 11 and 12 of L. 4706/2020, and the Articles of Incorporation of the Company, which is established with a Board of Directors decision. The purpose of NRRC is to support the BoD on issues: a) examination of existing and BoD member candidates according to the Company's Suitability Policy, b) recruitment, c) remuneration policy and d) remuneration and incentives of the Company's executives.

The existing Nominations, Remuneration & Recruitment Committee (NRRC) of PPC SA (hereinafter, "the Committee") consists of three (3) non-executive members of the Board of Directors, who are independent of the Company within the meaning of the provisions of Law 4706/2020.

Specifically, the Company's Board of Directors, which was elected by the Ordinary General Meeting of the Shareholders on 29 June 2022 and which was formed into Body during the meeting on 05 July 2022, decided, through decision 80/05-07-2022, according to the Law, the Articles of Incorporation and the Rules of Operation of NRRC, the appointment as members, with a three-year term coinciding with his corresponding term as Members of the Board, of Independent Non-Executive Members of the Board, Pyrros Papadimitriou, Despina Doxaki and Stefanos Theodoridis, and their respective positions. In its Decision No. 98/23-08-2022, the Company's Board of Directors confirmed the composition of the NRRC as follows:

Member	Role	Beginning of term of office	Ending of term of office
Pyrros Papadimitriou	Independent - Non-Executive Member, Chair of the NRRC	22-08-2022	21-08-2025
Despoina Doxaki	Independent - Non-Executive Member, Member of the NRRC	29-06-2022	28-06-2025
Stefanos Theodoridis*	Independent - Non-Executive Member, Member of the NRRC	22-08-2022	21-08-2025

*Until 5.7.2022, the date of appointment of the members of the new Nominations, Remuneration and Recruitment Committee, the Committee consisted of the following three Independent Non-Executive BoD members, Pyrros Papadimitriou, Despina Doxaki and Stefanos Kardamakis.

2. Curriculum vitae of the members of the NRRC

The Curriculum Vitae of the members of the Nomination, Remuneration & Recruitment Committee are mentioned in Section VI.4 of this Statement.

3. NRRC responsibilities

Responsibilities on matters pertaining to Recruitment, Remuneration & Incentives

Making recommendations to the BoD for:

- The definition of a policy for the recruitment of permanent personnel, within the framework of the Company's Business Plan, to be approved by the Board of Directors,
- the establishment of a procedure for recruiting senior managers (Deputy CEOs and Chief Officers) and managers (Directors and Assistant Directors/ Heads of Units), to be approved by the General Meeting,
- the drawing up of the Company's remuneration policy, pursuant to Articles 110-112 of L. 4548/2018, as applicable,
- the remuneration of the persons falling within the scope of the remuneration policy (members of the Board of Directors, Deputy CEOs, Chief Officers, Directors and Assistant Directors/Heads of Units), to be approved by the General Meeting.
- Examining the information contained in the final draft of the annual remuneration report, providing its opinion to the Board of Directors, prior to the submission of the report to the General Meeting , in accordance with article 112 of L. 4548/2018.
- Receiving and reviewing the report on the degree of achievement of the CEO's objectives, through which the degree of achievement of the Group's objectives is confirmed and submitting it to the Board of Directors for final approval.
- Finally, at the care and diligence of the NRRC, the projected annual report on staff recruitment of the prior year under Article 185(3) of Law 4964/2022, as in force, is submitted to the Company's General Meeting of Shareholders.

Responsibilities for the Nomination of Candidates for Board Members

Identifying and recommending to the Board of Directors persons eligible for acquiring the capacity of Board members, by applying the following procedure:

- Periodically evaluates the size and composition of the Board of Directors.
- Submits proposals for the diversity policy adopted by the Board of Directors, and, in general, for the implementation of the provisions of the relevant applicable legislation.
- Evaluates Board Candidates:

taking into account the factors and criteria defined by the Company, in accordance with the Suitability Policy that it adopts; and examining any impediments and incompatibilities, as well as the criteria of independence of candidate members (especially in the case of their appointment as independent members), in accordance with Law 4706/2020 and Law 4548/2018, as applicable.

Responsibilities for the Assessment, Training and Succession Planning of Board members

The Committee shall have the competencies and the individual and collective responsibility for the assessment of the BoD, for the training and succession planning, as provided for in the respective articles of the Suitability Policy and the Training Policy for Board Members.

Other Responsibilities

Support the BoD, with the assistance of other competent services, in carrying out an audit of the fulfilment of the conditions of independence of the non-executive members of the BoD, in accordance with the provisions of Law 4706/2020.

It carries out a periodic assessment of its performance, under the responsibility of its Chairman, and identifies any areas that need to be improved.

Detailed information on the role, responsibilities and functioning of the Nomination, Remuneration & Recruitment Committee are included in its Rules of Procedure, which is posted on the Company's website (https://www.dei.gr/el/dei-omilos/i-dei/etairiki-diakivernisi/organosi-etaireias/epitropes-ds/)

4. Frequency of meetings and members' participation

✓ In 2022, the Audit Committee met eleven (11) times. The number of participations of each member in the meetings of the Audit Committee is presented in the table below:

Member	Position in Committee	Number of Meetings in which the members of the BoD participated
Pyrros Papadimitriou	Chairman of NRRC	11
Despoina Doxaki	Member	11
Stefanos Kardamakis	Member	6 (for the period 01-01-2022 to 05-07-2022, during which 6 meetings took place)
Stefanos Theodoridis	Member	4 (for the period from 05-07-2022 to 31-12-2022, during which 5 meetings took place)

✓ Company executives were present at all meetings of the Committee, at its invitation, to present their views on matters within their competencies.

5. Proceedings of the Nomination, Remuneration & Recruitment Committee for 2022

The main issues discussed, and the decisions taken by the Committee during 2022 are summarized below:

The NRRC expressed its consent regarding the amendments to the Articles of Incorporation and the Company's Suitability Policy regarding the term in office of the Independent Non-Executive Members and Non-Executive Members of the Board of Directors of PPC SA. In its Decision No. 10/23.2.2022 the Board of Directors decided to propose to an Extraordinary General Meeting of the shareholders of PPC S.A. the amendments to the Articles of Incorporation and the Suitability Policy of the Members of the Board, which were approved by the Extraordinary General Meeting of the shareholders on 17 March 2022.

The NRRC decided to propose to the Board of Directors of PPC S.A. to approve the Draft Policy and Procedure of Evaluation of the Suitability and Effectiveness of the Board of Directors of PPC S.A. and its Committees, and that the procedure for assessing the suitability and effectiveness of the Board of Directors of PPC SA and its Committees is launched. During the same meeting, the roles and responsibilities of the NRRC were discussed, with regard to the aforementioned evaluation process as well as the timeframe of actions in view of the election of Board Members to the Ordinary General Meeting of shareholders on 29-06-2022. The Board of Directors, by its decision No. 45/10.5.2022 approved the Policy and Procedure of Evaluation of the Suitability and Effectiveness of the Board of Directors and its Committees.

The NRRC approved the Evaluation Report of the Suitability and Effectiveness of the Board of Directors of PPC S.A. and its Committees and decided to submit it, as well as the proposed improvement actions, to the Board of Directors of PPC S.A. in order to take a decision on finalising the action plan. The Board of Directors in its Decision No. 60/6.6.2022 approved the Evaluation Report of the Suitability and Effectiveness of the Board of Directors of PPC S.A. and its Committees, with the improvement proposals and actions included therein.

The NRRC decided to propose to the BoD the election of eight (8) BoD Members due to the expiry of the term of office of an equal number of its members, including the election of the CEO, in accordance with article 15 of the Articles of Incorporation of PPC SA, having taken into consideration the proposals of the shareholders and having verified that the conditions under Law and the Company's Suitability Policy are met. The Board of Directors through its Decision No. 61/6.6.2022 decided to recommend to the Ordinary General Meeting of the Shareholders the election of eight (8) members of the Board due to the expiry of the term of office of an equal number of members, including the CEO, and the General Meeting elected them on 29 June 2022.

The NRRC decided to approve the Annual Remuneration Report of the Company of Article 112 of Law 4548/2018 for fiscal year 2021. The Board through its Decision No. 55/6.6.2022 decided to approve the Company's Annual Remuneration Report of FY21 and to submit it to the Company's Ordinary General Meeting of Shareholders on 29 June 2022, which approved it.

The NRRC determined, within the framework of its responsibilities, the extent to which the CEO's objectives for 2021 have been achieved, and has decided to submit its Report on the Achievement Degree of CEO's objectives for financial year 2021, to the Board of Directors for approval, which constitutes final certification of the achievement degree of the Group's objectives for financial year 2021. The Board of Directors in its Decision No. 75/28.6.2022 decided to approve the Report on the Achievement Degree of the CEO's objectives, which constitutes final certification of the achievement degree of the Group's objectives for financial year 2021.

The NRRC decided to submit a recommendation to the Company's Board of Directors for approval of the Policy for the Recruitment of Personnel with indefinite and fixed-term employment contracts, submitted by the competent services, and of the Executive Recruitment Policy. The Board of Directors in its Decision No. 131/22.11.2022 decided to approve the Policy for the Recruitment of Personnel with indefinite and fixed-term employment contracts and the Executive Recruitment Policy.

The NRRC decided to propose to the Company's Board of Directors, for submission to the General Meeting of shareholders and approval, a revised Remuneration Policy for Members of the Company's Board of Directors. The Board of Directors , by its Decision No. 130/22.11.2022 decided to recommend to the Company's General Meeting of shareholders on 14 December 2022 the revised Remuneration Policy for members of the Company's Board of Directors, which approved it.

In view of the election of a new member to the Company's Audit Committee and in the context of the Board of Directors having left the initiative to the Company's Shareholders to make relevant proposals up to seven (7) seven days before the Extraordinary General Meeting of the Company's shareholders at the latest, the NRRC proceeded with the evaluation of the candidates and the check whether they have the qualities and characteristics required by Law, and decided to propose to the Board of Directors, for approval at the Company's Extraordinary General Meeting of Shareholders on 14.12.2022, the election of Mr. Glavanis Christou-Stergiou, as member of the Audit Committee of PPC SA The Board, by its Decision No. 146/9.12.2022, decided to recommend to the General Meeting of the Company's shareholders, on 14 December 2022, the election of Mr. Christos Stergios Glavanis, as member of the Audit Committee of PPC S.A., which elected him.

6. Evaluation of the Committee

In accordance with the Rules of Operation of the Nomination, Remuneration & Recruitment Committee, the Committee is periodically evaluated in terms of its performance under the supervision of its Chair, who is responsible for the implementation of the evaluation process.
During 2022, the first internal evaluation of the Nomination, Remuneration & Recruitment Committee took place in the context of the evaluation of the BoD and its Committees, which was based on the new Policy and Procedure of Evaluation of the Suitability and Effectiveness of the BoD and its committees. Extensive reference to the results of the NRRC evaluation is made in paragraph 7 "Evaluation of the Suitability and Effectiveness the Board of Directors and its Committees" of Section VI. Composition and Functioning of the Governing Bodies of this Statement.

D. Other Committees

Executive Committee

The Company has an Executive Committee. The Executive Committee is composed of the CEO, who is also its Chairman, any Deputy CEO's and the Chief Officers. The current Executive Committee consists of nineteen (19) members. The Executive Committee 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 Executive Committee 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.

For 2022, and up to the date of amendment of the Articles of Incorporation by decision of the Company's Extraordinary General Meeting of Shareholders on 14.12.2022, the Executive Committee, in addition to the foregoing, decided on the award of contracts concerning supplies, works, provision of services and, in general, any type of contract with a financial object up to the amount set by the Board of Directors in each case.

During 2022, the Executive Committee met twenty (20) times and its main topics were:

- Award of tenders for Works, Procurement and Service Provision contracts
- Extensions of contractual deadlines
- Increases in contractual object
- Amendments to contractual terms
- Leasing of properties to cover the Company's housing needs

Procurement Committee

The Company's Procurement Committee (PC) was established on 14 December 2022 by decision of the Company's Extraordinary General Meeting of Shareholders. The PC is comprised of the CEO, who is its Chairman, any Deputy CEOs, the Chief Support Operations Officer, the Chief Legal Officer for Legal Affairs and Corporate Governance, and the Chief Financial Officer. The competent Chief Officer for each topic will participate in the aforementioned Committee's meetings as rapporteur.

The PC operates in accordance with the decisions of the Board of Directors, ensuring more effective monitoring of the new Procurement Operation Model, the annual Procurement Plan and the performance of the company's counterparties. In this context it shall decide on the awarding of contracts concerning supplies, works, 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 Executive Committee shall operate in accordance with its Rules of Operation, as approved by the Board of Directors upon recommendation by the CEO.

Risk Management Committee

The Company has a Risk Management Committee, which was established with Decision No 112/23.09.2020 of the Board of Directors, which is responsible for the risk oversight in all of the Company's activities and contributes to the development of the Corporate Risk Management Framework and the monitoring and reporting of significant Corporate Risks.

The Risk Management Committee consists of ten (10) members, as follows: More specifically, the Risk Management Committee is composed of the CEO who is also its Chairman, the three (3) Deputy CEOs, the Chief Legal Officer for Legal Affairs and Corporate Governance, the Chief Financial Officer, the Chief Strategy & Transformation Officer, the CEO of PPC RENEWABLES SA, the Chief Energy Management & Trading Officer and the Chief Risk Management Officer. The Chief Risk Management Officer also serves as the Secretary of the Committee and replaces the Chairman of the Committee in his absence.

For the year 2022, the Risk Management Committee met ten (10) times and its main topics were the following:

- approved the methodology for the conduct and oversaw the Exercise of the Self-Assessment and Risk Control,
- oversaw the results of the aforementioned exercise and approved the Company's major risks,
- was briefed on major regulatory developments and their potential impact on the Company,
- extensively reviewed material issues regarding Market Risk Management, receiving regular updates on the Company's positions and portfolios, fundamentals, and developments in domestic and international markets,
- was briefed on and commented on calculation models that exist or are under development for assessing financial risks, forecasting demand for electricity generation, estimating sales and data related to them, etc.
- approved the plans for publications on the risks and their management,
- was briefed and provided guidance on issues and corporate texts related to risk governance in the Company.

Hedging Committee

Within 2022, with Decision No. 221/2022 of the CEO, the Hedging Committee was established in order to elaborate the Trading Price Hedging Strategy of the Department of Energy Management & Trading, based on the relevant decisions and guidelines of the Risk Management Committee. The Committee consists of five members and is composed of the Chairman and CEO, as Chairman of the Committee, the Chief Energy Management and Trading Officer, as Deputy Chairman of the Committee, as well as the Chief Financial Officer, the Director for Long-Term Transactions of the Department of Energy Management & Trading, and the Director for Market Analysis of Department of Energy Management & Trading, as members.

The Committee met three (3) times during 2022, and the main topics which the Hedging Committee addressed are the following:

- The new regulatory framework in the wholesale electricity market, which was implemented in July 2022, and how this affects PPC's exposure to risk
- The hedging strategy that is recommended for PPC to implement based on the new regulatory framework
- Latest developments in the energy market in Greece and the EU (market view)
- Energy Management & Trading Department trading limits
- Participation in new Markets/Exchanges and new energy products

Cybersecurity Committee

Within 2022, with Decision No. 138/23-11-2022 of the Board of Directors, the Cybersecurity Committee of PPC SA was established. It is a seven-member Committee consisting of the CEO as the Chairman of the Committee, the Deputy CEO of Digital Transformation as the Deputy Chairman of the Committee, two Deputy CEOs, the Chief Digital Systems Development and Operations Officer, the Chief Cyber Security Officer and the Chief Risk Management Officer.

The main framework of the Committee's responsibilities includes:

- Drawing up a cyber security action plan for the Company in the context of the General Corporate Information Security Policy
- Coordination and oversight of implementation of the Corporate Information Security Framework
- Managing and responding to high-risk and high-impact cyber security incidents
- Approval of reports to the competent corporate bodies on cyber security strategy and the method of its implementation.

During 2022, the Cyber Security Committee met three (3) times and its main topics were the following:

- The creation of a Cyber Security Department
- Governance issues (policies and procedures)
- Forging a cybersecurity strategy

Sustainability Committee

Based on the decision of the Board of Directors No. 142/9.11.2021, a Sustainability Committee has been established with representation from the top management, which will be responsible for the supervision of Sustainability and for informing the Board of Directors on Sustainability matters. The establishment of this Committee was carried out in the context of the TCFD (Taskforce for Climate-related Financial Disclosure) action plan, according to which the risks that the Company will face in its activities due to climate change, as well as the ways to address them, will be examined.

The purpose of the Sustainability Committee is at minimum the involvement, the understanding and reporting to the BoD of subjects related to the following:

(a) supervision, coordination and promotion of policies and actions related to Sustainability and Climate,

(b) overseeing the identification, monitoring and management of risks and opportunities related to Sustainability and Climate,

(c) overseeing the establishment, implementation and monitoring of the Sustainability strategy and policy,

(d) overseeing and approving the Sustainability Report and the wider implementation of appropriate non-financial reporting and ESG (Environment, Society, Governance) disclosure frameworks,

(e) oversight and monitoring of the annual targets around Sustainability, CSV (Creating Shared Value) and Climate for all Group Departments and sections, and with respect to HEDNO, the monitoring of its business plan in relation to Sustainability matters on behalf of the shareholder; and

(f) reporting to the Board of Directors on these matters on a regular basis, with the ultimate objective of further enhancing the Board's oversight and awareness.

The Sustainability Committee consists of seven (7) members, namely the Chairman & CEO of PPC SA, as Chairman of the Committee, three (3) deputy CEOs, the Chief Financial Officer, the CEO of the subsidiary PPC Renewables SA, and the Sustainable Development Director, as Secretary of the Committee and Deputy Chairman of the Committee.

In 2022, the Sustainability Committee met 4 (four) times. During these meetings: 1) the 2020 Sustainability Report was approved and relevant objectives were set for the next Report and the necessary projects for 2022; 2) priorities were set, such as the commitment to the Science Based Targets (SBTi) initiative for setting short- and long-term greenhouse gas emission reduction targets; 3) it was decided to consolidate – in a single plan – actions that concern the "Taskforce for Climate-related financial disclosure and "Environmental and Social Action Plan" (TCFD/ ESAP), 4) a plan for the renewed Sustainable Development and Environmental Policy was formulated and approved, 5) climate scenarios were presented in the context of the recommendations of the TCFD by the Strategy Directorate, 6) the review of the activities of the year took place, and the revised procedure for drafting the Sustainability Report was approved.

VII. Diversity Policy

The Company has put in place and implements a Diversity Policy with a view to promoting a suitable level of diversification inside the BoD and an inclusive team of members. Putting together a broad range of qualifications and skills when selecting BoD members guarantees diversity of insight and expertise with a view to sound decision-making. The Diversity Policy is taken into consideration when appointing new BoD members.

By adopting and implementing a Diversity Policy, the Company ensures that no one is excluded from selection and appointment in the BoD because of gender, race, colour, ethnic or social origin, religion or belief, property, birth, disability, age or sexual orientation. In addition, the Company must ensure an adequate representation of gender corresponding to at least twenty-five per cent (25%) of the total number of BoD members. In case of fraction, this number is rounded down to the previous integer. Respectively, through the Competent Units, the Company takes appropriate initiatives to achieve a wider range of representation of shareholders at the BoD, who, either individually or in the aggregate, represent at least 10% of the Company's share capital. The Nominations, Remuneration & Recruitment Committee takes these criteria into consideration when making proposals for the appointment of BoD members.

More Specifically, the Diversity Policy explains the Company's approach to equality and diversity within the Board. The Company is committed to promoting equality and diversity within the Board, as well as to promote a culture that, on the one hand, values and respects diversity and, on the other hand, recognizes that people from different backgrounds and experiences can make a valuable contribution to the work of the Board. The broader goal of the Company is to be an inclusive organization, which provides equal opportunities in the whole range of employment, including recruitment, training, and development of the members of the Board of Directors and the employees.

VIII. Related Parties Transactions' Regulation

The Company has a "Related Parties Transactions" Regulation, which introduces Regulations and internal procedures for the transparency and supervision of transactions and contracts of PPC S.A. with Related Parties of the Company, in order to strengthen the existing ones, in compliance with Law 4548/2018 (A 104) [articles 97, 99--101 and 109, paragraph 3], the Decisions of the Hellenic Capital Market Commission No. 1/434 / 3.7.2007 and 8/754 / 14.4.2016, and the Circular of the Hellenic Capital Market Commission No. 45 / 21.07.2011.

This Regulation sets out the rules, procedures and in general the framework for the Company to carry out transactions and conclude contracts with related parties (related party transactions), i.e., with persons who can exercise control or undue influence over it.

With regard to the definition of the personnel-subjective scope of the Regulation, a reference is made to the provisions of the accounting law and, in particular, to the persons defined in IAS 24. The objective scope of the Regulation covers in principle all transactional relations between the Company and its affiliates. Therefore, no distinction is made between loan and credit agreements / transactions, on the one hand, and "other agreements / transactions", on the other; on the contrary, all agreements / transactions, independently whether they concern agreements / transactions from which only benefits arise for the Company, are subject the provisions of the Regulation.

Furthermore, the Regulation governs the remuneration to members of the Board of Directors for services they provide to the Company on the basis of a special relationship, such as indicatively, by way of employment, work contract or mandate.

The General Division of Financial Services draws up a specific list in which the details of the related parties are registered and updated ("List of Related Parties"). The list of Related Parties is updated whenever required by the circumstances and in any case at least once a year, by requesting from the persons directly connected with the Company (and / or their legal representatives) to confirm the information already submitted, including information already submitted that relate to other persons who, the directly related parties, know or have good reason to believe that, also constitute (indirectly) related parties with the Company. In addition to the above periodic updates, the General Directorate of Financial Services may, at any time it deems appropriate or necessary, request the update of the Directory.

The Annual Report of the Board of Directors of the Company (L. 3556/2007 as in force) includes the most important transactions of the Company with related parties, as defined in IAS 24, and at least the transactions between the Company and each related party that took place during the financial year and which substantially affected the financial position or performance of the Company during that year.

IX. General Meeting and Shareholder’s Rights

Responsibilities of the General Meeting

The General Meeting of shareholders 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 company's Articles of Incorporation, and more particularly to decide regarding:

The amendments to the Articles of Incorporation, such amendments are also deemed to be the increase or reduction of the share capital, subject to the provisions of article 6 of the Articles of Incorporation and article 117 par. 2 of Law 4548/2018, as applicable. The resolutions concerning amendments to these Articles of Incorporation shall be valid, provided that the relevant amendment is not prohibited by an express provision hereof or by law,

- The election of Board Members, pursuant to article 9 of the Articles of Incorporation, of the CEO and of the regular auditors,
- The approval of the overall management pursuant to article 108 of Law 4548/2018 and the discharge of the auditors,
- The approval of the annual and consolidated financial statements of the Company,
- The distribution of the annual profits,
- The approval of the provision of remunerations in accordance with article 17 of the Articles of incorporation, as well as the approval of the Remuneration Policy of article 110 and the remuneration report of article 112 of Law 4548/2018,
- The issuance of loan through bonds convertible into shares, by virtue of those especially provided for in article 71 of Law 4548/2018 and subject to those provided for in article 6 of the Articles of Incorporation. The issuance of bonded loans non-convertible into shares shall be allowed by resolution of the Board of Directors,
- The merger, division (demerger), conversion, revival, extension of term or dissolution of the Company and
- The appointment of liquidators.

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.

Convocation of the General Meeting

The General Meeting of the shareholders of the Company shall be convened by the Board of Directors and shall meet at the seat of the Company and/or at any other venue other than its seat, in accordance with the provisions of articles 119 and 120 of Law 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 General Meeting of the shareholders, whenever this is prescribed by special provisions or whenever the Board considers it appropriate.

The Board of Directors may, in accordance with Article 120, paragraph 3 of Law 4548/2018, as in force, decide that the General Meeting will not be convened at a specific venue, but will be held exclusively with the remote participation of shareholders via the electronic means provided for in the applicable Article 125 of Law 4548/2018.

Within ten (10) days from the submission by the auditors of a request to the Chairman of the Board, the Board of Directors shall be bound to convene the General Meeting of shareholders having as for items on the agenda those listed in the submitted request.

Invitation to the General Meeting

The Invitation to the General Meeting, with the exception of repeat General Meetings and of meetings regarded as such, shall clearly state at least the venue, date, and time of the meeting, the items on the agenda, the shareholders entitled to participate, as well as precise instructions about the way the shareholders shall be able to participate in the meeting and exercise their rights in person or by proxy, or potentially through remote attendance (from a distance), shall be available in a prominent place at the registered office of the company and shall be published by posting on the website of the Company and the website of the GECR, and in any case, as provided for by law each time.

In case of application of the possibility provided for in Article 20, paragraph 2 of these Articles of Incorporation, the invitation of the General Meeting shall expressly provide for the possibility of participating in the General Meeting remotely via audiovisual or other electronic media, without the shareholder’s physical presence at the venue, under the specific conditions provided for in Article 125 of Law 4548/2018, as applicable.

With the exception of the repeat Meetings, the General Meeting shall be convened at least twenty (20) full days prior to the date set for the meeting. The invitation shall be posted on the Company's website at least twenty (20) full days prior to the date of the General Meeting and at the same time it shall be registered with the Company's section at the GECR (G.E.MI) as per law.

The day of publication of the notice of invitation to attend a General Meeting and the day on which such meeting shall be held are not counted.

In addition to the information of par.1 the invitation:

include information on at least:

- the shareholders' rights of par. 2, 3, 6 and 7 of article 28 of the Articles of Incorporation, stating the time period within which each right may be exercised, the respective deadlines specified in the above paragraphs of article 28 of the Articles of Incorporation or, alternatively, the closing date by which such rights may be exercised, on condition that the detailed information concerning the said rights and the terms of their exercise is posted, with an explicit reference in the invitation, on the Company's website www.dei.gr, and

- the procedure for the exercise of the voting right by proxy and more in particular the printed forms used by the Company to this end, as well as the means and methods provided for in article 22 of the Articles of Incorporation, in order that the company may receive electronic notifications of any appointment and revocation of proxy holders,
- the procedures regarding the exercise of the voting right via registered mail or email according to those provided for in articles 125 and 126 correspondingly, of L. 4548/2018 and article 22 of the Articles of Incorporation.
- set the record date as provided for in par. 2 article 22 of the Articles of Incorporation in accordance with par. 6 article 124 of L. 4548/2018, as applicable, pointing out that only those persons having the shareholder capacity on such date shall have the participation and voting right at the General Meeting.
- inform about the location where the full text of documents and draft resolutions provided for in cases c) and d) of par. 5 article 22 of the Articles of Incorporation are made available, as well as their reception mode.
- mention the Company's website address where the information of par. 5 of article 22 of the Articles of Incorporation is posted.

The Company shall publish in the media referred to in par. 1 a summary of the invitation containing at least the precise address of the venue, the date and the time of the meeting, the shareholders entitled to participate, as well as an explicit reference to the address of the Company's website where the full text of the invitation and the information provided for in article 123 of L. 4548/2018 are posted.

In the case of application of par. 2, article 141 of L. 4548/2018, the publication in the media in accordance with the par. 1 of article 21 of the Articles of Incorporation shall contain at least a clear indication that any revised agenda shall be posted on the Company's website and in the media referred to below. In addition to the publication in the media of par. 1 of article 21 of the Articles of Incorporation including the Company's website, the full text of the invitation shall also be published within the prescribed deadline of par. 2 of article 21 of the Articles of Incorporation, in such a way as to ensure rapid and non-discriminatory access to it, in the media that the Board of Directors considers reasonably reliable for the effective dissemination of information to the investors through printed and electronic media of national and Europe-wide circulation.

Participation in the General Meeting

Any shareholder shall be entitled to attend and vote at the General Meeting.

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.

Ten (10) days prior to the ordinary General Meeting, the Company shall make available to the shareholders the annual financial statements thereof, together with the relevant reports of the Board of Directors and of the auditors, posting the relevant information on the Company's website as specified in par. 1 and 2 of article 123 of L. 4548/2018.

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.

As of the date of publication of the invitation to the General Meeting and until the date of the General Meeting, at least the following information shall be posted on the company's website:

- the notice of invitation to the General Meeting,
- the total number of shares and voting rights on the date of such invitation,
- the documents to be submitted at the General Meeting,
- a draft resolution for each proposed item on the agenda or in case no resolution has been submitted for approval, a comment by the Board of Directors on each item on the agenda and any draft resolutions submitted by the shareholders, right after being received by the Company and
- the printed forms to be used for the exercise of voting rights by proxy.

Ordinary Quorum and Majority

A quorum of the General Meeting shall be deemed to be achieved 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 a 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.

Extraordinary Quorum and Majority

Exceptionally, for resolutions involving:

- change in the nationality of the Company,
- modification of the object of the Company,
- issuance of bonded loans convertible into shares, as stipulated by par. 1(g) article 19 of the Articles of Incorporation,
- increase of the shareholders' obligations,
- increase of the share capital, subject to the provisions of article 6 of the Articles of Incorporation, or unless it is imposed by law or is effected by capitalization of reserves,

- the reduction of share capital, excluding the case of paragraph 6 of Article 49 of Law 4548/2018, as in force, or except for the cases where a special law or the Articles of Incorporation are otherwise regulated,
- change in the manner of profits' distribution,
- restriction or abolition of the pre-emption right of the old shareholders in the cases of and subject to the conditions set out in article 27 of Law 4548/2018,
- merger, division (demerger), conversion, revival, extension of term or dissolution of the company,
- granting or renewing of powers to the Board of Directors for the increase of the share capital or the issuance of a bonded loan in accordance with the provisions of article 6 par. 2(b) of the Articles of Incorporation, and
- any amendment to this article and in any other case stipulated by the law.

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

Chair to the General Meeting

The Chairman of the Board of Directors shall preside, provisionally, as chairman at the General Meetings. If unable to perform his/her duties, he/she shall be replaced by his/her substitute. Secretarial duties at the meetings shall be performed, provisionally, by a person appointed by the Chairman.

Following approval of the final list of shareholders with voting rights, the General Meeting shall proceed to the election of its Chairman and of one (1) Secretary, who shall also act as scrutineer.

Agenda - Minutes of the Meetings

The discussions and the resolutions of the General Meeting shall be limited to the items on the agenda published in accordance with article 21 of the Articles of Incorporation.

A summary of all discussions and resolutions of the General Meeting shall be entered in a minute book signed by the Chairman and the Secretary. At the request of any shareholder, if any, the Chairman shall be obliged to record an exact summary of the said shareholder's opinion in the minutes. In the same minute book, a list of shareholders who attended the General Meeting in person or by proxy shall also be recorded. The results of the voting shall be posted on the Company's website under the responsibility of the Board of Directors within five (5) days at the latest from the date of the General Meeting, indicating for each resolution at least the number of shares for which valid votes were cast, the proportion of the share capital represented by such votes, the total number of valid votes, as well as the number of votes cast in favour and against each resolution and the number of abstentions.

Copies of and excerpts from the minutes of the General Meeting shall be certified by the Chairman of the Board of Directors or his/her substitute and provided that there is an obligation to be registered with the General Electronic Commercial Registry (GECR), they shall be submitted to the competent service of the GECR within twenty (20) days as of the holding of the General Meeting.

Minority rights

1. At the request of shareholders representing one twentieth (1/20) of the paid-up share capital, the Board of Directors shall be bound to convene an Extraordinary General Meeting, setting the date of such a meeting, which shall not be later than forty-five (45) days from the date of service of such request to the Chairman of the Board of Directors. The agenda items shall be stated in detail in the said request. If the General Meeting is not convened by the Board of Directors within twenty (20) days from the service of the said request, the meeting shall be convened by the requesting shareholders at the expense of the Company, upon ruling of the Single-Member Court of First Instance at the Company's registered seat, issued following the procedure of interim measures. The place and date of the meeting, as well as the items on the agenda, shall be defined by the said ruling. This ruling may not be contested by any judicial remedies. The Board of Directors convenes the General Meeting, pursuant to the general provisions or uses the procedure set out in article 135 of Law 4548/2018, unless the requesting shareholders have precluded that possibility.

2. At the request of shareholders representing one twentieth (1/20) of the paid-up share capital, the Board of Directors shall be obliged to insert additional items on the agenda of a General Meeting already convened, if the relative request has been submitted to the Board of Directors at least fifteen (15) days prior to the General Meeting. The request for the insertion of additional items in the agenda shall be accompanied by the reasoning or a draft resolution to be approved by the General Meeting and the revised agenda shall be published or notified under the responsibility of the Board of Directors, pursuant to article 122 of L. 4548/2018, as applicable, according to the same procedure as above, thirteen (13) days prior to the date of the General Meeting; at the same time it shall be made available to the shareholders on the Company's website along with the reasoning or the draft decision submitted by the shareholders in accordance with the provisions of par. 5 article 22 of the Articles of Incorporation. In the event that these items are not published, the requesting shareholders are entitled to request the postponement of the General Meeting, pursuant to par. 5 of article 22 of the Articles of Incorporation and proceed on their own to their publication, in accordance with the provisions of the present paragraph, at the expense of the Company.

3. At the request of shareholders representing one twentieth (1/20) of the paid-up share capital, the Board of Directors shall make available to the shareholders in accordance with the provisions of par. 5 article 22 of the Articles of Incorporation, at least six (6) days prior to the General Meeting any draft resolutions on items included in the initial or the revised agenda, provided that such request is submitted to the Board of Directors at least seven (7) days prior to the date of the General Meeting.

4. The Board of Directors shall have no obligation to proceed to the insertion of items on the agenda nor to publish or notify such items along with the reasoning and the draft resolutions submitted by the shareholders in accordance with the above paragraphs 2 and 3 respectively if their content is obviously contrary to Law and morality.

5. At the request of shareholders representing one twentieth (1/20) of the paid-up share capital, the Chairman of the General Meeting shall be obliged to postpone, only once, the decision-making process by the ordinary or extraordinary General Meeting for all or specific items, setting at the same time as date when the meeting will reconvene for decision-making, the one specified in the request of the shareholders, which may not be later than twenty (20) days from the date of postponement.

   The General Meeting, which follows the postponed one, is considered a continuance of the previous one and no repetition of the requirements for the publication of the shareholders' invitation is required. New shareholders may also attend this meeting, pursuant to the provisions of article 22 of the Articles of Incorporation.

6.

a) At the request of shareholders representing one twentieth (1/20) of the paid-up share capital submitted to the Company, the Board of Directors shall be bound to announce to the General Meeting of shareholders, provided it is an ordinary General Meeting, the amounts paid by the Company, for any reason whatsoever, within the last two (2) years, to members of the Board of Directors, to the Chief Officers, to the Directors or other employees of the Company, as well as any other benefit paid to the said persons or any contract of the Company concluded with the above mentioned persons for any reason whatsoever.

b) At the request of any of the shareholders, submitted to the Company within at least five (5) full days prior to the General Meeting, the Board of Directors shall be bound to provide any requested information with respect to the Company affairs, to the extent that such information is useful for the actual evaluation of the agenda items. The Board of Directors may give a common reply to all shareholders' requests having the same content. There shall be no obligation to provide information, on condition that such information is already posted on the Company's website, especially in question and answer form.

In both cases above, the Board of Directors may refuse to provide the requested information, if sufficient material grounds exist, recording the reasons for such refusal in the minutes. Such reason may be, depending on the circumstances, the representation of the requesting shareholders at the Board of Directors, pursuant to articles 79 or 80 of L. 4548/2018. In the cases of the present paragraph, the Board of Directors may give a common reply to all shareholders' requests having the same content.

7. At the request of shareholders representing one tenth (1/10) of the paid-up share capital submitted to the Company within the time limit referred to in the preceding paragraph, the Board of Directors shall be obliged to provide to the said shareholders during the General Meeting information on the progress of the affairs and on the financial condition of the Company. The Board of Directors may refuse to provide the requested information, if sufficient material grounds exist, recording the reasons for such refusal in the minutes.

8. In the cases referred to in the par. 6a and 7, any issue in dispute over the validity of the reasons for such refusal by the Board of Directors shall be resolved by the Single Member Court of First Instance of the Company's registered seat, following the procedure of interim measures. By the same ruling, the court shall oblige the Company to provide any information it refused. This ruling may not be contested by any judicial remedies.

9. At the request of shareholders representing one twentieth (1/20) of the paid-up share capital, a resolution concerning any item on the agenda of the General Meeting shall be made by open vote.

10. In all cases referred to in the par.1 to 9, the shareholders submitting such a request shall be obliged to provide during the exercise of their rights evidence of their shareholding capacity, in conjunction with article 22 of the Articles of Incorporation, and except in the case of the second section of par. 6 of the article 22 of the Articles of Incorporation, of the number of their shares during the exercise of their right. Shareholders' capacity may be evidenced by any legal means and in any case based on the information that the Company receives from the Central Securities Depository, on condition that it provides registry-related services.

11. Shareholders of the Company representing one twentieth (1/20) of the paid-up share capital shall have the right to request by the Single-Member Court of First Instance of the Company's registered seat the performance of an audit of the Company. Such audit shall be ordered, in the event it is assumed that certain acts reported against the Company violate the provisions of the law, of the Articles of Incorporation or of the resolutions of the General Meeting. In all cases, the petitions requesting an audit shall be filed within three (3) years from the date of approval of the annual financial statements of the financial year within which such reported acts took place.

12. Shareholders of the Company representing one fifth (1/5) of the paid-up share capital shall have the right to request by the court referred to in the preceding paragraph the performance of an audit of the Company, provided it is assumed from the general progress of the company affairs, that the management thereof is not carried out in accordance with the principles of honesty and prudence. The last section of paragraph 3 of Article 142 of Law 4548/2018 is not applicable.

13. Shareholders who make a request in accordance with par. 11 and 12, must provide evidence to the Court that they are in possession of the shares, in conjunction with article 22 of the Articles of Incorporation, granting them the right to request the audit of the Company.

14. Without prejudice to the provisions on personal data protection, any shareholder may request a list of the Company's shareholders, bearing the name and the address of each shareholder as well as the number of shares held by each shareholder. The Company shall not be obliged to include in this list shareholders holding up to 1% of the share capital.

15. Within ten (10) days as of the publication of the announcement concerning the granting of permission by the Board of Directors under par. 2 of article 101 of L. 4548/2018, shareholders representing one twentieth (1/20) of the capital may request the convocation of a General Meeting in order to decide on the granting of such permission.

X. Sustainable Development Policy

In the context of devising and implementing the Group’s Sustainable Development strategy, which is based on the philosophy of creating shared value between the Company, Society and Environment, the Sustainable Development Policy (BoD decision No. 88/12.7.2022) was revised with the aim of gradually aligning the business model with it, in the context of transforming PPC and the Group as a whole.

The Group’s Sustainable Development Policy is the basic framework of its commitment to the continuous effort to improve the environmental, social and economic value it creates, for those who have legitimate interests from its operation, but also for society as a whole.

PPC links its business decisions to environmental sustainability, social responsibility and good corporate governance, incorporating the ESG criteria into its strategy and operation, thus adopting a business model that is more transparent and people centered.

The main principles of the Sustainable Development Policy are fully harmonised with the Group’s strategic plan, while sustainability issues are addressed in a continuous effort for Creating Shared Value for Society, the Company and the Stakeholders.

As part of implementation of the Policy, PPC is aligned with the international frameworks of commitments, public disclosures and assessments (SBTi/CDP), in line with international standards, principles and guidelines (UN Global Compact, SDGs, OECD Guidelines, ISO 26000, GRI Standards, TCFD, SBTi, CDP etc) and complies with the currently applicable legislative and regulatory framework.

The Sustainable Development Policy and the Environmental Policy of PPC, as an integral part hereof, form part of the Rules of Procedure of PPC S.A. The full text of the Sustainable Development Policy is posted on the company's website https://www.dei.gr/el/dei-omilos/viosimi-anaptiksi/politiki-viosimis-anaptiksis/eisagogi/

XI. Non - Financial Information

Non - Financial Information is presented in a different section and includes, among others, the following:

- Reference to the risks related in the long-term sustainability of the Company
- Reference of the standards the Company takes into consideration regarding the disclosure of such non-financial information.
- Information related to article 8 of EU Regulation 2020/852 of the European Parliament and Council on June 18, 2020, on the establishment of a framework to facilitate sustainable investment, as well as information regarding the authorization of EU regulation 2021/2178 of the Committee on July 6, 2021 for the completion of 2020/852 Regulation
- Climate change-related issues (Strategy, major impacts, risks and opportunities).
- Purpose of the non-financial information provided and data of its quality.
  5.1

APPENDIX

1. Curriculum Vitae of the Chief Officers of the Company

Alexis Paizis, Deputy CEO of Production Operations (since 1 February 2023)

Mr. Alexis Paizis took over the position of Deputy CEO of Production Operations as of 1st of February 2023. Mr. Alexis Paizis is a Mechanical Engineer, a member of the Technical Chamber of Greece since 2001, with undergraduate, postgraduate and doctoral studies in Great Britain. During his 20-year career in Greece and abroad, he has undertaken positions of responsibility that pertain to the planning - construction, operation - maintenance and management of technical projects. In recent years he has served as an executive in the Ellaktor Group, with a more recent position at Helector, which is active in the Energy and Environment sectors.

Chief Officers

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

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

Georgia Christodoulopoulou, Director General of Supporting Operations

Ms Georgia Christodoulopoulou held the position of Director of the Administration Office since 2019. She has been in the Company’s workforce for 30 years and has served in various positions of responsibility at the Company. Has 15 years of experience in transformation programmes and introduction of new systems and processes. She is an Economist – Agronomist and has postgraduate studies in Marketing from the National Kapodistrian University of Athens and an MBA from ALBA Graduate Business School.

Alina Papageorgiou, Director General for Human Resources and Organisation

Ms Alina Papageorgiou, Director General for Human Resources and Organisation of PPC since June 2023, has 28 years of experience in the Human Resources Management sector, with latest positions those of Chief HR Officer at Lamda Development, Chief HR Officer at Intralot Group and Group HR Director at Vivartia Group and with Management positions in Human Resources in multinational companies such as Diageo, Astrazeneca and Nestle Hellas. She also has 6 years of teaching experience as a professor at Deree, American College of Greece. It has a B. Sc. at Management & Organisational Behaviour from Deree, American College of Greece and MBA from the City University Business School in London

Georgios Damaskos, Director General for Telecommunications

Mr. Damaskos served as General Manager of Human Resources from 2013 to 2022. Mr. Damaskos joined the company in 1987. For 16 consecutive years since his recruitment he has served as Head of various front-line operating units of the former Distribution Division (currently known as Hellenic Electricity Distribution Network Operator). From 2002 to 2006 he was Head of the company’s Tariffs Section. He has held the position of Director of the Corporate Development and Administration Department (currently Strategy Department and Office of the Executive), as well as the position of Director of Planning and Human Resources of the Commercial Activities Division. From 2008 until his assignment in the position of Chief Officer of Human Resources in 2013, he was Director of Human Resources and Organization of the Company. From 2008 to -2011, along with his duties at PPC, he was member of the Board of Directors of the Insurance Fund for Bank and Utility Companies Employees (TAYTEKO) as representative of the employers, on behalf of the Company. He also served as member of the Executive Committee of IKA-ETAM/PPC Personnel Insurance Sector (TAP-DEH). Prior to joining PPC he worked in the private sector, in the Construction Industry, and he was specialized in the implementation of PPC projects, thus acquiring a significant construction and site experience. Mr. George Damaskos is an Electrical Engineer, member of the Technical Chamber of Greece, and holds a degree in Economic Sciences from the Economics Department of the Faculty of Law, Economics and Political Sciences of the Athens University. He also holds an MBA degree in Business Administration from the Kingston Business School (Kingston University).

Alexandridis Konstantinos, Chief Financial Officer

Mr. Alexandridis is an economist with many years' experience in the Financial Management of large listed companies, having served as senior executive at OTE Group (member of Deutsche Telekom Group). He holds a Bachelor of Science in Mathematics from the University of Ioannina, an MSc in Decision Modelling and Information Systems from Brunel University UK and an International MBA from the Athens University of Economics and Business.

Sotirios Hadjimichael, Chief Strategy & Transformation Officer

Mr. Sotirios Hadjimichael has been working at PPC S.A. for the past 33 years. Prior to his appointment as Chief Strategy & Transformation Officer, he held important positions and acquired experience in a wide range of activities of PPC, the Transmission Network, the Electricity Market operation, etc. In particular he worked: - In 1986 in the Planning Department, where he was involved in the Transmission Systems Plans, the elaboration of the Transmission System Development Plan, etc. - In 1995, in the Purchasing Department, as Inspection Engineer, where he dealt with Inspection-Testing-Material Acceptance issues, acquiring significant experience on a multitude of materials and machineries of PPC, as well as on purchasing procedures. - In 2000, at the Executive Office of PPC as Advisor, where he was involved in a variety of issues falling within the competence of the Chairman. - In 2002 he was promoted to the position of Head of the New Business Activities Section of the Strategy Department. He was involved in the development of new activities, the expansion in new markets outside Greece, etc. - In 2008, in the Testing, Research & Standards Center (TRSC) he worked as Head of the Research Programmes Section, where he was involved in the central organisation of PPC's participation in Research Programmes. - In 2010 he was promoted to the position of PPC Executive Office Director. This position involves a wide range of activities in all PPC fields, as well as participation in the Board of Directors and in the Executive Committee of PPC. - In 2015 he was appointed as Director of the Strategy Department, where he has been involved in a variety of activities ranging from the elaboration of the new Strategic Plan of the Company, the coordination of Regulatory Issues, the strategy planning in matters of Electricity Market and the development of PPC's CSR. He was the Project Manager of the sale of IPTO to the Hellenic Republic and a private investor. In 2019 he was promoted to Chief Strategy & Transformation Officer, heading the Departments of Strategy, Mergers & Acquisitions, Regulatory, Research Programmes and Representation in the European Union. His term of office as Chief Officer was renewed in 2023 for three more years. In 1978 he graduated from the Varvakeio Experimental School of Athens. In 1984 he graduated from the National Technical University of Athens with a Diploma in Electrical Engineering, with the orientation of Energy Engineering. In 1993 he obtained a PhD from the Imperial College London, in energy and RES issues.

Bali Efthymia, Chief Sales Officer

Ms. Bali has been working in PPC since May 1990. In 2007, she undertook the position of Head of Subsection the Keratsini Sales Office, before the distinction between Commercial Activities and Network. In 2008, with the creation of the Supply Business Division, she was appointed as Head (Director) of the Piraeus Sales Section and was involved in the setting up of the first sales offices of the newly established Division. In June 2014 she was appointed as Head of Unit of the Attica Retail Department and in August 2017 she was promoted to Director of the Department. She has been involved in customer service as well as in the implementation of the tariff and commercial policy of the Company, and its procedures in general. Furthermore, from 2014 until today, in addition to the aforementioned issues, she has dealt with the overdue receivables issue and the methods to tackle it. She holds a Diploma from the School of Political Science and Public Administration of the National and Kapodistrian University of Athens. Before her recruitment by PPC, she worked for two years as an HR Manager in a private company.

Tsagiannis Ioannis, Chief Customer Management Officer

Mr. Ioannis Tsagiannis holds a Diploma from the Department of Primary Education of the National and Kapodistrian University of Athens. He has served for 23 years in various managerial positions, in the private sector, in the customer service sector in telecommunications such as Director of Customer Service, Chief Officer of Customer Relationships and Chief Officer of Customer Experience Configuration. He has great experience in the customer management sector, having achieved for a number of years to combine the knowledge of commercial procedures with change management, in the sector of organization and management of populous service groups, with optimal results.

Metikanis Dimitrios, Chief Officer of Lignite Generation Business Unit

Mr. Dimitrios Metikanis serves as Chief Lignite Generation Officer since November 19, 2017. Mr. Metikanis has been a member of PPC staff since 1986; his career set off at Ptolemais Thermal Power Plant, where he remained for more than five years, therefore gaining significant know-how in the operation of thermal Power Plants. Thereafter, he was appointed in several technical and administrative positions in the Generation Division, holding posts in the Generation Exploitation Department and the Materials, Fuel and Purchasing Department (1992-2007), as well as in the Materials, Fuel Purchasing and Logistics Department (2007-2008) of the Finance Division. During his term in the above-mentioned Departments, he gained experience in dealing with various projects regarding, among others, power plants' operation and environmental affairs, as well as fuels' purchasing and management (lignite, coal, oil and natural gas). In May 2008 he was appointed Director of Generation Planning and Performance Department, vested with a series of competencies, ranging from the development of Generation's Strategic and Business Plan, the Units' operational planning up to the monitoring of their operational and financial efficiency. In January 2017 he assumed the duties of Chief Generation Officer and in November 2019 those of Chief Lignite Generation Officer. Prior to joining PPC he worked in the pharmaceutical industry. Mr. Metikanis holds a diploma in Chemical Engineering from the National Technical University of Athens (NTUA), as well as an MBA degree.

Karagiannis Fotios, Chief Thermal and Hydro Generation Officer

Mr. Fotios Karagiannis is a Mechanical Engineer of the National Technical University of Athens (1982) and holds two Msc degrees from the Ecole Nationale Supérieure de l'Aéronautique et de l'Espace (E.N.S.A.E.) in Toulouse, France. In 1987 he obtained the Doctorat de l'E.N.S.A.E. (grade "Très honorable"). After that, he worked for 5 years as a post-doc Researcher in the Laboratory of Thermal Turbomachinery of the National Technical University of Athens. In 1992 he joined the PPC, where he held various managerial positions. On December of 2006 he was appointed as Director of the CEO's Office and then as Director of the Hydroelectric Projects Development Department. In 2008 he was appointed as Director of the Thermal Projects Engineering and Construction Department. In 2017, he was appointed as Director of the Business Development Implementation Department and then as Director of the New Products & Services Development & Promotion Department. In 2019 he was appointed as Director of the Support of Generation Business Department, while in February 2020 he was appointed to the position of Chief Thermal and Hydro Generation Officer.

Zagalikis Konstantinos, Chief Digital Systems Development and Operations Officer

Mr. Konstantinos Zagalikis has many years of experience in the field of consulting and IT services, with particular emphasis on digital transformation. He has held important managerial positions in Vodafone and IBM Hellas. Following that, he moved to Printec Group where he was responsible for the technological implementation of solutions in Greece and Southeast Europe, while later on, he was appointed as CIO in Forthnet- Nova. He held one of the leading parts in the transformation of information systems (BSS-OSS) in Huawei, for DU Telecommunications in Dubai. Until recently he held the post of Operations Director in Tech Mahindra, where he was responsible for the cloud transformation of the existing infrastructure for Celcom Telecommunications in Malaysia. He holds a B.Eng. in Computer Systems Engineering from the University of Sussex in the UK and a M.Sc. in Telecommunications and Information Systems from the University of Essex in the UK.

Kofinas Kyriakos, Chief E–Mobility Officer

Mr. Kyriakos Kofinas has 30 years of executive experience in Europe, Middle East, Africa and Asia. He held positions as Regional CEO, Chief Officer, Principal and as Head Coach in the sectors of FMCG, Medical, Retail, Luxury, Executive Search, and in e-Mobility. He holds a BA in Economics from the University of Athens, an MBA from the Manchester Business School and an MSc in E-Commerce from the Athens University of Economics and Business. He is also a certified Executive & Business Coach.

Nazos Konstantinos, Chief Energy Management and Trading Officer

Mr. Mr. Konstantinos Nazos was appointed as Chief Energy Management & Trading Officer on December 17, 2020. He joined PPC S.A. in 2004 and since then, he has been working in the Department of Energy Management & Trading acquiring significant experience in the whole spectrum of energy management activities, with significant specialization in the areas of electricity markets analysis and modelling, bidding strategies analysis, optimization and risk management of complex energy portfolios and cross-border electricity trading. From July 2010, and for eight years, he served as Head of the Market Analysis Section and then he was promoted to the position of Assistant Director of Market Analysis Unit. In June 2020 he was appointed as Assistant Director of the Department of Energy Management & Trading, having among others the responsibility for managing the Department’s transformation towards the transition of the Greek electricity market to the EU Target Model. In 2016, along with his duties in PPC, he was a member of the Board of Directors of the Insurance Fund for Bank and Utility Companies Employees (TAYTEKO), as representative of the employers, on behalf of the Company. Additionally, he was actively engaged in the establishment of the subsidiary company PPC Albania, in which he took the role of Executive Director and Vice Chair of the Board, from 2016 to 2019. Before joining PPC S.A., he worked for 7 years as production and maintenance engineer in the aluminium rolling industry and in the home appliances industry, thus acquiring significant industrial and construction-site experience. Mr. Konstantinos Nazos holds a diploma in Mechanical Engineering from the National Technical University of Athens (1994), as well as an MBA degree (Executive MBA) from Athens University of Economics and Business.

Mentzos Vassilis, Chief Project & Customer Experience Officer

Mr. Vassilis Mentzos is a PMO executive and business transformation expert with international experience in leading and managing major complex projects. During his 20-year career, he has held roles of increased responsibility mainly in telecom operators (Wind Hellas & Vodafone UK) where he led their network development activities. From 2018 to 2020 he led the 5G Network Deployment Programme for Vodafone UK in London. Until recently he held the position of the PMO Director for all commercial activities at PPC. He holds a Diploma (MEng) in Civil Engineering from the Polytechnic School of the Democritus University of Thrace.

Spanos Aggelos, Chief Marketing and Products Officer

Mr. Angelos Spanos is an executive with more than 25 years of experience in Product Marketing, New Business development, customer experience, project & demand management, budget management and Technology. He served in positions of responsibility abroad (Vodafone Albania), as well as in Greece (Vodafone Greece), with more than 15 years in management positions and being responsible for major projects, products and corporate transformation processes. From April 2020 to April 2021, he served as Director of Marketing & Pricing Policy at PPC and subsequently as Chief Marketing & Products Officer (including Pricing Policy and New Commercial Activities). He holds a BSc in Physics and a Telecommunications MSc from the National and Kapodistrian University of Athens (NKUA), while being awarded multiple additional certifications (Business Administration from AUEB, PRINCE II project management Practitioner, crisis & change management etc).

2. Shares held by the senior executives of the Company

The following table lists the number of shares held by the Company's Executive Officers on 31.12.2022 in accordance with par. 3 article 18 of par. 3 of Law 4706/2020

Name of Executive Officer	Position in the Company	Number of Shares owned at 31.12.2022
Ioannis Kopanakis	Deputy CEO of Production Operations	-
Argyris Economou	General Counsel and Chief Legal Affairs and Corporate Governance Officer	-
Zorzeta Christodoulopoulou	Chief Support Operations Officer	209
Sotiris Hadjimichael	Chief Strategy & Transformation Officer	-
Konstantinos Zagalikis	Chief Digital Systems Development and Operations Officer	-
Konstantinos Nazos	Chief Energy Management & Trading Officer	234
Kyriakos Kofinas	Chief E–Mobility Officer	-
Konstantinos Alexandridis	Chief Financial Officer	4,000
Alina Papageorgiou	Chief Human Resources & Organization Officer	-
George Damaskos	Chief E–Mobility Officer	-
Nikolaos Aravantinos	Chief Support Operations Officer	2,464
Dimitrios Metikanis	Chief Officer of Lignite Generation Business Unit	567
Fotios Karagiannis	Chief Thermal and Hydro Generation Officer	-
Efthymia Bali	Chief Sales Officer	-
Ioannis Tsagiannis	Chief Customer Management Officer	-
Aggelos Spanos	Chief Marketing and Products Officer	-
Vasilis Mentzos	Chief Project & Customer Experience Officer	-

Note:

The term of office of Messrs. Ioannis Kopanakis, Nikolaos Aravantinos, Fotios Karagiannis has been expired by the date of publication of this Statement.

APENDIX

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 their 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, amortization 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, amortization 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 in Table B.

EBITDA Recurring (Operating Income before depreciation, amortization and impairment, net financial expenses and taxes, excluding one off effects)

EBITDA Recurring serves to better analyze the Group's and the Parent Company's operating income, excluding the impact of one-off effects. For the year 2022, the one-off effects that affected EBITDA Recurring are as follows : a) a provision for allowance for employees' severance payments amounting to € 50,476 thousand for the Group and € 49,194 thousand for the Parent Company (negative impact), b) an extraordinary levy for electricity producers amounting to €245,322 thousand for the Group and the Parent Company (negative impact) and c) a retroactive charge due to the recovery of special allowances from the implementation of the Collecctive Labour Agreement 2021-2024 amounting to € 6,593 thousand for the Group and the Parent Company (negative effect). EBITDA Recurring Margin (%) is measured by dividing EBITDA Recurring by Total Turnover. 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 Group's and the Parent Company's operating results and is calculated as follows: EBITDA (Operating Income before depreciation and impairment, net financial expenses and taxes) less depreciation and impairment. 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 Associates.
This Index is calculated as the net amount of depreciation expense, net financial expenses and profits/(losses) from the Group's associates. The detailed calculation is presented in Table E.

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. Calculation of Net Debt is presented in Table F.

TABLE A - EBITDA (Operating Income before depreciation, amortization and impairment, net financial expenses and taxes)				
	Total Group 01.01-31.12.2022	**Total Group 01.01-31.12.2021**	**Total Group 01.10-31.12.2022**	**Total Group 01.10-31.12.2021**
	Amounts in '000€	**Amounts in '000€**	**Amounts in '000€**	**Amounts in '000€**
Total Turnover (1)	**11,253,107**	**5,706,391**	**2,690,356**	**2,008,848**
less :				
Operating expenses before depreciation and impairment (2)	10,601,815	4,885,334	2,407,264	1,764,622
Payroll cost	768,554	730,371	236,291	198,103
Lignite	16,216	41,104	(922)	(1,294)
Liquid Fuels	853,239	537,003	216,624	126,779
Natural Gas	1,758,161	910,068	370,060	457,334
Energy purchases	4,720,240	1,286,722	1,106,488	552,739
Materials and consumables	121,547	121,643	31,204	26,802
Transmission system usage	143,321	129,257	41,821	32,696
Distribution system usage	-	-	-	-
Utilities and maintenance	210,920	180,212	63,552	42,313
Third party fees	184,403	141,812	71,082	36,102
CO2 emission rights	1,037,545	699,164	185,849	159,721
Risk allowances	(16,653)	88,847	(4,135)	41,976
Provisions for impairment of materials	(6,801)	25,762	(10,435)	5,929
Provisions for bad debt	207,526	(59,740)	21,425	89,976
Extraordinary levy of electricity producers	245,322	-	(30,726)	-
Other Losses / (Gains), Net	358,275	53,109	109,086	(4,554)
EBITDA (A) = [(1) - (2)]	**651,292**	**821,057**	**283,092**	**244,226**
EBITDA MARGIN [(A) / (1)]	**5.8%**	**14.4%**	**10.5%**	**12.2%**

TABLE A - EBITDA (Operating Income before depreciation, amortization and impairment, net financial expenses and taxes)				
	Total Company 01.01-31.12.2022	**Total Company 01.01-31.12.2021**	**Total Company 01.10-31.12.2022**	**Total Company 01.10-31.12.2021**
	Amounts in '000€	**Amounts in '000€**	**Amounts in '000€**	**Amounts in '000€**
Total Turnover (1)	**10,847,079**	**5,399,475**	**2,586,587**	**1,923,538**
less :				
Operating expenses before depreciation and impairment (2)	10,582,824	4,583,957	2,397,541	1,672,689
Payroll cost	480,782	412,094	169,693	109,900
Lignite	14,657	21,323	(923)	(335)
Liquid Fuels	850,141	530,825	216,624	123,999
Natural Gas	1,758,161	910,068	370,060	457,334
Energy purchases	4,883,818	1,487,577	1,108,965	604,898
Materials and consumables	92,161	71,650	24,402	14,584
Transmission system usage	143,321	129,257	41,821	32,696
Distribution system usage	429,551	220,588	97,192	68,839
Utilities and maintenance	135,940	109,651	43,800	28,911
Third party fees	116,185	89,035	47,820	20,153
CO2 emission rights	963,855	573,793	185,846	138,364
Risk allowances	5,796	105,430	12,299	65,975
Provisions for impairment of materials	1,168	24,272	(697)	7,267
Provisions for bad debt	161,662	(108,938)	21,586	15,495
Extraordinary levy of electricity producers	245,322	-	(30,726)	-
Other Losses / (Gains), Net	300,304	7,332	89,776	(15,391)
EBITDA (A) = [(1) - (2)]	**264,255**	**815,518**	**189,046**	**250,849**
EBITDA MARGIN [(A) / (1)]	**2.4%**	**15.1%**	**7.3%**	**13.0%**

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 01.01-31.12.2022 Amounts in '000€	Total Group 01.01-31.12.2021 Amounts in '000€	Total Group 01.10-31.12.2022 Amounts in '000€	Total Group 01.10-31.12.2021 Amounts in '000€	Notes
Operating expenses before depreciation and impairment (2)	**10,601,815**	**4,885,334**	**2,407,264**	**1,764,622**	
less :					
Provision for allowance for employees' severance payments	50,476	16,075	50,476	1,154	Note 7, 31 of the Annual Financial Report 2022
Retroactive charge due to recovery of special allowances from the implementation of the Collective Labour Agreement 2021-2024	6,593	34,555	6,593	(101)	Note 7, 31 of the Annual Financial Report 2022
Extraordinary levy of electricity producers	245,322	-	(30,726)	-	Note 2 of the Annual Financial Report 2022
Operating expenses before depreciation and impairment without one-off effects (2)	**10,299,424**	**4,834,704**	**2,380,921**	**1,763,569**	

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 Company 01.01-31.12.2022 Amounts in '000€	Total Company 01.01-31.12.2021 Amounts in '000€	Total Company 01.10-31.12.2022 Amounts in '000€	Total Company 01.10-31.12.2021 Amounts in '000€	Notes
Operating expenses before depreciation and impairment (2)	**10,582,824**	**4,583,957**	**2,397,541**	**1,672,689**	
less :					
Provision for allowance for employees' severance payments	49,194	13,591	49,194	1,700	Note 7, 31 of the Annual Financial Report 2022
Retroactive charge due to recovery of special allowances from the implementation of the Collective Labour Agreement 2021-2024	6,593	22,074	6,593	(104)	Note 7, 31 of the Annual Financial Report 2022
Extraordinary levy of electricity producers	245,322	-	(30,726)	-	Note 2 of the Annual Financial Report 2022
Operating expenses before depreciation and impairment without one-off effects (2)	**10,281,715**	**4,548,292**	**2,372,480**	**1,671,093**	

TABLE C- EBITDA Recurring (Operating Income before depreciation and impairment, net financial expenses and taxes exluding one-off effects).					
	Total Group 01.01-31.12.2022	**Total Group 01.01-31.12.2021**	**Total Group 01.10-31.12.2022**	**Total Group 01.10-31.12.2021**	**Notes**
	Amounts in ‘000€	**Amounts in ‘000€**	**Amounts in ‘000€**	**Amounts in ‘000€**	
EBITDA (1)	**651,292**	**821,057**	**283,092**	**244,226**	
Plus one-of effects (2):	**302,391**	**50,630**	**26,343**	**1,053**	
Provision for allowance for employees’ severance payments	50,476	16,075	50,476	1,154	Note 7, 31 of the Annual Financial Report 2022
Retroactive charge due to recovery of special allowances from the implementation of the Collecctive Labour Agreement 2021-2024	6,593	34,555	6,593	(101)	Note 7, 31 of the Annual Financial Report 2022
Extraordinary levy of electricity producers	245,322	-	(30,726)	-	Note 2 of the Annual Financial Report 2022
EBITDA RECURRING EXLUDING ONE-OFF EFFECTS (3) = [(1)+(2)]	**953,683**	**871,687**	**309,435**	**245,279**	
TOTAL TURNOVER (4)	**11,253,107**	**5,706,391**	**2,690,356**	**2,008,848**	
EBITDA RECURRING MARGIN EXLUDING ONE-OFF EFFECTS (3)/(4)	**8.5%**	**15.3%**	**11.5%**	**12.2%**	

TABLE C- EBITDA Recurring (Operating Income before depreciation and impairment, net financial expenses and taxes exluding one-off effects).

	Total Company 01.01-31.12.2022	Total Company 01.01-31.12.2021	Total Company 01.10-31.12.2022	Total Company 01.10-31.12.2021	Notes
	Amounts in '000€	Amounts in '000€	Amounts in '000€	Amounts in '000€	
EBITDA (1)	**264,255**	**815,518**	**189,046**	**250,849**	
Plus one-of effects (2):	**301,109**	**35,665**	**25,061**	**1,596**	
Provision for allowance for employees' severance payments	49,194	13,591	49,194	1,700	Note 7, 31 of the Annual Financial Report 2022
Retroactive charge due to recovery of special allowances from the implementation of the Collecctive Labour Agreement 2021-2024	6,593	22,074	6,593	(104)	Note 7, 31 of the Annual Financial Report 2022
Extraordinary levy of electricity producers	245,322	-	(30,726)	-	Note 2 of the Annual Financial Report 2022
EBITDA RECURRING EXLUDING ONE-OFF EFFECTS (3) = [(1)+(2)]	**565,364**	**851,183**	**214,107**	**252,445**	
TOTAL TURNOVER (4)	**10,847,079**	**5,399,475**	**2,586,587**	**1,923,538**	
EBITDA RECURRING MARGIN EXLUDING ONE-OFF EFFECTS (3)/(4)	**5.2%**	**15.8%**	**8.3%**	**13.1%**	

Table D - EBIT (Operating Income before net financial expenses and taxes)				
	Total Group 01.01-31.12.2022	Total Group 01.01-31.12.2021	Total Group 01.10-31.12.2022	Total Group 01.10-31.12.2021
	Amounts in '000€	Amounts in '000€	Amounts in '000€	Ποσά σε '000€
EBITDA	**651,292**	**821,057**	**283,092**	**244,226**
less :				
Depreciation and Amortization	640,380	666,248	136,334	166,690
Impairement of Property, Plant and Equipment	(197,675)	107,575	(55,622)	75,795
Impairment of lignite subsidiaries'	-	-	-	0
EBIT (A)	**208,587**	**47,234**	**202,380**	**1,741**
Total turnover (1)	**11,253,107**	**5,706,391**	**2,690,356**	**2,008,848**
EBIT MARGIN [(A) / (1)]	**1.9%**	**0.8%**	**7.5%**	**0.1%**

Table D - EBIT (Operating Income before net financial expenses and taxes)				
	Total Company 01.01-31.12.2022	Total Company 01.01-31.12.2021	Total Company 01.10-31.12.2022	Total Company 01.10-31.12.2021
	Amounts in '000€	Amounts in '000€	Amounts in '000€	Amounts in '000€
EBITDA	**264,255**	**815,518**	**189,046**	**250,849**
less :				
Depreciation and Amortization	306,147	346,923	52,898	85,566
Impairement of Property, Plant and Equipment	(199,966)	78,675	(57,913)	46,895
Impairment of lignite subsidiaries'	-	88,000	-	-
EBIT (A)	**158,074**	**301,920**	**194,061**	**118,388**
Total turnover (1)	**10,847,079**	**5,399,475**	**2,586,587**	**1,923,538**
EBIT MARGIN [(A) / (1)]	**1.5%**	**5.6%**	**7.5%**	**6.2%**

Table E - Net amount of Depreciation, Financial Expense and Profit from Associates				
	Total Group 01.01-31.12.2022 Amounts in '000€	**Total Group 01.01-31.12.2021 Amounts in '000€**	**Total Group 01.10-31.12.2022 Amounts in '000€**	**Total Group 01.10-31.12.2021 Ποσά σε '000€**
DEPRECIATION, NET FINANCIAL EXPENSE AND PROFIT FROM ASSOCIATES	**874,963**	**863,304**	**213,645**	**233,261**
Depreciation and Amortization	640,380	666,248	136,334	166,690
Financial expense	344,451	259,541	90,434	78,394
Financial income	(55,464)	(59,294)	(12,925)	(12,202)
Net (profit)/loss from associates	(61,677)	(4,350)	(1,082)	(1,552)
Net loss/(profit) from FX differences	7,273	1,159	884	1,931

Table E - Net amount of Depreciation, Financial Expense and Profit from Associates				
	Total Company 01.01-31.12.2022 Amounts in '000€	**Total Company 01.01-31.12.2021 Amounts in '000€**	**Total Company 01.10-31.12.2022 Amounts in '000€**	**Total Company 01.10-31.12.2021 Amounts in '000€**
DEPRECIATION, NET FINANCIAL EXPENSE AND PROFIT FROM ASSOCIATES	**511,346**	**534,790**	**117,112**	**149,298**
Depreciation and Amortization	306,147	346,923	52,898	85,566
Financial expense	283,895	251,963	74,054	73,725
Financial income	(86,045)	(65,222)	(10,809)	(11,969)
Net (profit)/loss from associates	-	-	-	-
Net loss/(profit) from FX differences	7,349	1,126	969	1,976

TABLE F – NET DEBT				
	GROUP		COMPANY	
	Amounts in '000€		Amounts in '000€	
	31.12.2022	**32.12.2021**	**31.12.2022**	**31.12.2021**
Long-term borrowing	3,822,907	4,062,638	2,496,509	2,723,954
Current portion of long term borrowing	591,894	353,632	357,662	207,051
Short term borrowing	108,333	271,337	50,000	260,000
Cash and cash equivalents	(3,159,484)	(2,832,351)	(2,760,552)	(2,512,204)
Restricted cash	(50,843)	(53,323)	(23,008)	(35,754)
Financial assets measured at fair value through other comprehensive income	(330)	(327)	(329)	(325)
Unamortized portion of borrowing costs	75,666	88,166	74,017	88,166
TOTAL	**1,388,143**	**1,889,772**	**194,299**	**730,888**

Athens, March 23rd 2023

For the Board of Directors

The President and CEO

Georgios I. Stassis

The Vice President

Pyrros D. Papadimitriou

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C. AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Public Power Corporation S.A.

Report on the Audit of the Separate and Consolidated Financial Statements

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 31, 2022, the separate and consolidated statements of income and other comprehensive income, the statements 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 31, 2022 and their 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.

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Key audit matter	***How our audit addressed the key audit matter***
Unbilled revenue recognition and related contract assets from low tension customers (separate and consolidated financial statements)	
The Company's and the Group's unbilled revenue for the year ended December 31, 2022 and the related contract assets from low tension customers as at December 31, 2022 amounted to €590mil. 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 identified the estimation process of the unbilled revenue and the related contract assets from low tension customers as one of the key audit matters due to the inherent risk of revenue recognition in the correct period, the significant audit effort required, and the high degree of subjectivity in the management's judgments, estimates and assumptions used in this process. The Company's and Group's disclosures relevant to the accounting policy, the judgments, the estimates and the assumptions used to determine the unbilled revenue and the related contract assets from low tension customers 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 were as follows: - We discussed with management and assessed the design of internal controls over the estimation of the unbilled revenue and the related contract assets from low tension customers. - We received and audited the calculation of the management's estimate, 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 assessed the consistency of application of the estimation, the methods, the assumptions, and the calculations used between periods and whether events of the current year that alter the environment, the circumstances and data, in which the estimates and assumptions used by the management are based, have been taken into consideration, as well as changes in the business practices, the accounting principles and policies affecting the related calculations. - We tested the calculations for mathematical accuracy and the correct accounting of the related amounts in the financial statements. - Finally, we assessed the adequacy and appropriateness of related disclosures in the separate and consolidated financial statements.

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Key audit matter	***How our audit addressed the key audit matter***
Trade receivables impairment test (separate and consolidated financial statements)	
At December 31, 2022, the Company's and the Group's trade receivables amounted to €1,201mil and €1.366mil., after accumulated impairment losses of €2.380mil. and €2.500mil., respectively.	The audit procedures that we performed, among others were as follows: - We discussed with management and assessed the design of internal controls over the impairment process of trade receivables impairment test.

Key audit matter	***How our audit addressed the key audit matter***
Trade receivables impairment test (separate and consolidated financial statements) (continue)	
The Company and Group apply the simplified approach of IFRS 9 "Financial Instruments" and determine lifetime expected credit losses ("ELC") on their trade receivables by using historical information, including the current economic conditions, which reflect the expected effect of current information in future. We have identified the process of trade receivables impairment test as a key audit matter due to the magnitude of the related accounts and the significance of management's assumptions and estimates used. 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.	- We received and audited the calculation of trade receivables impairment performed by management, evaluating, among others, the completeness and accuracy of the data used for the determination of expected credit losses and the assumptions on which the management's estimation was based. - We tested the calculations for mathematical accuracy and the accounting treatment of the related amounts in the separate and consolidated financial statements. - Finally, we assessed the adequacy and appropriateness 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 31, 2022 Company's and Group's property, plant and equipment amounted to €5.210mil. and €10.551mil., respectively. Property, plant and equipment are measured at revalued amounts (fair values less accumulated depreciation and impairment loss), except for the mines and lakes that are measured at cost (less accumulated depreciation and impairment) and property, plant and equipment under	audit procedures that we performed, among others were as follows: - We discussed with management and assessed the design of management controls over the evaluation process of whether the fair values of the property, plant and equipment have changed significantly, and impairment indications or

construction, that are measured at cost (less accumulated impairment loss). The fair values of property, plant and equipment that are measured at revalued amounts, are determined by independent appraisers periodically, in order to assure that the carrying value of an asset does not differ significantly from its fair value. The last revaluation was performed as in 2019.	indications of reversal of an impairment loss recognised in prior periods exist for the property, plant and equipment. - For property, plant and equipment that are measured at fair values, we evaluated the management's assessment on whether their fair values remain unchanged. - For property, plant and equipment that are measured at cost, we assessed the management's evaluation on whether there were indications of impairment or indications of reversal of impairment loss recognised in prior periods.

Key audit matter	***How our audit addressed the key audit matter***
Valuation of Property, Plant and Equipment (separate and consolidated financial statements) (continue)	
The determination of the fair values of property, plant and equipment requires the management to make, among others, estimations, assumptions and judgements regarding the ownership, the use and the existence of any physical, operational and economic obsolescence. In addition to the above, the Company and the Group assess annually whether impairment loss indications or indications of reversal of an impairment loss recognised in prior periods exist and if this is the case, estimate the recoverable amount of the related property, plant and equipment. This process incorporates judgements, estimates and assumptions with high degree of subjectivity, the most important of which are related to the estimated future production capacity and use of the property, plant and equipment, the determination of the cash generating unit on which the estimation of the recoverable amount of the property, plant and equipment will be performed, their discounted future cash flows and other factors. In the context of the process for the assessment of impairment loss indications and indications of reversal of an impairment loss recognised in prior periods and taking also into consideration the requirements of the updated lignite phase-out plan, management estimated the recoverable amount of the related property, plant and equipment, which resulted in an impairment loss of €3mil. and €5mil. for the Company and the Group, respectively, as well as a reversal of impairment loss recognised in prior periods of €178mil. for the Company and the Group, which were recognised in the current year's separate and consolidated statements of income, respectively.	- For property, plant and equipment that are measured at cost, and for which impairment indications or indications of reversal of impairment loss recognised in prior periods existed, we assessed with the contribution, where necessary, of EY valuation specialists, the reasonability and accuracy of the assumptions and methodology used in estimating the recoverable amounts. - We tested the calculations for mathematical accuracy and the correct accounting treatment of the related amounts in the separate and consolidated financial statements. - Finally, we assessed the adequacy and appropriateness of the related disclosures in the separate and consolidated financial statements.

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We have identified the valuation of property, plant and equipment as a key audit matter due to magnitude of the related accounts and the significance of management's judgments, estimates and assumptions on which is based.	

Key audit matter	***How our audit addressed the key audit matter***
Valuation of Property, Plant and Equipment (separate and consolidated financial statements) (continue)	
The Company's and Group's disclosures relevant to the accounting policy, the judgments, the estimates and the assumptions used for the valuation in fair values and the assessment of impairment loss indications and indications of reversal of an impairment loss recognised in prior periods for the property, plant and equipment can be found in notes 4.3, 4.4, 15 and 35 to the separate and consolidated financial statements.	

Key audit matter	***How our audit addressed the key audit matter***
Accounting treatment of the sale of 49% of investment in HEDNO and NCI put option (separate and consolidated financial statements)	
On February 2022, the Company signed an agreement with MSCIF Dynami BidCo Single Member S.A.(«MSCIF») for the transfer of 49% of its investment to the subsidiary company Hellenic Distribution Network Operator («HEDNO») with a carrying amount of € €526mil. for a cash consideration of €1.323mil. In the separate financial statements , the difference of €790mil. between the carrying amount and the cash consideration, including the transaction costs, was presented as Gain from partial sale of subsidiary in this year's statement of income in accordance with IAS 27 "Separate Financial Statements". In the consolidated financial statements, changes in parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary, are equity transactions in accordance with IFRS 10 "Consolidated Financial Statements". Hence, at the date of the sale, the Company recognised in the consolidated statement of financial position non-controlling ("NCI") interests amounted to €637mil., which corresponded to	audit procedures that we performed, among others were as follows: - We received the valuation report of NCI put option (which was recognised in the consolidated financial statements) and the related derivative financial instrument (which was recognised in the separate financial statements) from an independent appraiser and assessed with the contribution of EY valuation specialists, the methodology used, as well as the reasonability and accuracy of the assumptions used. - We evaluated the competence, capabilities and objectivity of the independent appraiser to whom the management engage the valuation of the financial liability and the related derivative financial instrument. - We evaluated with the contribution of EY specialists, the correctness of the accounting treatment of the sale

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49% of the net assets of HEDNO. As the sale of 49% of investment in HEDNO, did not affect the control of the Company, the difference of €679mil. between the carrying amount of NCI interests and the cash consideration was recognised directly in the Group's equity,	transaction and the NCI put option in the separate and consolidated financial statements, in accordance with the provisions of IFRS. - We have evaluated the adequacy and the appropriateness of the related disclosures in the separate and consolidated financial statements.

Key audit matter	***How our audit addressed the key audit matter***
Accounting treatment of the sale of 49% of investment in HEDNO and NCI put option (separate and consolidated financial statements) (continue)	
The agreement also includes a put option for the sale of the shares acquired by MSCIF after 8 years and within 6 months from the date of the sale, with an exercise price equal to the then fair value of the shares. In the separate financial statements, the put option is accounted as a derivative financial instrument with an exercise price equal to the fair value of the share and therefore his value was determined to be nil. In the consolidated financial statements, the financial liability of the NCI put option is initially recognised in the present value of the estimated exercise price. Based on the valuation conducted, the Company recognised a financial liability of €1,411mil, in the consolidated statement of financial position with a corresponding debit in the equity and reserves. In the consolidated financial statements, the financial liability is subsequently remeasured at amortised cost. As at December 31, 2022, the financial liability increased by the amount of the financial cost and amounted to €1.420mil., while the respective change was recognised in the financial expenses in the consolidated statement of income. We have identified the accounting treatment of the sale of 49% of investment in HEDNO and NCI put option as a key audit matter due to magnitude of the related accounts and the significance of management's judgments in relation to the estimation of future cash flows and discount rate The Company's and the Group's disclosures relevant to the accounting policy, the judgments, the estimates and the assumptions used for the accounting treatment of the sale of 49% of the investment in HEDNO and the NCI put option can be found in notes 4.1, 4.2 and 5, of the separate and consolidated financial statements.	

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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 Law 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 the 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 Company's Audit Committee (Law 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 Law 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 Law 4548/2018.

b) In our opinion the Board of Directors' Report has been prepared in accordance with the legal requirements of articles 150-151 and 153-154 and paragraph 1 (c and d) of article 152 of Law 4548/2018 and the content of the Board of Directors' report is consistent with the accompanying separate and consolidated financial statements for the year ended December 31, 2022.

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.

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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 Law 4001/2011 and the Decision 266/2014 of the Regulatory Authority for Energy (RAE) and for those internal controls that management determines are necessary to enable the preparation of the Company's and Group's unbundled balance sheets as at December 31, 2022 and the unbundled statements of income before tax for the period from January 1, 2022 to December 31, 2022 that are free from material misstatement, 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 financial statements.

In our opinion, the Company's and Group's unbundled financial statements as at December 31, 2022, as presented in the relevant appendix to the separate and consolidated financial statements, have been prepared in accordance with the provisions of article 141 of Law 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 accompanying separate and consolidated financial statements is consistent with our Additional Report to the Audit Committee of the Company, 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.

Non-audit services provided by us to the Company and its subsidiaries during the year ended December 31, 2022, are disclosed in Note 13 of the separate and consolidated financial statements.

5. Appointment of the Auditor

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

6. Rules of Procedure

The Company has in place Rules of Procedure, the context of which is in accordance with the provisions of article 14 of Law 4706/2020

7. Reasonable Assurance report on the European Single Electronic Format

We have examined the digital files of the company Public Power Corporation S.A. (hereafter "Company" and "Group") prepared in accordance with the European Single Electronic Format ("ESEF") as defined in the EU Delegated Regulation 2019/815, as amended by the EU Delegated Regulation 2020/1989 of the European Commission (hereinafter referred to as "the ESEF Regulation"), that comprise an XHTML file ""213800T9Y5XCOVRZ4Y57-2022-12-31.xhtml" which includes the separate and consolidated financial statements of the Company and the Group for the year ended December 31, 2022, and an XBRL file "213800T9Y5XCOVRZ4Y57-2022-12-31-en.zip" with appropriate tagging of the aforementioned consolidated financial statements, including the explanatory notes (Notes to the financial statements).

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Regulatory Framework

The digital files of the European Single Electronic Format are prepared in accordance with the ESEF Regulation and the Interpretative Communication of the European Commission 2020/C 379/01 dated 10 November 2020, as required by Law 3556/2007 and the relevant communications of the Hellenic Capital Market Commission and the Athens Stock Exchange (hereinafter referred to as the "ESEF Regulatory Framework"). This Framework provides, among others, the following requirements:

- all annual financial reports should be prepared in XHTML format.

- for the consolidated financial statements prepared in accordance with International Financial Reporting Standards, the financial information in the statement of income, the statement of other comprehensive income, the statement of financial position, the statement of changes of equity and the statement of cash flows, as well as the financial information included in the explanatory noted, should be marked-up (XBRL tags and block tags), according to the Taxonomy of ESEF (ESEF Taxonomy), as applicable. The technical specifications for ESEF, including the relevant taxonomy, are set out in the ESEF Regulatory Technical Standards.

The requirements set out in the ESEF Regulatory Framework provide appropriate criteria for us to express a reasonable assurance conclusion.

Responsibilities of Management and Those Charged With Governance

Management is responsible for the preparation and submission of the separate and consolidated financial statements of the Company for the year ended December 31, 2022, in accordance with the requirements set out in the ESEF Regulatory Framework, and for such internal control as management determines is necessary to enable the preparation of the digital files that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities

Our responsibility is to plan and perform this assurance engagement in accordance with the Decision 214/4/11-02-2022 of the Board of Directors of the Hellenic Accounting and Auditing Standards Oversight Board and the "Guiding instructions to auditors in connection with their assurance engagement on the European Single Electronic Format (ESEF) of public issuers in regulated Greek markets", as issued by the Institute of Certified Public Accountants of Greece on February 14, 2022 (hereinafter referred to as "ESEF Guiding Instructions"), in order to obtain reasonable assurance that the separate and consolidated financial statements prepared by management in accordance with ESEF comply, in all material respects, with the ESEF Regulatory Framework.

Our work was performed in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), as incorporated in Greek Law, and we have fulfilled our other ethical independence responsibilities in accordance with Law 4449/2017 and the EU Regulation 537/2014.

The assurance engagement we performed, in accordance with the International Standard on Assurance Engagements 3000, "Assurance Engagements Other Than an Audit or Review of Historical Financial Information", is limited to the objectives included in the ESEF Guiding Instructions. Reasonable assurance is a high level of assurance, but it is not a guarantee that this reasonable assurance engagement will always detect a material misstatement with respect to non-compliance with the requirements of the ESEF Regulatory Framework when it exists.

ERNST & YOUNG (HELLAS)
Certified Auditors – Accountants S.A.
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Conclusion

Based on the procedures performed and the evidence obtained, we express the conclusion that the separate and consolidated financial statements of the Company and the Group for the year ended December 31, 2022, in XHTML file format "213800T9Y5XCOVRZ4Y57-2022-12-31.xhtml" as well as the required XBRL file "213800T9Y5XCOVRZ4Y57-2022-12-31-en.zip" with appropriate tagging on the aforementioned consolidated financial statements, have been prepared, in all material respects, in accordance with the ESEF Regulatory Framework.

Athens 23 March 2023

Ioannis Pierros
Certified Auditor Accountant
SOEL R.N. 3505

ERNST & YOUNG (HELLAS)
Certified Auditors – Accountants S.A.
8B Chimarras, Maroussi,
151 25, Greece
Company SOEL R.N. 107

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PUBLIC POWER CORPORATION S.A.

Consolidated and Separate Financial Statements

December 31st 2022

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 March 23rd 2023 and they are available on the web site of Public Power Corporation S.A. at www.dei.gr.

The attached separate and consolidated financial statements have been translated from the original version in Greek.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER	VICE CHAIRMAN	CHIEF FINANCIAL OFFICER	ACCOUNTING DEPARTMENT DIRECTOR
GEORGIOS I. STASSIS	PYRROS D. PAPADIMITRIOU	KONSTANTINOS A. ALEXANDRIDIS	STERGIOS A. TSIFOTOUDIS

PUBLIC POWER CORPORATION S.A.
CONSOLIDATED AND SEPARATE STATEMENTS OF INCOME FOR THE YEAR ENDED DECEMBER 31, 2022
(All amounts in thousands of Euro)

	Note	GROUP		COMPANY			
		01.01.2022-31.12.2022	01.01.2021-31.12.2021	01.01.2022- 31.12.2022	01.01.2021-31.12.2021	01.01.2021-31.12.2021	01.01.2021-31.12.2021
		Total Group	Total Group	Total Company	Total Company	Continuing Operations	Discontinued Operations
REVENUES:							
Revenue from energy sales	6	10,712,719	5,015,668	10,694,874	4,987,108	4,987,108	-
Revenue from natural gas sales	6	4,920	1,161	4,945	1,161	1,161	-
Other sales	6	535,468	689,562	147,260	411,206	320,170	91,036
		11,253,107	**5,706,391**	**10,847,079**	**5,399,475**	**5,308,439**	**91,036**
EXPENSES:							
Payroll cost	7	768,554	730,371	480,782	412,094	412,094	-
Lignite		16,216	41,104	14,657	21,323	21,323	-
Liquid Fuels		853,239	537,003	850,141	530,825	530,825	-
Natural Gas		1,758,161	910,068	1,758,161	910,068	910,068	-
Depreciation and amortization	9	640,380	666,248	306,147	346,923	346,923	-
Energy purchases	8	4,720,240	1,286,722	4,883,818	1,487,577	1,487,577	-
Materials and consumables		121,547	121,643	92,161	71,650	71,650	-
Transmission system usage		143,321	129,257	143,321	129,257	129,257	-
Distribution system usage		-	-	429,551	220,588	459,293	(238,705)
Utilities and maintenance		210,920	180,212	135,940	109,651	109,651	-
Third party fees		184,403	141,812	116,185	89,035	89,035	-
Emission allowances	10	1,037,545	699,164	963,855	573,793	573,793	-
Provisions for risks	40,32	(16,653)	88,847	5,796	105,430	105,430	-
Provision for impairment of inventories	20	(6,801)	25,762	1,168	24,272	24,272	-
Provision for expected credit losses	21,22,23	207,526	(59,740)	161,662	(108,938)	(108,938)	-
Financial expenses	11	344,451	259,541	283,895	251,963	206,575	45,388
Financial Income	12	(55,464)	(59,294)	(86,045)	(65,222)	(65,222)	-
Impairment loss on Lignite Subsidiaries	17	-	-	-	88,000	88,000	-
Impairment loss on assets	35	(197,675)	107,575	(199,966)	78,675	78,675	-
Extraordinary contribution on electricity generators	2.4	245,322	-	245,322	-	-	-
Other (income) / expenses, net	13	358,275	53,109	300,304	7,332	13,017	(5,685)
Gains from associate and joint ventures	3	(61,677)	(4,350)	-	-	-	-
Gain from partial sale of a subsidiary/ the spin off of distribution network	5	-	-	(790,021)	(52,301)	(52,301)	-
Foreign currency losses, net		7,273	1,159	7,349	1,126	1,126	-
		11,279,103	**5,856,213**	**10,104,183**	**5,233,121**	**5,432,123**	**(199,002)**
PROFIT/(LOSS) BEFORE TAX		**(25,996)**	**(149,822)**	**742,896**	**166,354**	**(123,684)**	**290,038**
Income tax	14	17,081	131,452	27,196	139,791	20,829	118,962
NET PROFIT/(LOSS)		**(8,915)**	**(18,370)**	**770,092**	**306,145**	**(102,855)**	**409,000**
Attributable to:							
Owners of the Parent		**(19,003)**	**(18,404)**				
Non – controlling interests		**10,088**	**34**				
Profit/(Loss) per share, basic and diluted		(0.02)	(0.05)				
Weighted average number of shares		**380,104,130**	**382,000,000**				

- The accompanying notes are an integral part of the consolidated and separate financial statements.

PUBLIC POWER CORPORATION S.A.
STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2022
(All amounts in thousands of Euro)

	Note	GROUP		COMPANY			
		01.01.2022 -31.12.2022	01.01.2021 –31.12.2021	01.01.2022 – 31.12.2022	01.01.2021 – 31.12.2021	01.01.2021 – 31.12.2021	01.01.2021 – 31.12.2021
		Total Group	Total Group	Total Company	Total Company	Continuing Operations	Discontinued Operations
Net Profit/(Loss) for the year		**(8,915)**	**(18,370)**	**770,092**	**306,145**	**(102,855)**	**409,000**
Other Comprehensive (losses)/income to be reclassified to profit or loss in subsequent periods							
Reclassification of hedging transactions through the statement of comprehensive income	43	(237,309)	(244,864)	(237,309)	(244,864)	(244,864)	-
Foreign exchange differences		20	(642)	-	-	-	-
Gains/ (losses) from the valuation of hedging transactions	43	(6,122)	459,808	(8,181)	459,808	459,808	-
Deferred tax on gains/ losses from the valuation of hedging transactions	14	2,682	(17,305)	3,134	(17,305)	(17,305)	-
Deferred tax on gains from the valuation of hedging transactions due to change of tax rate		-	1,538	-	1,538	-	-
Net Other Comprehensive (losses)/ income to be reclassified to profit or loss in subsequent periods		**(240,728)**	**198,535**	**(242,355)**	**199,177**	**197,639**	**-**
Other Comprehensive (losses) / income not to be reclassified to profit or loss in subsequent periods							
Gains / (Losses) on financial assets at fair value through total income		2	(539)	1	(319)	(319)	-
Revaluation of Property, plant and equipment	15	-	331,190	-	-	-	-
Deferred tax on revaluation of Property, plant and equipment	14	-	46,946	-	-	-	-
Deferred taxes on fixed assets due to change of tax rate	14	-	123,354	-	123,354	79,840	43,514
Provision for decommissioning and dismantling of facilities/ equipment of Units, Wind Parks and Mines	32	5,619	11,165	8,573	11,165	11,165	-
Deferred taxes on provision for decommissioning and dismantling of facilities/ equipment of Units, Wind Parks and Mines	14	(1,236)	(2,456)	(1,886)	(2,456)	-	-
Deferred taxes on provision for decommissioning and dismantling of facilities/ equipment of Units and mines due to tax rate change	14	-	(2,494)	-	(2,494)	(2,494)	-
Actuarial gains/ (losses)	31	29,976	29,819	17,652	18,517	18,517	-
Deferred tax on actuarial gains/ losses	14	(6,594)	(6,560)	(3,883)	(4,074)	-	-
Deferred tax on actuarial gains/ losses due to tax rate change	14	-	(2,483)	-	(1,828)	(1,828)	-
Net Other Comprehensive (losses) / income not to be reclassified to profit or loss in subsequent periods		**27,767**	**527,942**	**20,457**	**141,865**	**104,881**	**43,514**
Other Comprehensive (losses) / income for the year after tax		**(212,962)**	**726,477**	**(221,898)**	**341,042**	**302,521**	**43,514**
Total Comprehensive (losses)/ income for the year after tax		**(221,877)**	**708,107**	**548,194**	**647,187**	**199,666**	**452,514**
Attributable to:							
Owners of the Parent		(231,965)	708,073				
Non-controlling interests		10,088	34				

- The accompanying notes are an integral part of the consolidated and separate financial statements.

CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2022

(All amounts in thousands of Euro)

	Note	GROUP 31.12.2022	GROUP 31.12.2021	COMPANY 31.12.2022	COMPANY 31.12.2021
ASSETS					
Non - Current Assets :					
Property, plant and equipment, net	15	10,550,781	10,265,746	5,210,419	5,118,915
Intangible assets, net	16	613,939	359,989	518,094	333,783
Right of use assets	42	175,470	134,570	147,724	102,769
Investments in subsidiaries	17	-	-	1,019,518	1,241,530
Investments in associates	18	60,147	38,822	537	37
Financial assets measured at fair value through other comprehensive income	24	330	327	329	325
Other non – current assets		24,168	3,921	11,841	13,689
Deferred tax asset	14	426,393	382,487	760,852	731,841
Derivative Financial instruments	43.1 43.2	15,482	-	-	-
Total non – current assets		**11,866,710**	**11,185,862**	**7,669,314**	**7,542,889**
Current Assets :					
Inventories	20	840,184	609,902	616,689	430,136
Trade receivables	21	1,365,605	1,100,625	1,200,734	875,909
Contract assets	22	868,662	660,345	868,662	660,345
Other receivables	23	1,330,661	1,242,540	1,268,002	1,119,988
Derivative Financial instruments	43	-	76,908	-	76,908
Income tax receivable	14	7,439	4,795	-	-
Cash and cash equivalents	25	3,159,484	2,832,351	2,760,552	2,512,204
Restricted cash	25	67,847	65,856	40,012	48,278
Total		**7,639,882**	**6,593,322**	**6,754,651**	**5,723,768**
Total Assets Held for Sale	5.2	20,623	-	20,623	-
Total current assets		**7,660,505**	**6,593,322**	**6,775,274**	**5,723,768**
Total Assets		**19,527,215**	**17,779,184**	**14,444,588**	**13,266,657**
EQUITY AND LIABILITIES					
EQUITY :					
Share capital	26	947,360	947,360	947,360	947,360
Share premium	26	1,018,747	1,018,753	1,018,747	1,018,753
Legal reserve	27	136,635	128,317	136,635	128,317
Statutory revaluation surplus		(947,342)	(947,342)	(947,342)	(947,342)
Revaluation surplus	15	5,150,332	5,163,915	3,064,597	3,000,597
Other Reserves	28	(1,321,801)	306,377	39,190	263,326
Treasury shares	26	(40,683)	-	(40,683)	-
Retained earnings		(869,348)	(1,538,702)	1,011,644	249,016
Total Equity attributable to the Owners of the Parent		**4,073,900**	**5,078,678**	**5,230,148**	**4,660,027**
Non – controlling interests		**605,970**	**329**	**-**	**-**
Total equity		**4,679,870**	**5,079,007**	**5,230,148**	**4,660,027**
Non – Current Liabilities :					
Long - term borrowings	30	3,822,907	4,062,638	2,496,509	2,723,954
Post-retirement benefits	31	137,395	209,372	75,992	119,625
Provisions	32	804,029	835,261	801,977	809,980
Financial lease liability	42	142,838	119,461	122,604	94,825
Contract liabilities	34	2,384,657	2,349,074	435,732	438,272
Subsidies	33	182,955	137,548	89,217	95,665
Long term financial liability from the securitization of receivables	44	350,089	229,475	350,089	229,475
Financial liability from NCI Put option	5	1,420,017	-	-	-
Other non – current liabilities		35,541	35,564	512	38
Total non – current liabilities		**9,280,428**	**7,978,393**	**4,372,632**	**4,511,834**
Current Liabilities :					
Trade and other payables	36	1,146,725	970,073	735,889	480,202
Short term financial liabilities from the securitization of receivables	44	8,540	150,620	8,540	150,620
Income tax payable	14	42,955	70,461	15,175	63,778
Short – term borrowings	37	108,333	271,337	50,000	260,000
Current portion of long - term borrowings	30	591,894	353,632	357,662	207,051
Short – term financial lease liability	42	36,131	17,672	28,282	10,573
Accrued and other current liabilities	39	1,983,756	1,677,820	1,997,677	1,712,403
Derivative Financial instruments	43.2	11,732	-	11,732	-
Current portion of the provision of decommissioning and removal of Power Plants', Mines' and Wind Parks' facilities and mines' land restoration areas	32	81,963	80,598	81,963	80,598
Current portion of post-retirement benefits	31	64,803	-	64,803	-
Short-term contract liabilities	38	1,490,085	1,129,571	1,490,085	1,129,571
Total Current Liabilities		**5,566,917**	**4,721,784**	**4,841,808**	**4,094,796**
Total Equity and Liabilities		**19,527,215**	**17,779,184**	**14,444,588**	**13,266,657**

- The accompanying notes are an integral part of the consolidated and separate financial statements.

PUBLIC POWER CORPORATION S.A.
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2022

(All amounts in thousands of Euro)

GROUP								Other Reserves						
	Note	Share Capital	Share Premium	Treasury shares	Legal Reserve	Revaluation Surplus	Statutory Revaluation Surplus	Fair Value of financial assets through comprehensive income	Foreign exchange, Tax-free and Other Reserves	Other Reserves Total	Retained Earnings	Total Equity	Non-Controlling Interest	Total Equity
Balance, January 1st, 2021		**575,360**	**106,679**	**-**	**128,317**	**4,686,388**	**(947,342)**	**69**	**87,536**	**87,605**	**(1,550,361)**	**3,086,646**	**295**	**3,086,941**
Profit/(Loss) for the year		-	-	-	-	-	-	-	-	-	(18,404)	(18,404)	34	(18,370)
Other comprehensive income/ (loss) for the year after tax		-	-	-	-	507,705	-	(539)	219,311	218,772	-	726,477	-	726,477
Total Comprehensive income/ (loss) for the year, after tax		**-**	**-**	**-**	**-**	**507,705**	**-**	**(539)**	**219,311**	**218,772**	**(18,404)**	**708,073**	**34**	**708,107**
Share capital increase	26	372,000	978,000	-	-	-	-	-	-	-	-	**1,350,000**	-	**1,350,000**
Expenses of the share capital increase			(65,926)	-	-	-	-	-	-	-	-	**(65,926)**	-	**(65,926)**
Disposals of property, plant and equipment		-	-	-	-	(30,178)	-	-	-	-	30,178	-	-	-
Other movements		-	-	-	-	-	-	-	-	-	(115)	(115)	-	(115)
Balance, December 31st, 2021		**947,360**	**1,018,753**	**-**	**128,317**	**5,163,915**	**(947,342)**	**(470)**	**306,847**	**306,377**	**(1,538,702)**	**5,078,678**	**329**	**5,079,007**
Balance, January 1st, 2022		**947,360**	**1,018,753**	**-**	**128,317**	**5,163,915**	**(947,342)**	**(470)**	**306,847**	**306,377**	**(1,538,702)**	**5,078,678**	**329**	**5,079,007**
Net Profit/(Loss) for the period		-	-	-	-	-	-	-	-	-	(19,003)	(19,003)	10,088	(8,915)
Other total (losses) / income for the period, after tax		-	-	-	-	4,383	-	2	(217,347)	(217,345)	-	(212,962)	-	(212,962)
Total Comprehensive income/ (losses) for the period, after tax		**-**	**-**	**-**	**-**	**4,383**	**-**	**2**	**(217,347)**	**(217,345)**	**(19,003)**	**(231,965)**	**10,088**	**(221,877)**
Expenses of the share capital increase		-	(6)	-	-	-	-	-	-	-	-	(6)	-	(6)
Disposals of property, plant and equipment		-	-	-	-	(17,966)	-	-	-	-	17,966	-	-	-
Financial liability from NCI Put option	5	-	-	-	-	-	-	-	(1,410,833)	(1,410,833)	-	(1,410,833)	-	(1,410,833)
Sale of subsidiary	5	-	-	-	-	-	-	-	-	-	678,686	678,686	637,203	1,315,889
Dividend distribution	5	-	-	-	-	-	-	-	-	-	-	-	(41,650)	(41,650)
Treasury shares	26	-	-	(40,683)	-	-	-	-	-	-	-	(40,683)	-	(40,683)
Formation of legal reserve	27	-	-	-	8,318	-	-	-	-	-	(8,318)	-	-	-
Other movements		-	-	-	-	-	-	-	-	-	23	23	-	23
Balance, December 31st, 2022		**947,360**	**1,018,747**	**(40,683)**	**136,635**	**5,150,332**	**(947,342)**	**(468)**	**(1,321,333)**	**(1,321,801)**	**(869,348)**	**4,073,900**	**605,970**	**4,679,870**

- The accompanying notes are an integral part of the consolidated and separate financial statements.

PUBLIC POWER CORPORATION S.A.
SEPARATE STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2022
(All amounts in thousands of Euro)

COMPANY	Note	Share Capital	Share Premium	Treasury shares	Legal Reserve	Revaluation Surplus	Statutory Revaluation Surplus	Other Reserves			Retained Earnings	Total Equity
								Fair Value of financial assets through comprehensive income	Tax-free and Other Reserves	Other Reserves Total		
Balance, January 1st, 2021		**575,360**	**106,679**	**-**	**128,317**	**4,594,433**	**(947,342)**	**(82)**	**51,934**	**51,852**	**(1,780,536)**	**2,728,763**
Profit/(Loss) for the year		-	-	-	-	-	-	-	-	-	306,145	306,145
Other comprehensive income/ (loss) for the year after tax		-	-	-	-	129,569	-	(319)	211,793	211,474	-	341,042
Total Comprehensive income / (loss) for the year, after tax		**-**	**-**	**-**	**-**	**129,569**	**-**	**(319)**	**211,793**	**211,474**	**306,145**	**647,187**
Share capital increase	26	372,000	978,000	-	-	-	-	-	-	-	-	**1,350,000**
Expenses of the share capital increase	26	-	(65,926)	-	-	-	-	-	-	-	-	**(65,926)**
Disposals of property, plant and equipment		-	-	-	-	(26,929)	-	-	-	-	26,929	**-**
Transfer of the revaluation surplus of property, plant and equipment of Ditribution Network due to the spin -off	15, 5	-	-	-	-	(1,696,476)	-	-	-	-	1,696,476	
Other movements		-	-	-	-	-	-	-	-	-	3	3
Balance, December 31st, 2021		**947,360**	**1,018,753**	**-**	**128,317**	**3,000,597**	**(947,342)**	**(401)**	**263,727**	**263,326**	**249,016**	**4,660,027**
Balance, January 1st, 2022		**947,360**	**1,018,753**	**-**	**128,317**	**3,000,597**	**(947,342)**	**(401)**	**263,727**	**263,326**	**249,016**	**4,660,027**
Net Profit/(Loss) for the period		-	-	-	-	-	-	-	-	-	770,092	770,092
Other total income / (loss) for the period, after tax		-	-	-	-	6,687	-	1	(228,586)	(228,585)	-	(221,898)
Total Comprehensive income/ (loss) for the period, after tax		**-**	**-**	**-**	**-**	**6,687**	**-**	**1**	**(228,586)**	**(228,585)**	**770,092**	**548,194**
Expenses of the share capital increase		-	(6)	-	-	-	-	-	-	-	-	(6)
Disposals of property, plant and equipment		-	-	-	-	(13,952)	-	-	-	-	13,952	-
Absorption of Lignite subsidiaries	5.1	-	-	-	-	71,265	-	-	4,446	4,446	(13,099)	62,612
Treasury shares	26			(40,683)	-	-	-	-	-	-	-	(40,683)
Formation of legal reserve	27	-	-	-	8,318	-	-	-	-	-	(8,318)	-
Other movements		-	-	-	-	-	-	-	3	3	1	4
Balance, December 31st, 2022		**947,360**	**1,018,747**	**(40,683)**	**136,635**	**3,064,597**	**(947,342)**	**(400)**	**39,590**	**39,190**	**1,011,644**	**5,230,148**

- The accompanying notes are an integral part of the consolidated and separate financial statements.

(All amounts in thousands of Euro)

	Note	GROUP 01.01.2022-31.12.2022	GROUP 01.01.2021-31.12.2021*	COMPANY 01.01.2022-31.12.2022	COMPANY 01.01.2021-31.12.2021*
Cash Flows from Operating activities					
Profit/ (Loss) before tax from continuing operations		**(25,996)**	**(149,822)**	**742,896**	**(123,684)**
Profit/ (Loss) before tax from discontinued operations		**-**	**-**	**-**	**290,038**
Profit/ (Loss) before tax		**(25,996)**	**(149,822)**	**742,896**	**166,354**
Adjustments:					
Depreciation and amortization	9	619,883	662,273	290,366	342,992
Depreciation of right-of-use assets	9	33,426	20,147	25,038	13,827
Impairment loss on assets	35	(197,675)	107,575	(199,966)	78,675
Impairment loss of the shareholding of Lignite Subsidiaries	17	-	-	-	88,000
Amortization of subsidies	9	(12,929)	(16,172)	(9,257)	(9,896)
Income from long-term contract liabilities	34	(96,343)	(91,852)	(248)	(248)
Gain from partial sale of a subsidiary/ the spin off of distribution network	5	-	-	(790,021)	(52,301)
Provision for post retirement benefits	31	50,476	-	49,194	-
Gains from associates	18	(61,677)	(4,350)	-	-
Interest income and dividends		(43,857)	(59,294)	(86,045)	(65,222)
Other provisions		179,343	5,038	166,295	(22,336)
Valuation of derivatives – swap agreements	43	125	-	11,732	-
Utilization of provision for decommissioning/ dismantling of Units, Mines	32	(26,785)	(10,777)	(26,785)	(10,777)
Finance expense for the provision for decommissioning	11	33,024	27,795	32,898	27,795
Foreign exchange gains losses on loans and borrowings		(7,273)	(1,159)	(7,349)	(1,126)
Unbilled revenue	22	(154,882)	(347,935)	(154,882)	(347,935)
Disposals of property, plant and equipment and intangible assets	15	(5,775)	(4,536)	(13,811)	(559)
Amortization of loans' issuance fees	11	6,527	7,133	6,440	7,133
Interest and other expense		187,076	160,244	126,665	107,278
Operating profit/(loss) before working capital changes		**476,688**	**304,308**	**163,160**	**321,654**
(Increase)/decrease in:					
Trade receivables	21	(487,418)	(234,030)	(584,788)	(364,629)
Other receivables	23	(141,770)	(830,768)	(95,127)	(848,738)
Inventories	20	(205,102)	(5,311)	(134,288)	769
Increase/(decrease) in:					
Trade payables	36	33,670	(319,754)	84,046	(444,194)
Other non – current liabilities	34	484,676	700,317	485,899	685,929
Accrued and other liabilities (excluding accrued interest)		115,679	987,090	66,861	1,045,037
Restricted cash		(1,991)	(7,154)	8,266	4,525
Change in Intangible assets (Emission allowances)	16	(185,311)	(242,297)	(185,311)	(242,297)
Proceeds from long-term contract liabilities	34	134,216	179,094	-	-
Income tax (paid) /received	14	(72,302)	100,261	(56,699)	103,153
Discontinued operations	5	-	-	-	135,932
Net Cash from/ (used) in Operating Activities		**151,035**	**631,756**	**(247,981)**	**397,141**
Cash Flows from Investing Activities					
Interest and dividends received	12	43,857	59,294	86,045	65,222
Capital expenditure for property, plant and equipment and intangible assets	15,16	(686,211)	(437,851)	(206,095)	(183,756)
Proceeds from subsidies	33	58,336	-	-	-
Investments in subsidiaries and associates		-	(4,759)	(304,389)	(33,700)
Sales of property, plant and equipment	15	17,958	40,637	17,958	40,637
Proceeds from the sale of subsidiary	5	-	-	1,323,276	-
Acquisition of subsidiaries, net of cash acquired	3	(57,191)	-	-	-
Discontinued operations	5	-	-	-	(170,353)
Net Cash from/ (used in) Investing Activities		**(623,251)**	**(342,679)**	**916,795**	**(281,950)**
Cash Flows from Financing Activities					
Net change in short-term borrowings	37	(163,004)	229,185	(210,000)	230,000
Proceeds from long-term borrowing	30	392,304	1,896,888	215,669	1,880,364
Principal payments of long-term borrowing	30	(471,404)	(1,497,516)	(317,432)	(1,343,742)
Principal lease payments of right-of-use assets	42	(39,122)	(22,711)	(29,810)	(15,052)
Interest paid and loans' issuance fees		(160,368)	(162,274)	(107,411)	(110,929)
Dividends paid	5	(41,650)	(12)	-	(12)
Treasury shares	26	(40,683)	-	(40,683)	-
Share capital increase including expenses	26	-	1,284,074	-	1,284,074
Proceeds from the sale of subsidiary	5	1,323,276	-	-	-
Discontinued operations	5	-	-	-	(154,630)
Net Cash used in Financing Activities		**799,349**	**1,727,634**	**(489,667)**	**1,770,073**
Net increase / (decrease) in cash and cash equivalents		327,133	2,016,711	179,147	1,885,264
Cash and cash equivalents at the beginning of the year		2,832,351	815,640	2,512,204	626,940
Cash and cash equivalents from Absorption	5.1	-	-	69,201	-
Cash and cash equivalents at the end of the year		**3,159,484**	**2,832,351**	**2,760,552**	**2,512,204**

- The accompanying notes are an integral part of the consolidated and separate financial statements.
- * Certain figures of the Group and the Parent Company have been restated compared to those published on 31.12.2021 for better illustration and comparability purposes with other companies of the industry. Specifically, the change in intangible assets (Emission Rights) with an amount of € 242.297 was transferred from cash flows from investing activities (Capital expenditure for property, plant and equipment and intangible assets) to cash inflows from operating activity in a separate line. Moreover, the proceeds from long-term contract liabilities of the Group and the Parent Company amounting to € 179,094 and €154,754 (discontinued operations) respectively, were transferred from cash flows from investing activities to cash inflows from operating activities in a separate line (Note 4.2).

D. NOTES TO THE FINANCIAL STATEMENTS

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 January 1, 2001 PPC was transformed into a société anonyme with a duration of 100 years and effective December 2001, PPC's shares are listed on the Athens Stock Exchange.

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

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

On December 31st, 2022 the number of personnel employed by the Group was 12,755 (2021: 12,909). On December 31st, 2022, 93 employees of the Group (2021: 95), have been transferred to several State agencies, out of which, 88 were compensated by PPC (2021: 90). The total payroll cost of such employees, for the fiscal year ended December 31st, 2022 amounted to € 4,308 (2021: € 3,969). Additionally, on December 31st, 2022, PPC's transferred employees in EFKA (Greek Single Social Security Institution) amounted to 147, (2021: 185) for which payroll cost amounted to € 7,779 (2021: € 8,933).

PPC Group generates electricity from the power generating stations of the Parent Company and its subsidiary "PPC Renewables S.A." and distributes electricity to consumers through the distribution network for Medium and Low voltage by its subsidiary "HEDNO S.A.". PPC Group has also developed an urban fibre optics network. Lignite consumed by the Group's lignite-fired power stations is extracted, to a significant extent, from its own lignite mines.

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

(All amounts in thousands of Euro, unless otherwise stated)

2. LEGAL FRAMEWORK

SIGNIFICANT CHANGES IN 2022

2.1. ELECTRICITY MARKET

- By RAE Decisions 185/2022 (OG B' 985/04.03.2022), 212/2022 (OG B' 1644/06.04.2022), 233/2022, 480/2022 (OG B' 2810/06.06.2022) and 585/2022 (OG B' 3426/04.07.2022) the framework for the participation of Dispatchable Load Portfolio (Demand Response) and Dispatchable RES Units Portfolio in the Balancing Market was established.

- By RAE Decision 751/2022 (06.10.2022) PPC was granted an Aggregator licence with regard to the Demand Response service in the electricity market, for a capacity of 1000 MW and a duration of 20 years, which marks the start of the Company's activation as Aggregator, based on the relevant regulatory framework of the market.

- Law 4951/2022 (OG A' 129/04.07.2022) as amended and in force by Law 4964/2022 (OG A' 150/30.07.2022) defined, among other things, issues related to the licensing framework and the operation of RES units, as well as to the generation and storage of electricity, the development of marine floating solar plants and special issues related to the energy market. In particular, the law provided for:
  - The conclusion of Contracts for Emergency Standby Capacity between IPTO and the owners of thermal units (PPC) located in the electricity systems of the island regions, which no longer fall under the Non-Interconnected Islands (interconnection with mainland's Transmission System). The issuance of a Joint Ministerial Decision is expected within 3 months from the entry into force of the law, which specifies for the period from 01.01.2004 until the entry into force of the Contracts for Emergency Standby Capacity for the electrical systems of the islands of Andros, Tinos, Mykonos, Syros and Paros, the amount of the relevant consideration (PPC), which is calculated on the basis of documented full cost ex post data, provided by PPC and HEDNO, with coverage of the consideration through the Special Account for Public Service Obligations.
    Currently, no provision has been made in the financial statements of the Group and the Parent Company for the amount of the consideration to be received by PPC, as it is expected to be determined by a joint decision of the Ministers of Environment and Energy and Finance, following the opinion of RAE.

  - With article 122 of Law 4951/2022 through the addition of article 12A to Law 4425/2016 the Temporary Mechanism for Returning Part of the Revenues of the Next Day Market and Intraday Market to Electricity Producers from their participation in the markets of ENEX was established, with application initially until 01.06.2023, which was however extended until 30.06.2023, based on article 92 of Law 5027/2023 (OG A' 48/02.03.2023), through an amendment to article 12A of Law 4425/2016. By means of the above Temporary Mechanism, all Power Generation Units of the Interconnected System participating in the Day-Ahead Market (Lignite, Natural Gas, Large Hydroelectric Plants and RES Portfolios) return part of their revenues from the Day-Ahead Market to the Energy Transition Fund (ETF), so that they are ultimately paid based on a regulated unit price (in €/MWh) multiplied by the energy of these Units (in MWh) in the Day Ahead-Market.
    The Joint Ministerial Decision YPEN/DIE/70248/2434 (OG B' 3517/06.07.2022) defined the methodology applied by the Day Ahead Market Clearing House (EnExClear) for the calculation, on a monthly basis, of the administratively determined unit Regulated Revenue Price for Lignite, Natural Gas Units, Large Hydroelectric Power Plants (HPPs) and Renewable Energy Portfolios of the Interconnected System.
    For the Lignite Units and the Natural Gas Units the regulated unit price is calculated every month based on a mathematical formula (different for each category) which includes a price index of Natural Gas and CO2/Day. For the HPPs and the RES Portfolios the regulated unit price is fixed and different for each category.
    8 July 2022 was set as application date of the Mechanism in the Day-Ahead Market by the decision YPEN/DIE/69734/2413 (OG B' 3517/06.07.2022), while by the decision YPEN/DIE/102621/3568 (OG B' 5200/06.10.2022), the application of the Temporary Mechanism on the sales transactions carried out in the Intraday Auctions(CRIDAs) started on 7 October 2022.

    The Joint Ministerial Decision YPEN/DIE/115180/4229 (OG B' 5649/04.11.2022), by amending the Joint Ministerial Decision YPEN/DIE/70248/2434, incorporated, as from 06.11.2022, in the calculations of the regulated price for natural gas units, the special contribution of 10€/MWh imposed on the quantity of natural gas used for the generation of electricity from natural gas units payable to the ETF, for each obligated electricity producer under article 62 of Law 4986/2022, with the result that the electricity producers are not charged with this contribution.
    With article 89 of Law 5027/2023, through an amendment of article 62 of Law 4986/2022, from 01.03.2023 the amount of the contribution was changed from the fixed price of €10/MWh to a rate of 5% of the numerical average of daily average prices of the natural gas trading platform “Title Transfer Facility” (TTF).

(All amounts in thousands of Euro, unless otherwise stated)

2.LEGAL FRAMEWORK (CONTINUED)

With article 109 of Law 5007/2022 (OG A' 241/23.12. 2022), the extension of the application of the Temporary Mechanism for the Refund of Part of the Revenue of RES Generation Units and Portfolios was provided to the entire Intraday Market (not only to the sales transactions carried out in the Intraday Auctions as was the case) but also during the continuous intraday market trading (XBID), starting as from 2 January 2023, based on the Decision YPEN/DIE/138775/4768 (OG B' 6950/30.12.2022).

By means of this mechanism, the exposure of the power Generation activity in the Interconnected System to the fluctuation of fuel, CO2 and electricity prices ceases for the Group and the Parent company from 08.07.2022 until 01.06.2023 (until 30.06.2023 after amendment of the respective Law in March 2023) (Note 43).

- Article 41 of Law 4994/2022 (OG A' 215/18.11.2022), through the addition of article 143Z to Law 4001/2011, the Electricity Demand Reduction Service was established as an obligation for electricity consumers or Aggregators (DRP/Aggregators) to reduce the active power they consume or represent during peak hours by at least a certain predetermined volume based on participation in relevant auctions of the competent operator, IPTO. The Electricity Demand Reduction Service may be provided for the period 01.12.2022 – 31.03.2023.

  The procedures for registration with the Electricity Demand Reduction Service Providers Registry and the Electricity Demand Reduction Portfolio Registry of IPTO have been completed, with PPC among those registered, but the scheduled auctions were not held due to the non-receipt of the European Commission's consent on the content of the official notification of the Hellenic Republic for the Electricity Demand Reduction Service, as provided for in the relevant Joint Ministerial Decision.

- By RAE Decision 862/2022 (OG B' 6063/28.11.2022) the coupled operation of the Intraday Market and through the Single Intraday Coupling (SIDC), at the bidding zone borders Greece – Italy and Greece – Bulgaria (through the XBID platform) was launched as from 30.11.2022, following the launch of the coupled operation of the Intraday Market as from 22.09.2021, through only the Complementary Regional Intraday Auctions (CRIDAs), in order to fulfil the objective of completion of the single European electricity market according to the EU Target Model. On this basis, the provisions relating to Continuous Intraday Trading in the Regulations and Codes of the markets are activated, while, pursuant to Article 5 of Law 4414/2016 as in force, with the development and operation of the Continuous Intraday Electricity Market, RES Units with Market Participation Obligation for which a Sliding Feed-in-premium Contract has been concluded acquire full balancing obligations, differentiating the way they participate in the markets.

- By RAE Decision 928/2022 (OG B' 6868/29.12.2022), the supply share for each Market Time Unit was set for the year 2023 at 40% to which 30% is applied as the maximum threshold of transactions on Energy Financial Instruments (Forward Hedging Ratio, FHR) with physical delivery of energy, which have been concluded within the Energy Derivatives Market or bilaterally. This restriction is directly applicable only to the amount of physical delivery transactions carried out by PPC. The maximum percentage of transactions was increased from 20% in 2022 to 30% in 2023.

<u>Issues of the Electricity Retail Market</u>

- The Law 4886/2022 (OG A' 12/24.01.2022) expands the granting of subsidy for the consumption of electricity and natural gas (as a credit to the beneficiaries' accounts by suppliers) through the Energy Transition Fund (ETF) managed by DAPEEP, which was established by Law 4839/2021, and from now on all electricity consumers, regardless of voltage level, with variable electricity supply tariffs that are adjusted on the basis of the wholesale electricity market price, and all natural gas consumers, except electricity producers, including cases of combined heat and power, whether high-efficiency or not, for the part of gas consumption related to thermal energy generation, can be eligible for subsidy.

  The amount of the subsidy (€/MWh), the procedure, the way and time of its granting, the time of settlement, the consumption period, the maximum and minimum consumption limits, the obligations of the electricity and gas suppliers, as well as any other issue related to the granting of the electricity and gas subsidy for the year 2022 were established by a series of joint ministerial decisions (JMD) issued within 2022. The Energy Transition Fund in order to protect consumers provided an electricity subsidy from September 2021 and throughout 2022.

  Also by the Joint Ministerial Decision YPEN/DIE/13046/455 (OG B' 560/10.02.2022) the electricity consumption subsidy for the months of August - December of the year 2021 was determined for consumers with agricultural supplies and consumers active in the drying of agricultural products, of low and medium voltage (LV, MV), who have variable tariff contracts that are adjusted based on the wholesale electricity market price.

(All amounts in thousands of Euro, unless otherwise stated)

2.LEGAL FRAMEWORK (CONTINUED)

In particular, eligible for the electricity consumption subsidy were all residential electricity consumers for supplies relating to main residence, while the subsidy was scaled, for the first tier of monthly electricity consumption from 0 to 150 kWh and the second tier of monthly electricity consumption from 151 kWh to 300 kWh. For residential consumers, the unit subsidy for the two tiers from the lowest to the highest monthly consumption was set for January 2022 for the first and second consumption tiers at €160/MWh and €120/MWh respectively, for February and March 2022 for the first and second tiers at €150/MWh and €110/MWh respectively, for April 2022 at €270/MWh and €210/MWh respectively, for May 2022 at €205/MWh and €160/MWh respectively and for June 2022 at €185/MWh and €140/MWh respectively on electricity consumption. In addition, for May and June 2022 1) a subsidy of €100/MWh has been set for excess consumption, consumption above the limits, and 2) a subsidy of €100/MWh has been set for supplies relating to non-main residence. For all residential consumers, regardless of consumption limit and type of residence, a subsidy of €200/MWh was set for July 2022, €337/MWh for August 2022 and €639/MWh for September 2022. For the months of October – December 2022, all residential consumers, regardless of the type of residence, were granted a tiered subsidy, for monthly electricity consumption from 0 to 500 kWh, from 501 kWh to 1,000 kWh and for consumption exceeding 1,000 kWh, whereby for monthly consumption exceeding the consumption limits of a certain scale, the excess consumption is subsidised on the basis of the unit subsidy price of the next in order tier. Specifically, the unit subsidy for the three tiers, from the lowest to the highest monthly consumption, was set for the month of October 2022 at €436/MWh, €386/MWh and €336/MWh respectively, for the month of November 2022 at €238/MWh, €188/MWh and €98/MWh respectively and for the month of December 2022 at €221/MWh, €171/MWh and €81/MWh respectively. In addition, an electricity saving incentive has been introduced for all residential consumers, except for the Social Residential Tariff (KOT) and Solidarity Services Tariff (TYA) beneficiaries, whose consumption exceeds 500 kWh, with an additional subsidy of €50/MWh for residential consumers who achieve a 15% reduction in their average daily consumption compared to the respective last year's consumption.

Also, eligible for the subsidy were all beneficiaries of the Social Residential Tariff (KOT) (regardless of main residence), with the subsidy covering the first 300 kWh. For these consumers, the monthly subsidy on electricity consumption for January 2022 was set at €180/MWh, for February and March 2022 at €170/MWh, and for April 2022 at €290/MWh. For the months May - December 2022, the subsidy was set at €215/MWh, €195/MWh, €240/MWh, €377/MWh, €677/MWh, 485/MWh, €286/MWh and €269/MWh respectively, irrespective of consumption limit.

For beneficiaries of the Solidarity Services Tariff, the same subsidy was set for all months, irrespective of consumption limit.

For all non-residential electricity consumers (Agricultural, Commercial, Industrial, Professional, Other Uses, etc.), who have variable electricity supply tariff contracts, the unit subsidy was set for January to March 2022 in the amount of €65/MWh, for April to December 2022 at €130/MWh, €120/MWh, €100/MWh, €148/MWh, €250/MWh, €342/MWh, €230/MWh, €50/MWh, and €34/MWh respectively, irrespective of consumption limit.

In particular, with the Joint Ministerial Decision YPEN/DIE/152/4 (OG B' 3/03.01.2023), in addition to the subsidies defined in the Joint Ministerial Decisions YPEN/DIE/12477/435/09.02.2022 as in force, a subsidy from the ETF for electricity consumption was provided to all non-residential electricity consumers with business activity who meet the following requirements: 1) Have power supplies up to 35 kVA, or have a main activity with an Activity Code Number (ACN) 10. 71, i.e. bakeries, irrespective of the supply power limit and voltage level, or have an agricultural supply, irrespective of the supply power limit and voltage level, 2) From February 2022 to July 2022, be contracted to variable electricity supply tariffs adjusted on the basis of the wholesale electricity market price and from August 2022 to November 2022, be contracted to variable electricity supply tariffs or electricity supply tariffs under section 138 of Law 4951/2022 and 3) Have notified both the competent electricity network operator and the electricity supplier of their Tax Identification Number (TIN).

The subsidy shall be granted for consumption in the months of February - November 2022 and shall be granted no later than 31 December 2023 and the total subsidy shall not exceed 80% of the adjustment clause that applied to these tariffs. Furthermore, the total amount of the subsidy is granted without prejudice to any thresholds set in the context of subsidies granted under the Communication from the Commission No. 2022/C 131 I/01 on the Temporary Crisis Framework for State aid measures in support of the economy following Russia's aggression against Ukraine, as amended by European Commission Communications C/2022/5342 and C/2022/426/01. For a consumption period falling within the period of application of the measure and for which a bill has already been issued, the subsidy will be applied to a consumption bill issued within one month of the entry into force of the JMD.

(All amounts in thousands of Euro, unless otherwise stated)

2.LEGAL FRAMEWORK (CONTINUED)

In article 93 of Law 5027/2023, through an amendment to paragraph 3 of article 61 of Law 4839/2021, it was defined that customers who have entered into over the counter contracts for the physical delivery of electricity, the quantities of which, based on the article 92 of the same law, are not counted and are not taken into account during the application of the Temporary Mechanism for Returning Part of the Revenues of the Day-Ahead and Intra-Day Market to Electricity Producers and no subsidy is granted for the quantities delivered pursuant to these contracts.

For the natural gas consumption subsidy, Joint Ministerial Decisions were issued within 2022 which set the subsidy for residential consumers at €20/MWh on the total natural gas consumption for the months of January, February and March, at €40/MWh for April and at €20/Mwh for May and June. For non-residential consumers the subsidy was set at €30/MWh for the month of January, at €20/MWh for the months of February and March, at €40/MWh for the month of April, at €20/MWh for the months of May and June, at €30/MWh for the months of July, August and September and at €40/MWh for October on the total consumption of natural gas (including the consumption of Cogeneration of Heat and Power (CHP) and High Efficiency Cogeneration of Heat and Power (HECHP) for the generation of useful thermal energy, excluding quantities of natural gas used for the generation of electricity), laying down in particular issues of subsidy in the case of self-consumption.

In this context, within 2022, amounts totalling €3.9 billion were credited to PPC from DAPEEP for electricity consumption, as this subsidy was included in energy (and gas to a lesser extent) bills, reducing the amount of consumers' bills due to PPC.

- Law 4951/2022 (OG A' 129/04.07.2022) as amended and in force by Law 4964/2022 (OG A' 150/30.07.2022), defined:
  - ➢ The non-application of an adjustment clause or a corresponding clause in variable electricity tariffs, which is linked to the fluctuation of wholesale market figures, whether or not there is an explicit reference to such clause in these tariffs, for the consumption of electricity from 1 August 2022 to 1 July 2023.
  - ➢ The obligation of the suppliers of electricity to announce on a monthly basis and in a prominent place on their website, by the 20th day of the previous month (m-1), the fixed fees and the electricity supply charges for the capacity and energy component applicable to the variable tariffs for the month of application m.
- The Decision of the Ministry of Environment and Energy YPEN/GDE/6186/194 (OG B' 420/03.02.2022) amended the Decision YPEN/GDE/57469/2612 (OG B' 2400/17.06.2020) which specified the provision of the Universal Service, regarding the provision and application of a unit charge (clause) of adjustment on the charges for the provision of the Universal Service. The decision YPEN/DIE/63233/2187 reappointed PPC as one of the five Universal Service Suppliers for the two-year period 23.6.2022 - 22.06.2024.
- Based on RAE Decision 696/2022 (OG B' 4955/21.09.2022), the tendering procedure for the selection of the Supplier of Last Resort (SLR) was declared unsuccessful as of 29.09.2022 and for a period of 2 years (RAE Decision 588/2022, OG B' 3721/14.07.2022) and based on the provisions of Article 57 of Law 4001/211, by RAE Decision 712/2022 (OG B' 5084/28.09.2022), PPC was appointed as the Supplier of the Last Resort service for the period 29.09.2022 - 28.09.2024.
- Article 40 of Law 4994/2022 (OG A' 215/18.11.2022) established a Temporary Mechanism for Refund of Part of the Revenues from Electricity Suppliers, under which an extraordinary contribution is imposed on each electricity supplier, based on its excessive revenues from its activity in the domestic retail electricity market during the period 01.08.2022 - 01.07.2023.

  The proceeds of the levy shall be credited to the DAPEEP who manages of the special Account of the Energy Transition Fund (ETF) for subsidizing consumers' electricity bills.

  For the calculation of the excessive revenues, the Reasonable Maximum Retail Price (RMRP), based on the average cost of supplying electricity, plus a reasonable maximum profit margin and taking into account a reasonable percentage for system losses, operating costs and risk of bad debts and the Average Billing Price (ABP) will be taken into account per month under review, as the average billing price on the tariffs provided by the supplier, based on the consumption per tariff, excluding any state subsidy, with the possibility of including also fixed tariff types of low-voltage consumers by priority, as well as discounts provided by suppliers.

  The excessive revenue per month for each supplier will be calculated as the product of the difference between the Average Billing Price and the corresponding Reasonable Maximum Retail Price, multiplied by the quantity of electricity supplied per month, minus the amounts paid by the liable party in the context of the settlement of monthly electricity purchase contracts and monthly hedging operations.

  A joint decision is expected to be issued by the Ministers of Environment and Energy and Finance, which will define every relevant detail and procedure for the implementation of the Mechanism following a proposal by RAE, as well as the procedure and time for the imposition, certification, collection and reimbursement of the extraordinary contribution to the ETF.

2.LEGAL FRAMEWORK (CONTINUED)

At present, any financial impact of the extraordinary contribution on electricity supplier cannot be determined.

2.2. Public Service Obligations (PSOs)

- By RAE Decision 97/2022 (OG B' 900/28.02.2022) and RAE Decision 99/2023 (OG B' 958/23.02.2023), the cap on the annual charge for customers per consumption point for the coverage of the costs for the provision of PSOs was adjusted to € 789,249 for the year 2022 and € 865,017 for the year 2023 respectively.

- By RAE Decision 605/2022 (OG B’ 4232/10.08.2022) the monthly ex-post NII_PSO compensation, per NII System, were approved, forming a PSO compensation on the total NII for the year 2018 of €646.5 million and on the basis of the ex-post data of the energy to be billed corresponding to each Supplier active in each NII System, the PSOs Operator (HEDNO) will proceed to a final settlement for each Supplier, in accordance with the methodology for determining NII_PSO compensation as in force.

- The Joint Ministerial Decision YPEN/DIE/81948/2763 (OG B΄4266/11.08.2022) and YPEN/DIE/124862/4493 (OG B΄6166/05.12.2022), approved the financing of the Energy Transition Fund (ETF) through the Special Account for Public Service Obligations (PSOs), in the amount of €300 and €100 million respectively. Within 2022, the subsidiary HEDNO paid the amount of €400 million from the surplus of the PSO account to the Energy Transition Fund account managed by DAPEEP.

- With article 58C of Law 4001/2011 as valid, based on article 61 of Law 4986/2022 and article 90 of Law 5027/2023, it was defined that the compensation for the risk from energy crises constitutes a Service of Public Interest (PSO), and that by a decision of the Ministry of Energy, following potentially a proposal from the competent Administrator, the persons obliged to provide, the type of risk compensated on a case-by-case basis, the exact method of compensation, the amount necessary for effective compensation, the relevant matters of its transfer from the administrative account of PSO, the determination of the PSO, the beneficiaries of its provision, as the case may be.

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

- On 18 March 2022, the Regulatory Authority for Energy issued the decision no 868/2021, which set the Required Revenue of HEDN for 2022 at €797.9 million.
- The Joint Ministerial Decision YPEN/ESPAEN/98830/1514 (OG B’ 5127/30.09.2022) defined the operations (projects), the procedure, the obligations and the amount of HEDNO’s S.A financing through the Public Investment Programme and in particular form the resources of the Recovery and Resilience Fund. On 31/10/2022, the subsidiary HEDNO received €50 million as an advance payment for the financing of its projects and specifically of actions 16900 and 16901, following the approval of the contracts by the Special Coordination Service of the Recovery Fund and the finalization of 38 Contracts’/Subprojects’ Technical Data Sheets.

2.4. Other Issues of the Electricity Market

- Law 4920/2022 (OG A' 74/15.04.2022) defined the investment and operating aid framework for electricity storage stations and issues related to the installation and operation of electricity storage stations with pumped storage technology.

- Law 4936/2022 (OG A'105/27.05.2022) in Part A established strategies, policies and measures aiming at adapting the country to climate change and ensuring decarbonisation by the year 2050, with a reduction of net anthropogenic greenhouse gas emissions by at least 55% and 80% as interim climate targets for the years 2030 and 2040 respectively, compared to 1990 levels, taking into account the projections of the National Energy and Climate Plan (NECP).
  Indicatively, electricity generation from solid fossil fuels is prohibited from 31.12.2028 onwards and from 01.01.2030 onwards the use of fuel oil for electricity generation in the Non-Interconnected Islands will be prohibited, except in cases of emergencies that put at risk the security of electricity supply. It also provided for the establishment of a mechanism for carbon budgeting for key sectors of the economy, including power and heat generation, and for the governance and participation system for climate action.
  In Part B of the law, measures relating to the electricity market were introduced, including the extraordinary contribution on electricity generators, based on the increase in the gross profit margin from the participation of each power unit in the electricity markets for the period from 01.10.2021 to 30.06.2022. Electricity generators are liable to pay the charge for all their power units, as well as for those represented by Aggregators.

(All amounts in thousands of Euro, unless otherwise stated)

2.LEGAL FRAMEWORK (CONTINUED)

The charge is calculated per month of the period under review, by applying a factor of 90% on the positive difference in the Gross Profit Margin of the liable party, between the month under review and the same month of the previous year, weighted by the Fixed Price Supply Contracts and net of discounts to final consumers and refunds under Bilateral Power Purchase Agreements. The proceeds of the contribution shall be credited to the special account of the Energy Transition Fund (ETF) for subsidizing consumers' electricity bills. The amount of the charge is calculated by RAE,on a producer-by-producer basis, imposed by the Ministry of Environment and Energy and certified and collected forthwith by the Independent Authority for Public Revenue, as public revenue, in accordance with the Public Revenue Collection Code (Decree-Law 356/1974). The joint ministerial decision (JMD) of the Ministers of Environment and Energy and Finance YPEN/DIE/87027/2890/30.08.2022 (OG B' 4658/05.09.0222), as amended by the JMD YPEN/DIE/111281/4111(OG B'5537/26.10.2022) and YPEN/DIE/8304/148 (OG B'383/27.01.2023), defined the assumptions, the issues of application of the methodology, the parameters and special issues related to the calculation of the contribution, as well as the procedure for the imposition, certification, collection and payment of the contribution to the special account of the Energy Transition Fund, and any detail and procedure required for the implementation of the levy. Initially, the provisional amount of the extraordinary contribution was determined by RAE and, upon completion of the final settlement procedure, the final amount of the extraordinary contribution was re-determined by RAE, based on the final figures as certified by a certified public accountant.

On 7 November 2022, PPC received an information note with the provisional amount of the extraordinary contribution amounting to €276,048 that was paid in December 2022. On 14 February 2023, PPC received an information note with the final amount of the extraordinary contribution amounting to €245,322. As of 31 December 2022, the final amount of the extraordinary contribution is included in the Income Statement under the account "Extraordinary contribution on electricity generators" of the Group and the Parent Company, while it recognized a receivable of €30,726 from the difference between the provisional and final charge (Note 23).

- The decisions RAE 866/2022 and 868/2022 (24.11.2022), replacing the initially issued Decisions RAE 501/2022 and 502/2022 (09.06.2022) respectively, due to a regulatory obligation to update the licences under the provisions of articles 132A – 132H of Law 4001/2011, PPC was granted licenses for electricity storage (simultaneous condensation) with a validity period of 25 years, in Unit III and Unit IV of Kardia TPP in the Western Macedonia Region, in order to enable the implementation of the company's initiative for the conversion of the generators of Units III and IV into simultaneous capacitors and to provide for reactive power regulation, voltage and inertia support auxiliary services to HETS based on the relevant market regulatory framework.

2.5. NATURAL GAS MARKET

B1. Gas balancing Platform

Issues concerning the operation of the Trading Platform (spot market) for natural gas and the way to participate in it, which was launched in Greece by the Hellenic Energy Exchange on 21 March 2022 and in which the Company participates, were defined:

- RAE Decision 60/2022 (OG B' 454/07.02.2022) approved the operation and management of the Natural Gas Trading Platform by the company "Hellenic Energy Exchange S.A." (HEnEx) and by RAE Decision 88/2022 (OG B' 513/09.02.2022) the company "Energy Exchange Clearing House S.A." (EnExClear) was approved as the Clearing House of the Natural Gas Trading Platform, in accordance with the provisions of Law 4425/2016.
- RAE Decision 61/2022 (OG B' 336/01.02.2022), approved the Rulebook for the Gas Trading Platform, which includes the rules and procedures governing transactions between Participants in the Trading Platform and the National Natural Gas System Operator (DESFA) and by RAE Decision 89/2022 (OG B' 515/08.02.2022), the Clearing Rulebook for Transactions on the Gas Trading Platform was approved.
- RAE Decision 62/2022 (OG B' 584/11.02.2022) approved the specifications of products traded on the Gas Trading Platform.
- RAE Decision 90/2022 (OG B' 488/08.02.2022) approved the risk management procedures of the Gas Trading Platform Clearing System and RAE Decision 91/2022 (OG B' 823/24.02.2022) approved the Implementing Decision of the Clearing Rulebook for Transactions on the Trading Platform, which defines the measures imposed by the Clearing House (EnExClear) on Clearing Members, in cases of, indicatively, violation of the provisions of the Rulebook, non-compliance with the technical instructions and specifications, submission of false or misleading information, non-fulfilment or defective fulfilment of obligations, insolvency issues, bankruptcy, etc.

(All amounts in thousands of Euro, unless otherwise stated)

2.LEGAL FRAMEWORK (CONTINUED)

2.6. ELECTROMOBILITY

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2.7. ISSUES OF RENEWABLE ENERGY SOURCES (RES) AND HIGH EFFICIENCY CO-GENERATION OF HEAT AND POWER (HECHP)

- The Decision YPEN/DAPEEK/81329/3660 (OG B' 4247/10.08.2022) as provided for in Article 143 of Law 4001/2011, determined the methodology for calculating the charge imposed on load representatives, the creation and the amount of the contingency reserve of the Sub-account of new RES and HECHP projects of the National Plan for Energy and Climate - NPEC (OG B' 4893/23.12.2019), which compensates the owners of RES and HECHP stations that are commissioned as from 1.1.2021 and whose revenue, among other things, is the charge imposed on load representatives and charged to the customers of each electricity supplier, depending on energy consumption, and reflected in the electricity bill. The decision defined the procedure for the imposition and adjustment of the charge, the procedure for the invoicing and settlement of the load representatives, as well as the way in which RES and HECHP projects commissioned after 1.1.2021 are included in the New Projects Sub-account and all relevant details and procedures during the operation of the Sub-account.

2.8. SPECIAL ISSUES

- By RAE Decision 672/2022 (OG B' 4792/12.09.2022), as amended by RAE Decision 792/2022 (OG B' 5534/26.10.2022) and in force, the revised Preventive Action Plan (PAP) was approved, in accordance with Regulation (EU) 2017/1938 concerning measures to safeguard the security of gas supply.
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The PAP adopts 4 Strategies with 11 appropriate measures (Actions) with a view to reducing or eliminating the risks that may affect the security of natural gas supply in Greece, in case of significant disruptions in the demand and/or supply of Natural Gas, taking into account the conclusions of the Studies conducted at regional level, the results of the Identification of National Electricity Crisis Scenarios and the results of the updating of the National Risk Assessment Study in terms of secure gas supply. PPC S.A. is liable for the following Actions of PAP:

Action D3: Obligation to maintain a natural gas reserve in underground storage infrastructure of another Member State (Italy, Bulgaria) for the period November 2022 - March 2023, under which the Liable Suppliers will store a regulatory quantity of natural gas in underground storage facilities in neighbouring Member States, which will be transported to Greece at a fixed daily withdrawal rate (a quantity equal to 1/151 of their obligation) and will make it available to the Greek market through the Natural Gas Trading Platform. In the context of this action, PPC maintains, through DEPA, a reserve of €2.7 million as of 31 December 2022 in underground infrastructure in Italy.

Action D4: Maintenance of a natural gas safety reserve at Revythoussa from gas-fired power plants without the possibility of fuel switching, in the context of which each holder of a natural gas-fired power generation license, who has chosen as a specific condition of his/her generation license the option to maintain a natural gas reserve in a storage facility and has a commercial operation license (for PPC: the Aliveri V, Lavrion V and Megalopolis V Units) shall be subject to the obligation to maintain a sufficient natural gas reserve and to store it before November 15, 2022 in the storage facility of Revythoussa and to replenish it no later than 7 days as from its consumption during the 5-month period and provided there are no reasons of force majeure. In the context of this action, PPC maintains at Revythoussa a safety reserve of €29 million as of 31 December 2022.
For Actions D3 and D4, the coverage of capital costs shall be paid in the form of compensation to the Liable parties and not as a return on reserves.

Action D5: Increase of alternative fuel (diesel) reserves in gas-fired power plants with fuel switching possibility, in the context of which the license holders of electricity generation with NG and fuel switching possibility (for PPC: Komotini and Lavrion IV Units) are obliged to maintain reserves of alternative fuel (diesel) for 20 days or up to the maximum storage capacity of the existing tank, if lower, with the deadline for filling the tanks fixed at November 15, 2022. In compliance with the above action, PPC maintains increased fuel switching reserves at the Komotini and Lavrion IV Units.

(All amounts in thousands of Euro, unless otherwise stated)

2.LEGAL FRAMEWORK (CONTINUED)

Finally, according to par. 6 of Article 73 of Law 4001/2011, as in force, in order to finance the measures of the Preventive Action Plan, the National Natural Gas System Operator (DESFA) collects, from all Users, the Supply Security Levy per unit of natural gas quantity that the users receive from the National Natural Gas System(NNGS), which is recovered from Natural Gas Customers. In particular, RAE Decision 888/2022 (OG B' 6917/30.12.2022) determined the amount of the unit Supply Security Levy for each category of natural gas Customers with effect from 2023 (Interruptible consumers: 0€/MWh, Electricity Producers: 2,49€/MWh, Other Consumption: 1,99€/MWh and Protected Consumers: 2.84€/MWh), the maximum allowable limit and the maximum negative balance of the security of supply account (€50 million), as well as the necessary terms and conditions for financing the measures of the Preventive Action Plan.

3. SIGNIFICANT EVENTS

Effects of the COVID-19 Pandemic

The COVID-19 pandemic continues in year 2022 to affect the global social and economic life. In Greece, after the resumption of the restrictive measures from October 2020 until approximately the end of March 2021, from mid-April 2021 the restrictive measures gradually began to be lifted, as a result of the program of massive vaccination applied, while there was an almost complete liberalization of the operation of stores.

Due to the fact that the majority of the impacts mainly comes from the measures taken, both worldwide and in Greece since mid-March 2020 to reduce the spread of the pandemic and to mitigate the economic impact on businesses and individuals, the Group's and the Parent Company's operation has been affected, initially causing short-term positive effects on their financial position, operating results and cash flows, mainly due to the considerable decrease in oil and natural gas prices in 2020. In the medium to long term, the pandemic has resulted in the delay or freezing of new energy investments, which at least partially corresponds to the high prices of energy products (electricity, natural gas, oil, CO2 emission allowances etc.), observed in 2021 and in 2022, combined with the strong global recovery in demand for these energy products during 2021 and until mid 2022, as well as with the geopolitical frictions and the Russia-Ukraine war (below section) that created nervousness in the energy markets and strong upward trends in the prices of all energy products. In particular in Greece, after the recovery of electricity demand observed in 2021 in the Interconnected System and continued in the first half of 2022, a significant increase in electricity prices in the Day-ahead Market was observed, which in combination with the increase in prices for emission allowances CO2 and natural gas, contributed to the increase of the energy balance cost of both Greece and PPC for this period. It is noted that from July 2022 until today, a significant decrease in electricity demand in the Interconnected System has been observed, which is related on the one hand to the prevailing mild weather conditions and on the other hand to the reasonable reaction of consumers to the very high prices of electricity.

The Group and the Parent Company implemented a series of actions aimed at informing employees, raising their awareness of prevention and protection measures, providing them with appropriate Personal Protection Measures (PPE), protecting both them and their families and at the same time ensuring the smooth operation of their activities. They also took emergency measures to energy consumers due to the pandemic, as mentioned in the **Commercial Policy** section below.

However in any case, the Group's and the Parent Company's Management monitors constantly the developments of the COVID-19 pandemic and evaluates any possible further effects on the operation, financial position and results of the Group and the Parent Company, being alert to take further appropriate precautionary measures to safeguard the Group's and the Parent Company's liquidity and business activities.

War Russia-Ukraine

The current geopolitical crisis in Ukraine, combined with the economic sanctions imposed on Russia by the European Union and the United States of America, have created conditions of uncertainty in the economic environment at European and global level.
PPC Group does not have a relevant commercial presence in Russia and Ukraine and as a result there is no direct effect on its activities, but the indirect effect, as it develops, is particularly important.
The increased costs in the wholesale electricity market due to the unprecedented increase in the price of natural gas is a development that indirectly affects the activities of the Group, which is, however, largely protected by the vertically integrated nature of its activities, due to its presence in both generation and supply of electricity. The aforementioned protection of the Group due to its vertically integrated nature is mitigated to some extent, as a consequence of the Temporary Mechanism of Law 4971/2022 (Article 122) for Returning Part of Income of the Next Day Energy Market.

(All amounts in thousands of Euro, unless otherwise stated)

3.SIGNIFICANT EVENTS (CONTINUED)

Based on this Mechanism, which is valid during the period 8/7/2022-1/6/2023, which, however, was extended until 30/06/2023 based on article 92 of Law 5027/2023 (GO A' 48/02.03.2023), the power generation units of the Interconnected System (except Crete) is compensated in the Day-Ahead Market based on regulated prices as defined by Ministerial Decision (practical part of their income from the Day-Ahead Market is withheld, with which the special account "Energy Transition Fund" is financed). With the above Mechanism, the income of Generation in the Day-Ahead Market arises based on the variable cost of the units (cost plus), while the costs of Supply in the same Market arise based on the Clearing Price of this Market.
As an emergency measure to strengthen the energy sufficiency of the country and reduce the supply of natural gas from Russia, the PPC Group launched within 2022 the increase of lignite production, contributing to the adequacy of the country's electrical system for the period of the energy crisis, through a review of the mining planning and by changing the estimated withdrawal plan of the lignite units, with a slight extension of it, depending on the market conditions.
In addition, indirect effects may arise due to the consequent reduction of our customers' disposable income, as a result of increased energy costs and the intensification of inflationary pressures. As mentioned, already in the previous paragraph, there is a significant decrease in electricity demand during the second half of 2022, which is partly attributed to the increased energy costs.
Any overall final economic impact of the Russia-Ukraine war on the global and Greek economies and businesses cannot be estimated at present, due to the high degree of uncertainty arising from the impossibility of predicting the final outcome, but also due to the its secondary effects listed above. In any case, the Management of the Group and the Parent Company continuously monitors the relevant developments and evaluates any possible further effects on the operation, financial position and results of the Group and the Parent Company, being in a state of increased vigilance to take appropriate precautionary measures to safeguard the liquidity and business activities of the Group and the Parent Company.

Commercial policy

PPC in an effort to hold the arising energy costs and offset the impact on customer tariffs, it maintained energy discounts on contracts with floating tariffs until July 2022 and alongside fully implemented the supporting measures introduced by the State, incorporating the subsidies to beneficiary customers in both electricity and natural gas.

In April 2022, the pricing policy was adjusted to the high cost conditions, to Electricity products with fixed tariff (as well as to the product portfolio of Natural gas products as a whole), however, only affecting the new contracts and preserving those who had chosen in previous months one of these products.

In the context of its corporate operation, the Company has been developing and has implemented action programs for a long time, with the main objective of improving collections and at the same time providing integrated solutions to its customers in terms of servicing their due bills. In particular, it improves its credit policy in accordance with the Electricity Supply Code by creating scalable actions of information and collection, which are constantly evolving, and it measures their effectiveness.

At the same time, it continues its cooperation with a company that provides specialized support services in the context of the securitization of company's trade receivables with the aim of reducing overdue debts and preventing the creation of new ones, imposed by the criticality of the situation in the field of Energy. It applies new debt settlement policy for its entire customer base giving flexible settlement programs and personalized solutions according to the needs of its customers.

It also created new electronic and telephone bill collection services. Finally, in the new PPC store, apart from energy products (electricity and natural gas), there is a special area for the sale of smart products, with the latest technology.

With Law 4951/2022, from August 1, 2022, the adjustment clause in electricity supply tariffs is abolished. Instead, Suppliers in the case of floating tariffs announce in advance the prices that will apply for each month. PPC, in the application of the Law, has proceed with the relevant announcements (Note 2.1).

In November 2022, PPC rationalized its product portfolio in Natural Gas, eliminating fixed price products and updating the pricing policy of variable price products.

(All amounts in thousands of Euro, unless otherwise stated)

3.SIGNIFICANT EVENTS (CONTINUED)

Signing of MoU for the financing of the development of a Fiber to The Home Network (FTTH)

In January 2022, Public Power Corporation S.A. signed an MoU with Alpha Bank S.A and Piraeus Bank S.A. for the financing of the construction and operation of a Fiber To The Home (FTTH) Network in selected areas of Greece. The agreement includes the issuance of a long-term bond loan for up to € 530 million under the form of project financing by the 100% subsidiary of special purpose PPC fiber communications SA, which was established by PPC in December 2022 and which will undertake the construction, operation, exploitation and maintenance of the fiber optics network to be established.

On February 16, 2023, an amount of €30 million was paid by the Parent company as the initial share capital of the subsidiary.

Shareholders' agreement for the construction, installation, operation, management, ownership and sale of capacity via East Med Corridor System

On July 26, 2022, PPC signed a Shareholders' Agreement to set up a joint venture which will construct, install, operate, manage, own and sell capacity via a new submarine cable system and ancillary terrestrial infrastructure and network (the "East Med Corridor System" or EMC project), linking Europe with Asia.

The shareholders being MENA HUB a subsidiary of STC from Saudi Arabia, TTSA a Greek telecoms and satellite applications company, Digimed a subsidiary of Cyprus telecoms operator CYTA and PPC, have agreed to establish the joint venture company under the laws of the Republic of Cyprus. PPC will hold a minority stake with a 25% participation in the joint venture company.

Cooperation with RWE Business Group for the joint development of RES projects

In October 2021, PPC Renewables SA and RWE Renewables GmbH have signed the Joint Venture Formation Agreement and the Shareholders' Agreement, with the aim of jointly contributing and implementing photovoltaic stations with a total installed capacity of up to 2 GW through a JV investment vehicle (JVCo). In this context, in August 2021, 9 subsidiaries were established (companies "AMYNTAIO") in Amyntaio, Florina, for the creation of photovoltaic projects with a total capacity of up to 940 MW, which are located in Western Macedonia, within the former Lignite Mine Amyntaio.

On January 14, 2022, the process of the contribution in kind to METON ENERGY SA was completed from PPC Renewables, of the shares of its 9 subsidiaries AMYNTAIO which were valued on August 2, 2021 at € 75,185 by Certified Public Accountants and acquired 49% of its shareholding, while RWER, contributed the amount of € 78,254 to METON ENERGY and acquired 51% of its shareholding. Photovoltaic projects are in various stages of development, while the first projects are expected to start operating in 2023.

Group treated this transaction as a contribution in kind (IAS 28, par.28) of the net assets of its 100% subsidiaries (with loss of control) and recognition of shareholding in the fair value of 49% in the associate company METON ENERGY SA and its consolidation with the equity method.

On January 14, 2022, the Group recognized in the Income Statement "Gain from associates" amounting to € 38.1 million as it lost control of these assets while it recognized shareholding in associates amounting to € 38.7 million.

The Certified Public Accountant estimated the fair value of the 9 subsidiaries at € 153.4 million using the Cash Flow Discount method based on the Business Plan of the 9 subsidiaries for the period 2021 to 2058.

In October 2022, RWE Renewables, following the agreement with PPC Renewables, granted METON an option to purchase a portfolio of photovoltaic projects under development in Central Macedonia with a total capacity of approximately 710 MW, which was exercised by METON.

(All amounts in thousands of Euro, unless otherwise stated)

3.SIGNIFICANT EVENTS (CONTINUED)

Acquisition of RES portfolio subsidiaries

The Group, through its subsidiary PPC Renewables, entered into an agreement to purchase 100% of the shares of subsidiary companies of Volterra (100% subsidiary of AVAX), for a consideration of €59.7 million paid on June 22, 2022.

More specifically, the Group acquired 55% of the shares in Volterra K-R SA and Volterra LYKOVOUNI SA, in which it was already a shareholder with stake 45% in each company since 2019. Volterra K-R SA and Volterra LYKOVOUNI SA own wind farms with a total capacity of 69.7 MW in Etoloakarnania and Viotia.

Also, the Group acquired 100% of Heliofaneia S.A. which owns a 2.7 MW photovoltaic park in operation in Viotia, as well as the companies Volterra DOUKAS SA and Volterra KOUKOULI SA which own installation licenses for wind farms with a total capacity of 39.5 MW, the construction of which are scheduled to start shortly in Western Macedonia.

In August 2022, the 100% subsidiaries were renamed to K-R WIND PARK SHOLESHAREHOLDER S.A., LYKOVOUNI WIND PARK SHOLESHAREHOLDER S.A., DOUKAS WIND PARK SHOLESHAREHOLDER S.A., and KOUKOULI WIND PARK SHOLESHAREHOLDER S.A. by signing their new statutes.

The fair value of the assets and liabilities of the companies recognized in the Group's financial statements at the acquisition date amounted to:

	Fair value Amounts in thousands of euro
Property, plant and equipment, net (Note 15)	79,239
Intangible assets, net (Note 16)	52,729
Right of use assets	357
Other non – current assets	2,611
Total Non – Current Assets	**134,936**
Trade receivables	2,607
Restricted cash	12,084
Cash and cash equivalents	5,786
Total Current Assets	**20,477**
Total Assets	**155,413**
Provision for dismantling of Wind Parks' facilities (Note 32)	(1,246)
Long - term borrowings (Note 30)	(46,181)
Other long- term liabilities	(2,126)
Deferred tax liabilities	(13,496)
Financial lease liability	(344)
Total Non – Current Liabilities	**(63,393)**
Trade and other payables	(902)
Income tax payable	(249)
Short -term borrowings	(5,303)
Current portion of long - term borrowings (Note 30)	(4,626)
Short – term financial lease liability	(21)
Accrued and other current liabilities	(3,055)
Total Current Liabilities	**(14,156)**
Total Liabilities	**(77,549)**
Total net assets acquired at fair value	**77,864**
Minus: Fair value of investment in Associates (45% Volterra K-R SA, Volterra LYKOVOUNI SA)	(39,385)
Plus: Goodwill arising on acquisition (Note 16)	21,191
Purchase consideration transferred	**59,670**

On the acquisition date, goodwill of €21.2 million was recognized in intangible assets that was not allocated to any specific intangible asset.

Additionally, as the Group already owned 45% of the share capital in the companies Volterra K-R SA and Volterra LYKOVOUNI SA, it recognized a gain from the valuation at fair value of its investment in associates on the date of their acquisition amounting to €20.7 million, which is included in the Statement of Income in "Gains from associates".

In accordance with IFRS3 on a step-by-step acquisition of an equity interest, the acquirer re-measures the equity interests previously held by the acquiree at fair value at the acquisition date and recognizes any gain or loss in the Statement of Income.

(All amounts in thousands of Euro, unless otherwise stated)

3.SIGNIFICANT EVENTS (CONTINUED)

Other significant events of the period

Within 2022, the sale of 49% of HEDNO (Note 5) and the absorption of the lignite subsidiaries companies Lignitiki Megalopolis S.A. and Lignitiki Melitis S.A. from PPC S.A. were completed (Note 5.1). Moreover, the Programme Agreement was signed with the Greek State that defined the hive down of the branch Post-Lignite Exploitation of the Core Lignite Phase-out Zones of PPC to a new under incorporation subsidiary and the sale of its shares to the Greek State (Note 5.2).

(All amounts in thousands of Euro, unless otherwise stated)

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, 2022, on March 23rd, 2023. 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 property, plant and equipment (exluding lakes and mining land), financial assets valued at fair value through other comprehensive income and derivative financial instruments that have been measured at fair value and 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. Management considers that the going concern principle is the appropriate basis for the preparation of the present financial information.

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.

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.

(All amounts in thousands of Euro, unless otherwise stated)

4.2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

New standards, amendments to standards and interpretations adopted by the Group and the Parent Company

The accounting policies on the basis of which the annual separate and consolidated financial statements were prepared for the year ended December 31st, 2022 were consistent with those used in the preparation of the annual separate and consolidated financial statements for the year ended December 31st, 2021 with the exception of the following amendments and standards, which were adopted by the Group and the Parent Company on January 1st, 2022 and did not have a material impact on the annual separate and consolidated financial statements for the year ended December 31st, 2022.

As of December 31, 2022, the change of emission allowances for the Group and the Parent Company of € (185,311) was transferred from cash flows from investing activities (Capital expenditure for property, plant and equipment and intangible assets) to cash flows from operating activities for better illustration and comparability purposes with other companies of the industry. As a result, the Group and the Parent Company included in their principal accounting policies: As the cash flows of CO2 emission allowances relate to the operating activities of the Group and the Parent Company, are shown in the cash flows from operating activities in the Cash Flow Statement.

As of December 31, 2022, the proceeds from long-term contract liabilities for the Group and the Parent Company of € 134,216 were transferred from cash flows from investing activities to cash flows from operating activities for better illustration and comparability purposes with other companies of the industry. As a result, the Group and the Parent Company included in their principal accounting policies: As the cash flows from customers' contributions relate to the operating activities of the Group and the Parent Company, are shown in the cash flows from operating activities in the Cash Flow Statement.

Moreover, the Group and the Parent Company on February 28, 2022, the date of completion of the sale of 49% of the shareholding in HEDNO provided to the Non-controlling interest Put Options (sale) to PPC under certain conditions of the shares acquired by Macquarie Asset Management in HEDNO, with exercise price the fair value of the shares on the exercise date (Note 5). As a result, the Group and the Parent Company included in their principal accounting policies the below:

Financial liability from NCI put option

According to IAS 32, the Group recognizes these written put option commitments as a "Financial liability from NCI put option" in the Statement of Financial Position with equal recognition of "Other Reserves" in equity. The "Non-controlling interests" related with the above financial liability are recognized in equity according to IFRS 10, while the Group chose their full recognition on the date of initial recognition.

The above financial liability is initially recognized at the present value of the redemption amount. Subsequent changes in the value of the financial liability resulting from the remeasurement of the present value of the amount payable upon the exercise of the non-controlling interest, are recognized in the Income Statement in the results attributable to Company's shareholders and not in the results attributable to the non-controlling interests.

In the case of exercise of the Put Option (sale) on maturity, the financial liability is de-recognized with the amount paid by the Group to acquire the shares of the subsidiary. Whereas if the Put Option (sale) expires without being exercised, the financial liability is de-recognized in other reserves in equity, which have been established on its initial recognition.

On Parent Company level, the Put Option (sale) on subsidiary's shares is treated as a derivative financial instrument and as its exercise price is at fair value of the shares, the Put Option (sale) on shares has no value.

On June 22, 2022, the Group proceeded with the acquisition of subsidiary companies through its subsidiary PPC Renewables and recognized Goodwill amounting to €21.2 million (Note 3). Therefore, the Group and the Parent company included in their principal accounting policies the following:

Intangible assets- Goodwill

Goodwill is initially measured at cost and represents the excess amount between the aggregate consideration transferred and the fair value of the Group's and Parent Company's share of the acquiree's identifiable assets and liabilities at the date of the acquisition.
If the fair value of net assets acquired by the Group and the Parent Company on the acquisition date is in excess of the aggregate consideration transferred, a negative goodwill arises which is recognized directly in the Statement of Income.

(All amounts in thousands of Euro, unless otherwise stated)

4.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

After initial recognition, Goodwill is measured at cost less any aggregate impairments. For the purpose of impairment testing, Goodwill is allocated to cash-generating units (CGU), on acquisition date. The allocation is made to the generating units that are expected to be benefit from the business combinations in which the goodwill was identified and is recognized according to the operating segment.

Goodwill is subject to an impairment test annually, or even sooner if there are relevant indications. Goodwill impairment is determined by estimating the recoverable value of each CGU (or group of CGU's) to which the goodwill has been allocated. When the recoverable amount (defined as the greater value between value in use and fair value reduced by the required cost to sell) of the CGU is less than its book value including goodwill, an impairment loss is recognized. Goodwill impairment cannot be reversed later.

In the context of the free of charge equity settled stock awards to the executives of PPC S.A. and PPC Renewables S.A., the Group and the Parent Company proceed for the first time in 2022 with the purchase of own shares based on the provisions of article 49 of Law 4548/2018 (Note 26). Therefore, the Group and the Parent company included in their principal accounting principles the following:

Treasury shares

Own equity instruments that are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in the Statement of Income on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in the share premium.

The Parent company, in the context of the absorption of Lignite subsidiaries (Note 5.1), proceeded with the following addition to its principal accounting policies:

Investments in subsidiaries- merger of business

The absorption of the 100% subsidiary company by exchange of shares of the Parent company is treated in the separate financial statements as a transaction between companies under common control and management is required to determine an appropriate accounting policy to depict the transaction. The Company de-recognizes its participation in the subsidiary and recognizes the net assets of the subsidiary either at fair value or at the carrying value that was reflected in the consolidated financial statements of the Group at the date of the legal merger (taking into account the commercial substance of the transaction).

- **IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets as well as Annual Improvements 2018-2020 (Amendments)**
  The amendments are effective for annual periods beginning on or after 1 January 2022 with earlier application permitted. The IASB has issued narrow-scope amendments to the IFRS Standards as follows:
  - **IFRS 3 Business Combinations (Amendments)** update a reference in IFRS 3 to the previous version of the IASB's Conceptual Framework for Financial Reporting to the current version issued in 2018 without significantly changing the accounting requirements for business combinations.
  - **IAS 16 Property, Plant and Equipment (Amendments)** prohibit a company from deducting from the cost of property, plant and equipment any proceeds from the sale of items produced while bringing the asset to the location and condition necessary for it be capable of operating in the manner intended by management. Instead, a company recognizes such sales proceeds and related cost in profit or loss.
  - **IAS 37 Provisions, Contingent Liabilities and Contingent Assets (Amendments)** specify which costs a company includes in determining the cost of fulfilling a contract for the purpose of assessing whether a contract is onerous. The amendments clarify, the costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to the contract activities.
  - **Annual Improvements 2018-2020** make minor amendments to **IFRS 1 First-time Adoption of International Financial Reporting Standards**, **IFRS 9 Financial Instruments**, **IAS 41 Agriculture** and the Illustrative Examples accompanying **IFRS 16 Leases**

- **IFRS 16 Leases-Covid 19 Related Rent Concessions beyond 30 June 2021 (Amendment)**
  The Amendment applies to annual reporting periods beginning on or after 1 April 2021, with earlier application permitted, including in financial statements not yet authorized for issue at the date the amendment is issued. In March 2021, the Board amended the conditions of the practical expedient in IFRS 16 that provides relief to lessees from applying the IFRS 16 guidance on lease modifications to rent concessions arising as a direct consequence of the covid-19 pandemic. Following the amendment, the practical expedient now applies to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022, provided the other conditions for applying the practical expedient are met.

(All amounts in thousands of Euro, unless otherwise stated)

4.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

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.

- **IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (Amendments)**
The Amendments are effective for annual periods beginning on or after January 1, 2023 with earlier application permitted. The amendments provide guidance on the application of materiality judgements to accounting policy disclosures. In particular, the amendments to IAS 1 replace the requirement to disclose 'significant' accounting policies with a requirement to disclose 'material' accounting policies.
Also, guidance and illustrative examples are added in the Practice Statement to assist in the application of the materiality concept when making judgements about accounting policy disclosures. The Group is in the process of assessing the impact of the application of the amendments to its financial statements.

- **IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (Amendments)**
Amendments take effect for annual reference periods beginning on or after 1 January 2023 with earlier application permitted and applicable to changes in accounting policies and changes in accounting estimates made on or after the beginning of this period. The amendments introduce a new definition of accounting estimates, defined as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify what changes in accounting estimates are and how they differ from changes in accounting policies and error corrections. The Group is in the process of assessing the impact of the application of the amendments to its financial statements.

- **Amendment in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**
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 impact of the application of the amendments to its financial statements.

- **IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (Amendments)**
The amendments are effective for annual reporting periods beginning on or after January 1, 2024, with earlier application permitted, and will need to be applied retrospectively in accordance with IAS 8. The objective of the amendments is to clarify the principles in IAS 1 for the classification of liabilities as either current or non-current. The amendments clarify the meaning of a right to defer settlement, the requirement for this right to exist at the end of the reporting period, that management intent does not affect current or non-current classification, that options by the counterparty that could result in settlement by the transfer of the entity's own equity instruments do not affect current or non-current classification. Also, the amendments specify that only covenants with which an entity must comply on or before the reporting date will affect a liability's classification. Additional disclosures are also required for non-current liabilities arising from loan arrangements that are subject to covenants to be complied with within twelve months after the reporting period. The amendments have not yet been endorsed by the EU. The Group is in the process of assessing the impact of the application of the amendments to its financial statements.

- **IAS 12 Income taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments)**
The amendments are effective for annual periods beginning on or after January 1, 2023 with earlier application permitted. The amendments narrow the scope of and provide further clarity on the initial recognition exception under IAS 12 and specify how companies should account for deferred tax related to assets and liabilities arising from a single transaction, such as leases and decommissioning obligations.

(All amounts in thousands of Euro, unless otherwise stated)

4.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement, having considered the applicable tax law, whether such deductions are attributable for tax purposes to the liability or to the related asset component.
Under the amendments, the initial recognition exception does not apply to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. It only applies if the recognition of a lease asset and lease liability (or decommissioning liability and decommissioning asset component) give rise to taxable and deductible temporary differences that are not equal. The Group is in the process of assessing the effect of applying the amendments to its financial statements.

- **IFRS 16 Leases: Lease Liability in a Sale and Leaseback (amendments)**

The amendments are effective for annual reporting periods beginning on or after January 1, 2024, with earlier application permitted. The amendments are intended to improve the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction in IFRS 16, while it does not change the accounting for leases unrelated to sale and leaseback transactions. In particular, the seller-lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use it retains. Applying these requirements does not prevent the seller-lessee from recognising, in profit or loss, any gain or loss relating to the partial or full termination of a lease. A seller-lessee applies the amendment retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application, being the beginning of the annual reporting period in which an entity first applied IFRS 16. 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.

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 Parent Company provides to Group's employees and pensioners supply of electricity 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 Law 4533/2018 (OG A' 7527/4/2018) PPC and its subsidiaries pay an one-off allowance to the beneficiaries of pension (who are insured employees leaving PPC) in proportion to the years of actual service to PPC. This allowance cannot exceed the amount of €15.000 for insured employees which are retiring due to the termination of the employment contract, or due to the fact that insured employees reached the age limit or due to another reason for leaving, according to the provisions of the law.
The above is a defined benefit plan in accordance with the provisions of IAS 19. The present value of the liability assumed by PPC and its subsidiaries, is calculated at the end of each year using actuarial methods and 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.

(All amounts in thousands of Euro, unless otherwise stated)

4.3 SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (CONTINUED)

The last revaluation of property, plant and equipment was conducted on December 31st, 2019. In addition, within 2021 the valuation of the tangible fixed assets of the Distribution Network and the tangible fixed assets of the Lignite subsidiaries took place. The main estimates, assumptions and judgments made for the determination of their fair value are included in Note 15. Morever, as of December 31st, 2022 Management of the Group, taking into account changes in the economic environment as well as developments within the year of the key assumptions used in the recent revaluation of property, plant and equipment, believes that any change in the fair value of property, plant and equipment will not have a significant impact on the accompanying separate and consolidated financial statements.

Furthermore, the management makes estimates regarding the total and the remaining useful lives of property, plant and equipment which are subject to periodic review. Useful lives as estimated are included in Note 4.4.

Impairment of property, plant and equipment and intangible assets

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. More specifically, external factors include the change in the institutional framework, inflation, interest rates. On the other hand, internal factors are related to the internal decisions and the business plan of the Group and the Company. Indicatively, the key assumptions for the impairment test are the weighted average borrowing costs and the future cash flows of the assets under consideration.

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 in order 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.

(All amounts in thousands of Euro, unless otherwise stated)

4.3 SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (CONTINUED)

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, 2022 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 establishes provisions associated with 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 an individual 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.

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 2022 is ongoing and the relative tax conformity report will be issued after the publication of the financial statements for the year 2022. 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.

Revenue recognition from consumed and non-billed energy and Contract Assets with low voltage customers
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.

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 property, plant and equipment (35 years).

(All amounts in thousands of Euro, unless otherwise stated)

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 mainly include software, CO_2 emission allowances and goodwill from acquisition.

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.

Emissions Allowances (CO2)

The Parent Company acquires CO2 emission allowances in order to meet its obligation arising from the actual CO_2 emissions of its electricity generation units. This liability is measured at fair value to the extent that Parent Company has the obligation to cover its emissions through purchases (after offseting 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. As the cash flows of CO2 emission allowances relate to the operating activities of the Group and the Parent Company, are shown in the cash flows from operating activities in the Cash Flow Statement.

Goodwill

Goodwill is initially measured at cost and represents the excess amount between the aggregate consideration transferred and the fair value of the Group's and Parent Company's share of the acquiree's identifiable assets and liabilities at the date of the acquisition.
If the fair value of net assets acquired by the Group and the Parent Company on the acquisition date is in excess of the aggregate consideration transferred, a negative goodwill arises which is recognized directly in the Statement of Income.
After initial recognition, Goodwill is measured at cost less any aggregate impairments. For the purpose of impairment testing, Goodwill is allocated to cash-generating units (CGU), on acquisition date. The allocation is made to the generating units that are expected to be benefit from the business combinations in which the goodwill was identified and is recognized according to the operating segment.

Goodwill is subject to an impairment test annually, or even sooner if there are relevant indications. Goodwill impairment is determined by estimating the recoverable value of each CGU (or group of CGU's) to which the goodwill has been allocated. When the recoverable amount (defined as the greater value between value in use and fair value reduced by the required cost to sell) of the CGU is less than its book value including goodwill, an impairment loss is recognized. Goodwill impairment cannot be reversed later.

Property, plant and equipment

Property, plant and equipment are initially recognised at their acquisition cost which includes all direct attributable expenses for their acquisition or construction. Subsequent to their initial recognition, property, plant and equipment (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.

(All amounts in thousands of Euro, unless otherwise stated)

4.4 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Any decreases, first offset remaining revaluations surplus and then the remaining amounts burden the Statement of Income. Upon disposal of revalued property, plant and equipment, 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 property, plant and equipment 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 property, plant and equipment 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 property, plant and equipment, 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 property, plant and equipment 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
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.
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 for the dismantling and removal of the infrastructure and the equipment of power plants and mines
The provision for the dismantling and removal of the infrastructure and the equipment of power plants is calculated taking into account the specificities of each unit (type of fuel, generating capacity, co-installation of units), calculating 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.

4.4 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

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 property, plant and equipment 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.

Simultaneously, the Group and the Parent 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 mines' land 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.
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.

Leases – IFRS 16
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.

<u>Group as a lessee</u>
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 that are owned by third parties.

(All amounts in thousands of Euro, unless otherwise stated)

4.4 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

i) 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, initial direct costs incurred, and lease payments made at or before the commencement date less any lease 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 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 59 years
- Other equipment: 1 to 2 years
- Transportation means: 1 to 3 years
- Vessels: 6 to 24 months

The right-of-use assets are also subject to impairment, when indicators exist.

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 the Parent Company and payments of penalties for terminating the lease, if the lease term reflects 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 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 € 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.

<u>Intermediate Lessor</u>

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 2022, all leases where the Group and the Parent Company act as intermediate lessors were assessed and evaluated as operating.

(All amounts in thousands of Euro, unless otherwise stated)

4.4 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Investments in subsidiaries

In separate financial statements, investments in subsidiaries are valued at cost less any accumulated impairment losses. The spin-off and contribution of a branch to a wholly-owned subsidiary by an exchange of shares is treated as a transaction between companies under common control and management judgment is required in determining an appropriate accounting policy to depict the transaction.

The Company recognizes the shares received as consideration, as an addition to the cost of investment in the subsidiary, to the book value or to the fair value of the branch contributed, based on the effect of the transaction on its future cash flows (assessing whether there is commercial substance).

Investments in subsidiaries- merger of business

The absorption of the 100% subsidiary company by exchange of shares of the Parent company is treated in the separate financial statements as a transaction between companies under common control and management is required to determine an appropriate accounting policy to depict the transaction. The Company de-recognizes its participation in the subsidiary and recognizes the net assets of the subsidiary either at fair value or at the carrying value that was reflected in the consolidated financial statements of the Group at the date of the legal merger (taking into account the commercial substance of the transaction).

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.

(All amounts in thousands of Euro, unless otherwise stated)

4.4 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

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 property, plant and equipment, 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.

(All amounts in thousands of Euro, unless otherwise stated)

4.4 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

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).

(All amounts in thousands of Euro, unless otherwise stated)

4.4 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

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

De-recognition of financial assets
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.

In the event that the evaluation refers to securitization transactions, the Company applying the aforementioned derecognition criteria, takes into account the structure of the transaction including its exposure to the subordinated bonds issued, allowances to the special purpose vehicles, as well as the terms and conditions of the securitization agreements, under which the Company could retain control over the securitized receivables.

Financial liability from NCI put option
According to IAS 32, the Group recognizes these written put option commitments as a "Financial liability from NCI put option" in the Statement of Financial Position with equal recognition of "Other Reserves" in equity. The "Non-controlling interests" related with the above financial liability are recognized in equity according to IFRS 10, while the Group chose their full recognition on the date of initial recognition.

The above financial liability is initially recognized at the present value of the redemption amount. Subsequent changes in the value of the financial liability resulting from the remeasurement of the present value of the amount payable upon the exercise of the non-controlling interest, are recognized in the Income Statement in the results attributable to Company's shareholders and not in the results attributable to the non-controlling interests.

In the case of exercise of the Put Option (sale) on maturity, the financial liability is de-recognized with the amount paid by the Group to acquire the shares of the subsidiary. Whereas if the Put Option (sale) expires without being exercised, the financial liability is de-recognized in other reserves in equity, which have been established on its initial recognition.

(All amounts in thousands of Euro, unless otherwise stated)

4.4 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

On Parent Company level, the Put Option (sale) on subsidiary's shares is treated as a derivative financial instrument and as its exercise price is at fair value of the shares, the Put Option (sale) on shares has no value.

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) and in order to estimate the expected credit losses, use 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

On June 30, 2021, the Group and the Parent Company re-examined the assessment of the non-collection of receivables from Low Voltage customers for more than 180 days constitutes a credit event.

This review was conducted due to the implementation of securitization programs for overdue receivables from the sale of electricity to Low Voltage customers (for current receivables and overdue receivables of up to 60 days in November 2020 and for overdue receivables of more than 90 days in June 2021), which resulted in an increase of collections, mainly of overdue receivables, and the strengthening of the company's liquidity. Pursuant to the above modification of the calculation of default rates, now the Group and the Parent Company calculate a probability of default for all time zones of receivables aging from Low Voltage customers.

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 property, plant and equipment (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 (until November 30, 2021 date on which those fixed assets were contributed from the Parent Company to HEDNO, please see note 5), 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.

Customer's contributions refer to the initial and continuous connection to the distribution network which is a separate service from the sale of electricity. The promised service is the only one undertaken by HEDNO and this transaction is considered a separate contractual obligation. Therefore, revenue from customers' contributions is recognized during the transfer of the service to the customer. As the contract with the customer is not of a specific duration, income is recognized on the basis of the remaining useful life of distribution network's property, plant and equipment (35 years). Customers' contributions are classified as "Long – term contract liabilities". As the cash flows from customers' contributions relate to the operating activities of the Group and the Parent Company, are shown in the cash flows from operating activities in the Cash Flow Statement.

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".

(All amounts in thousands of Euro, unless otherwise stated)

4.4 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Prepayments paid by customers against future consumption of electricity
The Parent Company gives the opportunity to Medium and 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.

Treasury shares
Own equity instruments that are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in the Statement of Income on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in the share premium.

Equity settled benefits
The Group provides to the executives of PPC S.A. and PPC Renewables S.A. remuneration in the form of share based payments, whereby executives render their services as consideration equity instruments. The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

(All amounts in thousands of Euro, unless otherwise stated)

4.4 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

That cost is recognized in the Payroll Cost of the Statement of Income, together with a corresponding increase in equity (other reserves), over the period in which the service is rendered (the vesting period). The cumulative expense recognized for equity- settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest.

The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period.

Non- market conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. In the contrary, market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associate service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/ or performance conditions.

No expense is recognized for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

In each reporting date, the Group revises its estimates for the number of equity instruments that will ultimately vest. It recognizes the effect from the revision of its initial estimates, if it exists, in the Statement of Income with a corresponding adjustment of its equity.

De-recognition of 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.

(All amounts in thousands of Euro, unless otherwise stated)

4.4 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

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) PPC and its subsidiaries pay, in accordance with Law 4533/2018 (OG A' 7527/4/2018), a severance payment, which may not exceed € 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 property, plant and equipment

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

1.1 Derivative financial instruments

Derivative financial instruments are recognised as assets or liabilities and measured at fair value, both at the date of the contract and subsequently regardless of the purpose of the transaction. Gains or losses arising on the valuation of derivative financial instruments are recognized in the income statement in "Other (income)/expenxe, net", other than those designated as hedges and other than those held for compliance purposes (energy short positions in the derivative energy market) as follows, which are recognized in the Income Statement in "Energy Purchases" together with changes in the fair value of any derivative financial instruments that hedge the specific items.

As of 31 December 2022, the Group and the Parent Company had entered into derivative financial contracts for: a) cash flow hedging from fluctuations in electricity prices, fuel prices and interest rates b) conducting for-trading purposes transactions in the context of Parent Company's business activity as a Special Trader (Market Maker) in the Derivatives Market of the Hellenic Stock Exchange c) compliance with the antitrust rules of the European Union due to PPC's exclusive access to lignite power generation (Note 13). The fair value of derivatives is obtained from stock market prices, if available, or based on valuation techniques.

1.2 Hedge Accounting

The Group and the Parent Company apply hedge accounting if the following criteria are met:
- the hedging relationship includes only eligible hedging instruments and eligible hedged items
- at the commencement of the hedging relationship there is a formal identification and documentation of the hedging relationship and the objective of the entity's risk management and its hedging strategy
-the hedging ratio meets all of the following effectiveness requirements:
(i) there is an economic relationship between the hedged item and the hedging instrument
(ii) the effect of credit risk does not outweigh the changes in value resulting from that economic relationship; and
(iii) the hedging ratio of the hedging relationship is the same as the amount of the hedged item actually offset by the entity and the amount of the hedging instrument that the entity actually uses to offset that amount of the hedged item.

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.

(All amounts in thousands of Euro, unless otherwise stated)

4.4 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Fair value hedging

In fair value hedging transactions that meet the criteria for hedge accounting, gains or losses arising from the valuation of the hedging instrument at its fair value are recorded in the income statement. The gain or loss on valuation arising from the hedged item adjusts the carrying amount of the hedged item and is recognized in profit or loss.

Cash flow hedges

The Group and the Parent Company use derivative financial instruments (futures contracts and swaps) in order to hedge the risks arising from fluctuations in electricity and gas prices. To hedge the fluctuations of cash flows related to future transactions (purchases / sales of electricity and gas) and have been recognized as hedged items, the Management of the Group and the Parent Company evaluates and documents that they represent highly probable transactions and reflect the net exposure of the Group and the Parent Company in changes in their cash flows and affect their results during the period in which they will take place.

Gains or losses relating to the effective part of the hedging arising from changes in the fair value of the derivative financial instrument are recognized in Equity in a reserve, while the ineffective part of the hedging is recorded directly in the Income Statement as either profit or loss from Financial commodities derivatives. The (gains) / losses from hedging operations are transferred from the reserve to the Income Statement on "Electricity Purchases" and "Natural Gas" during the period when the hedged item affects the profits or losses of the Group and the Parent Company.

In cases of hedging of probable future transactions, which result in the recognition of a non-monetary item (eg, stock) or liability, gains or losses recognized in Equity are transferred to the acquisition cost of the resulting non-financial asset.

The total fair value of a derivative instrument designated as a hedging instrument is classified as non-current asset or long-term liability if the remaining period of the maturity of the hedged item is longer than 12 months and as current assets or current liabilities if the remaining period of the maturity of the hedged item is less than 12 months.

Effectiveness test

The Group and the Parent Company evaluate at the inception of the transaction, on a continuous basis and definitely during the preparation of the interim and annual financial statements, whether the hedging instruments are effective in order to hedge the changes in the cash flows of the hedged items.

Management of the Group and the Parent Company evaluates the effectiveness of the hedge accounting based on the existence of a financial correlation between the hedged item and the hedging instrument, the effect of credit risk on price changes and the hedging ratio as well as through quantitative and qualitative criteria depending on the characteristics of the hedging instrument and the hedged item.

Hedge accounting discontinuation

The Group and the Parent Company terminate the hedge accounting only when the hedging relationship ceases to meet the application criteria, taking into account any balancing actions (change in the amount of the hedged instrument or change in the amount of the hedged item).

When a hedging instrument expires or is sold, or when a hedging relationship no longer meets the accounting hedging criteria, accumulated gains or losses remain as a reserve and are carried in the Income Statement at the time the hedged item affects gain or losses.

In the event of hedging a possible future transaction that is no longer expected to occur, the gains or losses accumulated in Equity are transferred directly to the Income Statement.

(All amounts in thousands of Euro, unless otherwise stated)

4.4 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

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. At retirement, the pension fund is responsible for paying pension benefits to retirees.

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 agent 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, excluding transaction that involve municipality taxes and taxes that are acting as agents.

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.

(All amounts in thousands of Euro, unless otherwise stated)

4.4 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

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.
- Prepayments paid by customers against future consumption of electricity.

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.

Energy purchases
Energy purchases 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 and the Parent Company 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.

(All amounts in thousands of Euro, unless otherwise stated)

4.4 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

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 and the Parent Company have 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 and the Parent Company will cease to classify the non-current asset (or a group of assets and liabilities) as Held for sale. The Group and the Parent Company 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 and the Parent Company will include any required adjustment of the carrying amount of a non-current asset that ceases to be classified as held for sale to the income statement in the income from continuing operations from the point of time when the classification criteria cease to be met.

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 Energy Supply and gas 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. 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 Companies".

(All amounts in thousands of Euro, unless otherwise stated)

5. DISCONTINUED OPERATIONS (Distribution Network)

On December 15th 2020, PPC's Board of Directors decided the approval and publication of Invitation to submit an Expression of Interest (EoI) for the sale of a minority stake of PPC's participation in its 100% subsidiary HEDNO, and thus proceeded to an Invitation announcement in its website, according to which investors should express their interest until January 29th, 2021, which date was extended to February 19th, 2021.

On September 3, 2021, after the completion of the tender process for the sale of 49% of the share capital of HEDNO SA, 4 binding offers were submitted. The inspection of the technical files of the submitted bids by the competent services of PPC SA was completed on September 10, 2021. Spear WTE Investments Sarl, a member of Macquarie Infrastructure and Real Assets Group ("MIRA"), was the investor that submitted the highest bid, with an offer of € 1,312 million for the acquisition of 49% of the share capital of HEDNO SA.

On October 19, 2021, the Extraordinary General Meeting of PPC's Shareholders approved the sale of 49% of its participation in HEDNO to Macquarie Asset Management and on October 20, 2021 reached on an agreement with it.

For the completion of this transanction, a spin-off of PPC's Distribution network branch and contribution to its 100% subsidiary HEDNO tooκ place. On November 30, 2021 ("spin-off date") the decision (2538559AP 30/11/2021) of the General Secretariat of Commerce and Consumer Protection was registered in the General Commercial Register (G.C.R.) which approved the spin-off of the Distribution Network branch of PPC and its contribution to the 100% subsidiary of HEDNO SA in exchange of shares based on the provisions of Law 1297/1972 on Provisions of tax incentive for business on merge and alteration, to corporate Law 4548/2018 of société anonymes and to Law 4601/2019 on Corporate Restructure. Specific matters for this Hive Down are regulated by article 129 (Corporate transformation of PPC SA - Addition of article 123A and amendment of articles 122 and 124 of law 4001/2011) of Law 4819/2021 (OG A ' 129 / 23-07-2021).

An additional requirement for the completion of the sale transaction was the approval of the new terms of the existing loan agreements contributed to HEDNO, which was achieved until February 28, 2022, the date when the sale of 49% of PPC's shareholding in HEDNO was completed to Macquarie Asset Management.

Specifically, on the above date PPC received € 1,320 million for the acquisition of the aforementioned percentage by Macquarie Asset Management through MSCIF DYNAMI BIDCO Soleshareholder SA. The offer price has been adjusted to reflect the estimated change in the Net Asset Value of HEDNO until 28.2.2022, in accordance with the terms of the Share Purchase Agreement, while it became final in June 2022 based on the Actual Net Assets of HEDNO with reference date 28.02.2022, in which it received an additional consideration of €2.8 mil.

The result from the sale of 49% in the investment of PPC in HEDNO, which was recognized in the financial statements of the Parent Company on February 28, 2022, the date that the conditions for the sale of the shareholding were met, amounted to €790 million and is analyzed as follows (amounts in euro):

Cash consideration on 28.02.2022	1,320,440,513
Additional cash consideration received in June 2022	2,835,887
minus: 49% of the carrying value of the shareholding on HEDNO	(525,868,389)
minus: transaction costs	(7,387,500)
Gain from the partial sale of the investment in HEDNO	**790,020,511**

The transfer to Macquarie Asset Management of 49% of PPC's stake in HEDNO with minority shareholder rights does not affect PPC's control over its subsidiary under IFRS 10. On Group level, on 28 February 2022 Non-controlling interest was recognized in the consolidated Financial Statement amounting to € 637.2 million corresponding to 49% of HEDNO's net assets attributed to minority interests, while the gain from the partial sale of the investment in HEDNO amounted to € 675.8 million including transaction costs (to € 678.6 million including the additional cash consideration in June 2022) and was included directly in the equity of the Group according to the provisions of IFRS10.

In addition, the Shareholders Agreement includes a written Put Option (sale) to PPC under certain conditions, of the shares acquired by Macquarie Asset Management to HEDNO, after 8 years and within 6 months from the date of the sale of 49% of the shareholding in HEDNO with exercise price at fair value. On February 28, 2022 a valuation of this liability was conducted and on Group level, a financial liability of € 1,410,833 was recognized, with an equivalent amount recorded directly in other reserves (Note 4.2). On December 31, 2022, the financial liability increased by the financial cost and amounted to €1,420,017.

(All amounts in thousands of Euro, unless otherwise stated)

5. DISCONTINUED OPERATIONS (Distribution Network) (CONTINUED)

In the separate financial statements of the Parent Company, the Put Option (sale) with exercise price at fair value was treated as a derivative financial instrument and as its exercise price is the fair value of the shares, the Put Option (sale) on shares has no value. Furthermore, to note that the gain from the sale of 49% on HEDNO's shareholding is free of income tax. Finally, on 23.06.2022 the General Assembly of HEDNO decided to distribute dividend of €85 million out of which € 41.65 million were attributable to the minority shareholders, which were paid to them within the third quarter of 2022.

Information for the Discontinued Operation of the Parent Company

Distribution network branch means all the activities of the autonomous operation of the Hellenic Electricity Distribution Network (HEDN) of PPC, which include the ownership of HEDN, including of the real estate and other assets of the Distribution Network and the Network of the Non- Interconnected Islands, of the related liabilities and other liabilities, with the exception of the High Voltage Network of Crete.

Group and Parent Company's Management classified on December 31st 2020 the Assets and Liabilities of the Distribution Network branch as assets Held for Sale (Discontinued Operations) only to its separate financial statements, as on Group level the value of the distributed net Assets and the net assets of the 100% subsidiary HEDNO, is expected to be recovered through their continuing use by the Group rather than through the sale transaction proceeds of the 49% on HEDNO's shareholding.

Until November 30, 2021 for the contributed property, plant and equipment and the contributed subsidies not depreciation was charged in the separate financial statements of PPC in accordance with the provisions of IFRS 5. If the Parent Company had accounted for depreciation and amortization, those would amount to € 242,445,269 for property, plant and equipment and to € (1,867,623) for the subsidies.

In addition, the valuation carried out on 31.03.2021 of the property, plant and equipment of the distribution network branch at fair value, was recognized in the financial statements of the PPC Group on 30.11.2021 (Note 15), while it was recognized in the subsidiary HEDNO upon the completion of the spin-off. At Parent Company level, paragraph 15 of IFRS 5 was applicable and as the carrying amount of property, plant and equipment was lower than their recoverable amount, no adjustment was made.

On November 30, 2021, the share capital of HEDNO as a result of the spin-off and contribution of the above branch increased by the amount of euros 953,662,960 as determined from the June 29, 2021 Valuation Report of the Assets and Liabilities of the Distribution Network dated 31, March 2021.

The spin-off and contribution of the branch was treated in the financial statements of the Parent Company as a transaction between companies under common control with a commercial substance (note 4.4). The shares received were recognized as an addition to the cost of the investment in the subsidiary on 30 November 2021 at a value equal to the fair value of the net assets contributed to HEDNO which amounted to € 1,016,218,899 (Note 17), while the carrying value of the assets and liabilities transferred to the subsidiary on the spin-off date November 30, 2021 were amounted to € 963,917,808.

On November 30, 2021, the Parent Company recognized in the Income Statement "income from the spin-off of the distribution network" amounting to € 52.3 million and resulted as follows:

	Balances at 30.11.2021
	Amount in €:
Fair value of net assets contributed	1,016,218,899
Minus: carrying value of transfered assets	(963,917,808)
income from the spin-off of the Distribution Network	**52,301,091**

The fair value of the distribution network branch differs from its carrying value, as it has taken into account the valuation at fair value of property, plant and equipment on the reference date net of depreciation, the subsidies of property, plant and equipment net of depreciation and the effect of these differences on deferred tax.

Cash flow of Assets Held for Sale is presented in the following table:

	01.01.2021-30.11.2021
Profit before tax from discontinued operations	290,038
Working capital Adjustments	135,932
Cash flow from from operating activities	425,970
Cash flow from investing acitivities	(170,353)
Cash flow from financing activities	(154,630)
Total	**100,987**

(All amounts in thousands of Euro, unless otherwise stated)

5.1 ABSORPTION OF LIGNITE SUBSIDIARIES

On June 1, 2022 ("absorption date"), the decision (2635846 AP1/06/2022) was registered in the General Commercial Register (G.C.R.) of the General Secretariat of Commerce and Consumer Protection, approving the merger of PPC S.A. with the absorption of 100% of the subsidiaries of Lignitiki Megalopolis S.A. and Lignitiki Melitis SA, in accordance with the provisions of articles 6-53 of Law 4601/2019, articles 48-49 of Law 4843/2021, Law 4172/2013, Law 4548/2018, the Valuation reports of the Certified Auditors dated 23.02.2022 and as well as with the Notarial deed no. 21.853.

The date of the absorption of the two lignite subsidiaries was set on November 30, 2021, the date on which the valuation of their Net Assets was carried out. The merger is to be completed on the date on which the relevant approval decision is made public in G.C.R. As mentioned in the Merger Deed with absorption, all deeds and transactions carried out from the reference date (November 30, 2021) until the date of the absorption (June 1, 2022) benefit and borne exclusively the lignite subsidiaries.

Therefore, the results of the interim period remained in the lignite subsidiaries, while the Assets and Liabilities on June 1, 2022 were transferred to PPC S.A.

The transaction at the level of separate financial statements is an exchange of the shares held by PPC in its 100% subsidiaries, with their net assets. The carrying values of the net assets of lignite subsidiaries constitute the acquisition cost of the net assets for the Parent Company. At Group level, the merger by absorption of the lignite subsidiaries is a transaction between related parties without commercial substance and therefore has no effect on the Group's consolidated financial statements.

The net assets absorbed by PPC on June 1, 2022 from the lignite subsidiaries were as follows:

	01.06.2022
Non-Current Assets	
Property, plant and equipment, net (Note 15)	33,384
Intangible assets, net	7
Other non- current assets	1,097
	34,488
Current Assets	
Inventories	35,055
Trade receivables	594
Other receivables	12,457
Cash and cash equivalents	69,201
	117,307
Total Assets	**151,795**
Total Equity	
Revaluation surplus (Note 15)	71,265
Other Reserves (actuarial gain or loss reserves)	4,446
Retained earnings	(13,099)
	62,612
Non- current liabilities	
Post-retirement benefits (Note 31)	11,621
Provision for risks	5,608
Deferred tax liabilities	3,645
Subsidies of Property, plant and equipment (Note 33)	2,808
	23,682
Current liabilities	
Trade and other payables	48,596
Accrued and other current liabilities	16,905
	65,501
Total Equity and Liabilities	**151,795**

The current liabilities and receivables contributed as above, include a net liability to the Parent company of €29.7 million from the lignite subsidiaries, which was offset against the corresponding receivable of the Parent company.

Due to the absorption of the lignite subsidiaries by the Parent company on June 1, 2022, the provision for expected credit losses on trade receivables from the lignite subsidiaries totaling to € 29.7 million as of June 1, 2022 were reversed (income), in favor of the results of the year ended on December 31, 2022.

(All amounts in thousands of Euro, unless otherwise stated)

5.2 ASSETS HELD FOR SALE (POST-LIGNITE EXPLOITATION OF THE CORE LIGNITE PHASE-OUT ZONES)

By Law 4956/2022 (OG A' 140/19.07.2022) the Programme Agreement was ratified and acquired the force of law on 19 July 2022 between the Greek State (Ministry of Development and Investments), the public interest company with the distinctive title METAVASI S.A. and PPC S.A., which provides for the spin-off of the sector Post-Lignite Exploitation of the Core Lignite Phase-out Zones of PPC (named “the branch”) to its newly established subsidiary METALIGNITIKI S.A. and then in the sale of its shares to METAVASI S.A.

In particular, the programme agreement provides, inter alia, for the possibility of assigning to PPC the implementation of the new land uses and upgrading of the transferred lands, which are included in the attached topographic diagrams, the terms and conditions for their upgrading, the obligations, the monitoring of the execution of the contract, issues regarding the content of the rehabilitation works to be made by PPC and any other works that will be required for the implementation of the new land uses according to specific urban plans, the method of calculating and covering PPC's management costs, as well as the method of transferring to the State the ownership of the underlying land owned by PPC.

In particular, the terms and conditions of the transfer of the shares, issues concerning the value of the transferred shares in relation to the value of the assets of Metalignitiki S.A., the payment of the consideration for the acquisition of the shares with resources from the Recovery and Resilience Fund programme are regulated and defined.

The consideration for the acquisition of the shares will be paid gradually, assuming that METAVASI S.A. will be exclusively responsible to pay the invoices of the contractors and suppliers who will make the restoration works of the lands to be transferred, being a third party to the relevant PPC contracts. The receipt of the lands by METAVASI S.A. will be made in stages and must have been completed by August 2025, when the restoration works are expected to be completed.

PPC S.A. may continue the activity of lignite-fired power generation and lignite mining for as long as lignite activity is allowed on the lands in question under the National Energy and Climate Plan as in force from time to time.

The sector includes the rights of all kinds on the properties (approximately 97 km2) included in the land of the Mines of Amyntaio, Ptolemaida, Klidiou (Florina) and Megalopolis as specified in the topographical diagrams of the Programme Agreement, while it does not include the existing rights to search for and exploit solid fossil fuels that have been granted to PPC, which will remain to PPC, as well as all kinds of permits and approvals, which are related to the mining activity.

On October 4, 2022, PPC's Board of Directors approved the initiation of the spin-off procedures for the sector with a spin-off date of July 31, 2022, as well as the basic terms of the draft Share Purchase Agreement between PPC, Metavasis S.A. and the Greek State.

The spin-off of the sector and its contribution to the 100% newly established subsidiary company METALIGNITIKI S.A. will be carried out in accordance with the provisions of Law 4872/2021 "Fair Developmental Transition, regulation of specific issues regarding lignite phase-out and other urgent provisions", of the corporate Law 4548/2018 for anonyme sociate companies, Law 4601/2019 on Corporate Transformations and Tax Law 4172/2013.

The share capital of METALIGNITIKI S.A. as a result of the spin-off and contribution in kind of the above sector, it will be formed based on the net asset value of the above contributed sector of PPC (based on valuation report) where shares of equal value will be issued and delivered to PPC. Subsequently, the sale of 100% of PPC's participation in METAVASI S.A. will take place.

Given the above, the Management of the Group and the Parent Company classified on July 31, 2022 the value of the contributed assets and liabilities of the sector (fixed assets only) as assets Held for Sale/ Discontinued Operation as the value of the contributed assets is expected to be recovered from the proceeds of the transaction of the sale of 100% of the shares of the subsidiary METALIGNITIKI S.A. that will be formed.

Pursuant to IFRS 5 para 15, before the classification on July 31, 2022 of the contributed net assets of the sector as Assets Held for Sale in the separate and consolidated financial statements, an impairment test was carried out, in order to be measured at the lower of their carrying amount and their recoverable amount, which was determined as the fair value less cost to sale. From the above valuation carried out on July 31, 2022, the carrying values of net assets were lower than their recoverable amount and therefore no adjustment was made.

Furthermore, due to the classification of the contributed net assets of the sector as Assets held for sale, the contributed net Assets as of December 31, 2022 are presented in the separate and consolidated statement of the financial position in the current assets as “Assets held for sale” as the criteria of IFRS 5 are met.

(All amounts in thousands of Euro, unless otherwise stated)

5.2 ASSETS HELD FOR SALE (POST-LIGNITE EXPLOITATION OF THE CORE LIGNITE PHASE-OUT ZONES (CONTINUED)

As of December 31, 2022 the contributed property, plant and equipment are presented in the Statement of Financial Position at their net book value without accounting for their depreciation and amortization for the period 01.08.2022-31.12.2022 in accordance with the provisions of IFRS 5. If the Group and Parent Company had accounted for depreciation, those would amount to € 4 million for property, plant and equipment.

Below we present a table of total assets and liabilities Held for Sale as of December 31st, 2022:

	Note	31.12.2022
Assets		
Non- Current assets		
Property, plant and equipment, net	15	20,623
Total Assets		**20,623**
Net Assets		**20,623**

6. REVENUES

The revenues for the year 2022 and 2021 are analyzed in the following tables:

	Group		Company	
	01.01.2022 - 31.12.2022	**01.01.2021 - 31.12.2021**	**01.01.2022 - 31.12.2022**	**01.01.2021 - 31.12.2021**
Revenues to Consumers:				
- High voltage	709,677	452,353	723,925	441,649
- Medium voltage	1,900,962	608,523	1,906,047	611,327
- Low voltage	8,064,845	3,934,021	8,064,902	3,934,132
- Renewable Energy Sources	37,235	20,771	-	-
-Revenues from natural gas sales	4,920	1,161	4,945	1,161
	10,717,639	**5,016,829**	**10,699,819**	**4,988,269**
Other Revenues:				
- Customers' contributions	96,343	91,852	248	248
- Public Service Obligations	(138,903)	(21,060)	(138,903)	(21,060)
- Distribution Network Revenues	282,229	277,745	-	-
- Income from electricity sales from NII thermal units	232,521	283,859	232.521	283,859
- Other	63,278	57,166	53,394	57,123
	535,468	**689,562**	**147,260**	**320,170**
Total Continuing Operations	**11,253,107**	**5,706,391**	**10,847,079**	**5,308,439**
Discontinued Operations	-	-	-	91,036
Total	**11,253,107**	**5,706,391**	**10,847,079**	**5,399,475**

The analysis of Group's revenues by geographical region for the years 2022 and 2021 is presented in the following tables:

	2022 Greece		Abroad	Total
	Interconnected system	Non-interconnected islands		
Energy sales	9,807,027	873,738	31,954	**10,712,719**
Natural gas sales	4,920	-	-	**4,920**
Public Service Obligations	-	(138,903)	-	**(138,903)**
Customer Contributions	79,375	16,968	-	**96,343**
Income from the sale of electrictiy from NII thermal units	(2,510)	235,031	-	**232,521**
Distribution Network Revenues	267,426	14,803	-	**282,229**
Other	52,749	10,498	31	**63,278**
Grand total	**10,208,987**	**1,012,135**	**31,985**	**11,253,107**

(All amounts in thousands of Euro, unless otherwise stated)

6.REVENUES (CONTINUED)

	2021 Greece		Abroad	Total
	Interconnected system	Non-interconnected islands		
Energy sales	4,429,665	569,420	16,583	**5,015,668**
Natural gas sales	1,161	-	-	**1,161**
Public Service Obligations	-	(21,060)	-	**(21,060)**
Customers' Contributions	79,178	12,674	-	**91,852**
Income from the sale of electrictiy from NII thermal units	-	283,859	-	**283,859**
Distribution Network Revenues	247,784	29,961	-	**277,745**
Other	42,267	14,899	-	**57,166**
Grand total	**4,800,055**	**889,753**	**16,583**	**5,706,391**

7. PAYROLL COST

	Group		Company	
	2022	**2021**	**2022**	**2021**
Payroll cost	633,947	598,467	354,076	312,314
Employer social contributions	152,442	145,524	88,553	80,442
Provision for personnel's severance payment (note 31)	50,476	16,075	49,194	13,591
Provision for supply of electricity at reduced tariffs (note 31)	(3,397)	(3,148)	(2,179)	(2,046)
Retrospective recovery of special benefits due to new CLA	6,593	34,555	6,593	22,074
Capitalized payroll cost	(66,762)	(56,242)	(10,710)	(9,421)
Utilization of the provision for restoration of mines	(4,745)	(4,860)	(4,745)	(4,860)
Total	**768,554**	**730,371**	**480,782**	**412,094**

New Remuneration Policy

On December 14, 2022, the Extraordinary General Meeting of the shareholders of the Parent Company approved the new Remuneration Policy of PPC SA which supplements the arrangements of the Remuneration Policy, as it has been formulated by virtue of the relevant Resolution of the Company's General Meeting of June 4th, 2021.

In particular, the new remunerations of the members of the Board of Directors and its Committees as well as the remuneration of the executives of the Company were determined. In addition, the maximum level of the additional incentive (bonus) was set for the Chief Executive Officer, the Deputy CEOs, the Chief Officers and the Directors of PPC S.A. and PPC Renewables S.A. as a percentage of their annual gross fixed salary, depending on short-term targets (financial targets, strategic/operational targets and environmental and sustainable development targets), as well as the framework for granting them.

The amount of the additional incentive for 2020 and 2021 amounted to €2.2 million and € 2.8 million respectively and is included in payroll cost of the Group and the Parent Company in the Income Statement for the year ended 31 December 2021. While the amount of the additional incentive for 2022 amounted to €4.7 million and €3.2 million respectively and is included in payroll cost of the Group and the Parent Company in the Income Statement for the year ended 31 December 2022.

Furthermore, the provision of an additional incentive reward has been decided for the period 2020-2025 for the senior executives and executives of PPC S.A. and PPC Renewables S.A. for their contribution to the achievement of Group's medium-term targets with the form of 4 rolling cycles of free of charge shares plan (equity settled stock awards) and the framework for their granting was set, based on the provisions of article 49 of Law 4548/ 2018.

While, the Board of Directors has been authorized to determine the Key Performance Indicators, that will be linked with market conditions for each cycle of free of charge shares plan.

(All amounts in thousands of Euro, unless otherwise stated)

7.PAYROLL COST (CONTINUED)

The 4 cycles are the following: 1st cycle 01/01/2020 to 31/12/2021 with distributing shares in 2022, 2nd cycle 01/01/2021 to 31/12/2022 with distributing shares in 2023, 3rd cycle 01/01/2022 to 31/12/2023 with distributing shares in 2024 and the 4th cycle 01/01/2023 to 31/12/2024 with distributing shares on December 31, 2025, the date of the conclusion of the plan. The remuneration policy is in effect for 4 years from its approval by the Extraordinary General Meeting.

By Decision of the Board of Directors, the objectives of the Program are set for the cycles that have already commenced on 01/01/2020 and 01/01/2021 (grant date of the free shares) of the first two cycles. The vesting date of each cycle was set as the last day of the cycle. As the Key Performance Indicators have not been defined up to date, at present it is not possible to determine the fair value of the free of charge share-based Rights. The accounting policy that was adopted by the Group and the Parent Company is presented in note 4.4.

In the context of the above programs for free of charge distribution of shares, the Group and the Parent Company proceed with the purchase of own shares based on the provisions of article 49 of Law 4548/2018 (Note 26).

Collective Labor Agreement signed in 2021

At the meeting of the Board of Directors of the Parent Company on March 23rd, 2021, a new three-year Collective Labor Agreement (“CLA”) was approved and signed on March 24th, 2021 with the representatives of GENOP/ PPC-KHE and the First-level Unions for the period 2021-2024. The CLA includes institutional and wage arrangements and mainly defines the conditions of employment through work at home. In addition, the Collective Labor Agreement provide for a retroactive charge for special allowances to employees, for which the Group and the Parent Company recognized additional payroll cost of € 34.5 million and € 22.1 million as of December 31, 2021 respectively.

8. ENERGY PURCHASES AND RELATED FEES

	Group		Company	
	2022	**2021**	**2022**	**2021**
DAS and deviations’ Settlement	4,253,743	1,226,980	4,404,677	1,431,850
Energy imports from abroad	11,834	4,398	13,684	21,315
Other domestic energy purchases	40,724	82,549	48,878	98,477
Transitional flexibility Compensation Mechanism	-	25	-	-
Purchase rights	(9,801)	3,126	(9,801)	3,216
Net charge to ensure sufficient capacity	(9)	(110)	-	(104)
Arrangement of losses	-	(97)	-	(97)
Weighted variable cost of thermal units	-	301	-	244
Net charge for ancillary services	-	(108)	-	(108)
Incremental accounts	(2,859)	(5)	176	(6)
Hedging transactions (Note 43.1)	423,790	(92,285)	423,790	(92,285)
Losses from short positions due to lignite production	12,229	15,131	12,229	15,131
Periodic clearance of alternative suppliers	(33,578)	(10,739)	(33,578)	(10,739)
Other purchases	24,167	57,556	23,763	20,683
Total	**4,720,240**	**1,286,722**	**4,883,818**	**1,487,577**

The energy purchases of the Group and the Parent company on December 31, 2022 apprear to be significantly increased compared to 2021 mainly due to the increased Market Clearing Prices (MCP).

Compliance with European Union antitrust rules due to PPC's exclusive access to lignite power generation

From September 1, 2021, PPC undertook the obligation (article 44 of L4348 / 2021- Note 2) to create a short positions in quarterly futures contracts corresponding to 50% of the lignite electricity generation of the respective calendar quarter of the previous calendar year and up to the third quarter of the year 2022 and 40% of the lignite electricity generation of the corresponding calendar quarter of the previous calendar year, in the following quarters, by 31 December 2024 at the latest.

(All amounts in thousands of Euro, unless otherwise stated)

8.ENERGY PURCHASES AND RELATED FEES (CONTINUED)

In this context, the Parent Company received in 2021 short positions in futures contracts for electricity to cover this obligation that expired within the fourth quarter of 2021 and mature from January 1, 2022 to December 31, 2022, recording a loss of € 15.1 million, including changes in the fair value of long positions in futures contracts that PPC took to cover its exposure to this obligation.

As of December 31, 2022, PPC from the positions that it has taken for its compliance with the antitrust rules, it has recorded losses of €12.2 million including changes in the fair value of long positions in futures contracts that PPC took to cover its exposure to this obligation.

9. DEPRECIATION AND AMORTISATION

	Group		Company	
	2022	2021	2022	2021
Depreciation / Amortisation				
- Property, plant and equipment (Note 15)	610,923	656,456	284,832	339,324
- Intangible assets (Note 16)	8,960	5,817	5,534	3,668
- Right-of-use assets (Note 42)	33,426	20,147	25,038	13,827
- Transfer from subsidies (Note 33)	(12,929)	(16,172)	(9,257)	(9,896)
Total	**640,380**	**666,248**	**306,147**	**346,923**

10. EMISSION ALLOWANCES (CO_2)

In October and November 2020, the new greenhouse gas emission permits were issued for the 4th phase of the European Emissions Trading Scheme (EU ETS), ie from 1 January 2021 to 31 December 2030. As of December 31, 2022 Licenses for the 30 obligatory facilities of the Group are in force.

On 31.03.2022, the verifications of the CO2 emission reports of the year 2021 were completed by accredited control bodies for the 29 obligatory facilities of the PPC group, which were submitted on time to the Competent Authority in accordance with the current legislation. Total CO2 emissions in 2021 amounted to 15.80 million tonnes, including subsidiary facilities. In April 2022, an equal amount of allowances was delivered (15.80 million tonnes) for the year 2021 compliance.

According to the current European and National legislation, during the 3rd and 4th phase of implementation of the EU-ETS (period 2013-2020 and 2021-2030), PPC SA. is not entitled to free distribution of allowances for the CO2 emissions of its liable production stations, with the exception of part of the emissions corresponding to the supply of thermal energy for district heating. In the first semester of 2022, approximately 14 thousand allowances were granted free of charge for the emission allowances of PPC S.A. corresponding to the supply of thermal energy for district heating.

Based on the provisional reports, the total volume of CO2 emissions of the Group's liable facilities during the period 01.01.2022-31.12.2022 amounts to approximately 14.80 million tons. Based on the above, the total of PPC's CO2 emission rights estimated to be delivered for the period from 1.1.2022 to 31.12.2022 amounts to 14.80 million tons. It is pointed out that the CO2 emissions of the year 2022 will be considered final only by the end of March 2023, when the verifications of the CO2 emission reports for 2022 will be completed by accredited control bodies.

Emission allowances (CO_2) are presented in the following table:

	Group		Company	
	2022	2021	2022	2021
Cover of emissions from purchased EUAS	1,037,499	699,149	963,809	573,778
Managing costs	46	15	46	15
Total	**1,037,545**	**699,164**	**963,855**	**573,793**

In the Income Statement “emission allowances", the amount of € 1,037,545 concerns consumption of purchased EUAS as well as their managing costs. In note 16, the amount of € 1,037,499 concerns consumption without managing costs. In addition, the movement of intangible emission allowances is presented in this specific note.

(All amounts in thousands of Euro, unless otherwise stated)

11. FINANCIAL EXPENSES

	Group		Company	
	2022	2021	2022	2021
Interest Expenses	127,424	125,729	98,972	95,001
Bank charges	12,710	5,934	8,806	3,872
Amortization of loans' issuance costs	6,527	7,133	6,440	7,133
Finance cost on right-of-use assets (Note 42)	6,719	3,702	5,385	2,413
Commissions on letter of guarantee	23,606	24,480	6,137	5,992
Financial costs for the provision of decommissioning and removal of Power Plants', Mines' and Wind Parks' facilities and mines' land restoration (Note 32)	33,024	27,795	32,898	27,795
Loss from modification of terms of loan agreements (Note 30)	7,365	-	7,365	-
Securitization interest expenses and other costs (Note 44)	117,824	64,369	117,824	64,369
Finance cost of the financial liability from NCI Put option	9,184	-	-	-
Other	68	-	68	-
Total Continuing Operations	**344,451**	**259,541**	**283,895**	**206,575**
Discontinued Operations	-	-	-	45,388
Total	**344,451**	**259,541**	**283,895**	**251,963**

12. FINANCIAL INCOME

	Group		Company	
	2022	2021	2022	2021
Interest from outstanding energy bills	41,277	46,195	41,277	46,195
Interest on bank and time deposits (Note 25)	1,755	709	504	121
Dividend from subsidiaries (Note 19)	-	-	43,350	6,766
Gain from modification of loan agreement terms (Note 30)	-	11,477	-	11,477
Gain from the valuation of swap interest agreements (Note 43.2)	11,607	-	-	-
Other	825	913	914	663
Total	**55,464**	**59,294**	**86,045**	**65,222**

13. OTHER (INCOME)/ EXPENSE, NET

	Group		Company	
	2022	2021	2022	2021
OTHER EXPENSES				
Transportation and travel expenses	21,721	18,032	8,185	7,730
Taxes and duties	35,678	30,519	24,022	22,179
(Gain)/Losses on dismantling of property, plant and equipment	7,894	3,393	4,150	(540)
Consumables	9,556	7,367	5,440	4,488
Losses from transactions of commodity derivatives (Note 43.2)	254,617	-	254,617	-
Other expenses	52,239	63,960	29,854	43,976
Total	**381,705**	**123,271**	**326,268**	**77,833**
OTHER INCOME				
Penalties to suppliers/ contractors	(1,096)	(4,370)	(310)	(249)
Subsidies to expenses	(1,431)	(1,547)	(1,425)	(1,509)
Income from leases	(1,534)	(1,325)	(4,798)	(1,607)
Gains from transactions of commodity derivatives (Note 43.2)	-	(46,024)	-	(46,024)
Other income	(19,369)	(16,896)	(19,431)	(15,427)
Total	**(23,430)**	**(70,162)**	**(25,964)**	**(64,816)**
Total expense	**358,275**	**53,109**	**300,304**	**13,017**
Discontinued Operations	-	-	-	(5,685)
Total	**358,275**	**53,109**	**300,304**	**7,332**

(All amounts in thousands of Euro, unless otherwise stated)

13.OTHER INCOME)/ EXPENSE, NET (CONTINUED)

Ernst Young's fees for the Group amount to Euro 1.6 million, of which €317 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 2022.

Other expenses mainly consists of costs made as part of corporate and social responsibility, donations, and sponsorships.

14. INCOME TAXES (CURRENT AND DEFERRED)

	Group		Company	
	31.12.2022	**31.12.2021**	**31.12.2022**	**31.12.2021**
Current income taxes	37,253	10,930	-	-
Income taxes refund from previous years	-	(103,153)	-	(103,153)
Additional taxes from tax differences for previous years (Note 40)	8,096	-	8,096	-
Deferred icome tax	(62,430)	(39,229)	(35,292)	82,324
Total income tax-Continued Operations	**(17,081)**	**(131,452)**	**(27,196)**	**(20,829)**
Discontinued Operations	**-**	**-**	**-**	**(118,962)**
Total income tax	**(17,081)**	**(131,452)**	**(27,196)**	**(139,791)**

According to the last amendment of the Income Tax Code (L.4172/2013), as amended by Law 4799/2021 (OG A' 78/18-05-2021), the income tax rate for the legal entities residing in Greece for the income of the fiscal year 2021 and onwards is set at 22% instead of 24%. Moreover, income tax prepayment for the following year is set to 80% instead of 100%.

As a result, the deferred income tax and current income tax as of December 31, 2022 and December 31, 2021 were measured with the income tax rate 22% for the Greek Companies of the Group.

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. A corresponding obligation exists for foreign subsidiaries in accordance with local provisions.

The Group establishes a provision, if deemed necessary, per company and on a case by case basis, against any possible additional taxes being imposed by the tax authorities.

Based on the applicable Income Tax Code, from the fiscal year 2011, for the Group's companies residing in Greece the Statutory Auditors issue an “Annual Tax Compliance Report” after conducting an audit at the same time with the financial audit (“tax certificate”).

The 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 and onwards, pursuant to Law 4410/2016, the issuance of the tax certificate became optional, however, the Group applies the procedure for its issuance by the Statutory Auditors for subsidiaries residing in Greece.

The tax certificate of the Parent Company for the year 2021 was issued on 27/10/2022 from its statutory auditors “in compliance” with the applicable tax provisions.

Tax Audit by the Large Businesses Audit Center

On 27.7.2022, the Parent Company was notified through orders received by the Large Businesses Audit Center for a partial tax authorities audit for the years 2017 and 2018. The tax audit is in progress.

For the unaudited tax years, the Group establishes a provision on the basis of the findings of prior tax audits.

(All amounts in thousands of Euro, unless otherwise stated)

14.INCOME TAXES (CURRENT AND DEFERRED)(CONTINUED)

Tax unaudited years for the Parent Company and the subsidiaries of the Group are presented in the following table:

Company	Country	Unaudited years since
PPC S.A. (Parent Company)	Greece	2017
PPC Renewables S.A.	Greece	2017
HEDNO S.A.	Greece	2017
Arkadian Sun 1 Sole Shareholder S.A.	Greece	2017
Arkadian Sun 2 Sole Shareholder S.A.	Greece	2017
Solar Arrow 1 Sole Shareholder S.A.	Greece	2017
Amalthia Energy Sole Shareholder S.A.	Greece	2017
SOLARLAB Sole Shareholder S.A.	Greece	2017
Solar parks Western Makedonia 1 Sole Shareholder S.A.	Greece	2017
Solar parks Western Makedonia 2 Sole Shareholder S.A.	Greece	2017
PPC FINANCE PLC	United Kingdom	2009
AIOLIKO PARKO LYKOVOUNI Sole Shareholder S.A.	Greece	2017
AIOLIKO PARKO K-R Sole Shareholder S.A.	Greece	2017
AIOLIKO PARKO KOUKOULI Sole Shareholder S.A.	Greece	2020
AIOLIKO PARKO DOUKAS Sole Shareholder S.A.	Greece	2020
HELIOFANEIA Sole Shareholder S.A.	Greece	2017
CARGE S.A.	Greece	2020
Alexandroupolis Electricity Production Sole Shareholder S.A.	Greece	2022
DEI Optikes Epikoinonies Single member S.A.	Greece	2022
PPC BULGARIA JSCo	Bulgaria	2014
PPC Elektrik Tedarik ve Ticaret A.S.	Turkey	2014
PPC ALBANIA	Albania	2017
PHOIBE ENERGIAKH S.A.	Greece	2017
Energeiakos Stochos SOLE SHAREHOLDER S.A.	Greece	2017
WINDARROW Energiaki Sole Shareholder S.A.	Greece	2018
EDS AD Skopje	Republic of North Macedonia	2012
EDS DOO Belgrade	Serbia	2016
EDS International SK SRO	Slovakia	2012
EDS International KS LLC	Kosovo	2016
LIGNITIKI MELITIS S.A.*	Greece	30.06.2018 to 01.06.2022
LIGNITIKI MEGALOPOLIS S.A. *	Greece	30.06.2018 to 01.06.2022

*On 01.06.2022 the lignite subsidiaries LIGNITIKI MELITIS S.A. and LIGNITIKI MEGALOPOLIS S.A. were absorpted by PPC SA (Note 5.1).

(All amounts in thousands of Euro, unless otherwise stated)

14.INCOME TAXES (CURRENT AND DEFERRED)(CONTINUED)

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	
	2022	**2021**	**2022**	**2021**
Gain/(Loss) before tax	**(25,996)**	**(149,822)**	**742,896**	**166,354**
Nominal tax rate	22%	22%	22%	22%
Income tax calculated at nominal tax rate	(5,719)	(32,961)	163,437	36,598
Tax from share capital increase expenses	-	(14,504)	-	(14,504)
Non-deductible/Exempted revenues	9,477	(7,625)	(170,674)	(10,278)
Subsidiaries' dividends	-	-	(9,537)	(1,488)
Effect of change in tax rates	-	180,815	-	176,971
Tax losses for which deferred tax asset has not been recognized	-	10,401	-	-
Items for which no deferred tax has been recognized	(5,604)	(42,049)	(2,372)	(45,134)
Other	(23,331)	(122,376)	(16,146)	(178,803)
Income tax	**(25,177)**	**(28,299)**	**(35,292)**	**(36,638)**

The movement of the deferred income tax account is presented below:

	Group		Company	
	2022	**2021**	**2022**	**2021**
Balance, January 1st	**382,487**	**202,113**	**731,841**	**761,055**
Transfers to Liabilities Held for Sale	-	-	-	(111)
(Debit)/ Credit at profit and loss statement	62,430	39,229	35,292	(82,324)
Other	120	605	(2)	-
(Debit)/Credit directly in other comprehensive income	(5,149)	140,540	(2,635)	53,221
Deferred tax liability due to Lignite absorption (Note 5.1)	-	-	(3,645)	-
Deferred tax liability due to subsidiaries acquisition (Note 3)	(13,496)	-	-	-
Balance, December 31st	**426,393**	**382,487**	**760,852**	**731,841**

Deferred income tax receivables and liabilities are disclosed in the accompanying balance sheets as follows:

	Group		Company	
	2022	**2021**	**2022**	**2021**
Deferred income taxes				
- Receivables	1,381,868	1,340,332	934,133	887,878
- Liabilities	(955,475)	(957,845)	(173,281)	(156,037)
Total	**426,393**	**382,487**	**760,852**	**731,841**

(All amounts in thousands of Euro, unless otherwise stated)

14.INCOME TAXES (CURRENT AND DEFERRED)(CONTINUED)

	Group		Company	
	2022	2021	2022	2021
Deferred tax receivables				
- Inventories	77,910	69,354	75,583	65,221
- Trade receivables	304,204	293,977	281,611	271,270
- Provision for risks and expenses	126,284	126,073	91,684	89,161
- Subsidies	16,678	18,026	8,989	10,337
- Customers' contributions	323,349	324,998	1,075	1,130
- Property, plant and equipment	23,935	27,850	21,715	25,630
- Financial Assets measured at fair value through comprehensive income	3,120	3,120	3,120	3,120
- Subsidiaries and associates	31	86,439	31	86,439
- Post retirement benefits	84,835	82,889	30,975	26,317
-Other	38,445	41,642	37,164	43,127
- Provision of Decommissioning and removal of Power Plants', Mines' and Wind Parks' facilities and mines' land restoration	97,778	96,525	96,887	96,687
- Sundry provisions	1	885	-	884
- Tax losses	285,297	168,555	285,297	168,555
Deferred tax receivables	**1,381,868**	**1,340,332**	**934,133**	**887,878**
Deferred tax liabilities				
- Long-term loans' issuance fees and expenses	(12,858)	(15,450)	(12,858)	(15,450)
- Depreciation and revaluation of property, plant and equipment	(929,062)	(924,556)	(149,017)	(124,193)
- Foreign currency (gains)	(52)	(52)	(52)	(52)
- Derivative financial instruments	(12,895)	(16,920)	(12,050)	(16,920)
- IFRS 16 Right-of-use assets	(608)	(867)	696	578
Deferred tax liabilities	**(955,475)**	**(957,845)**	**(173,281)**	**(156,037)**
Deferred Tax receivables net	**426,393**	**382,487**	**760,852**	**731,841**

The movement of deferred taxes in income statement is analyzed below:

	Group		Company	
	2022	2021	2022	2021
-Inventories	8,556	(264)	10,362	(104)
-Trade receivables	10,228	(53,468)	10,341	(51,998)
-Provision for risks and accruals	211	10,804	2,523	15,697
-Subsidies and Customer Contributions	(2,997)	153,786	(1,402)	153,756
-Property, plant and equipment	(3,915)	2,219	(3,915)	2,219
-IFRS 16 Right-of-use assets	257	3,092	117	3,092
- Long-term loans' issuance fees and expenses	2,592	3,479	2,593	3,479
- Subsidiaries and associates	(86,408)	10,789	(86,408)	10,789
- Depreciation - Revaluation of property, plant and equipment	8,873	(84,162)	(21,179)	(92,606)
- Foreign exchange differences	-	5	-	5
Financial assets measured at fair value through comprehensive income	-	(206)	-	(206)
-Tax losses	116,743	(7,425)	116,743	(7,425)
-Post retirement benefits	8,541	1,167	8,541	1,169
-Other	(3,318)	(6,491)	(5,961)	(7,130)
- Derivative financial instruments	1,735	-	1,735	-
-Provision of Decommissioning and removal of Power, Mines and Wind Parks' facilities and mines' land Restoration	2,215	10,215	2,086	10,215
- Sundry provisions	(884)	(4,314)	(884)	(4,314)
(Debit)/ Credit in income statement	**62,430**	**39,226**	**35,292**	**36,638**

(All amounts in thousands of Euro, unless otherwise stated)

14.INCOME TAXES (CURRENT AND DEFERRED)(CONTINUED)

Deferred income tax charged in the statement of comprehensive income is attributable to the following items:

	Group		Company	
	2022	**2021**	**2022**	**2021**
- Actuarial gains/ (losses)	(6,594)	(9,043)	(3,883)	(5,901)
- Provision of Decommissioning and removal of Power Plants', Mines' and Wind Parks' facilities	(1,236)	(4,951)	(1,886)	(4,951)
-Derivative financial instruments	2,682	(15,767)	3,134	(15,767)
- Revaluation/ impairments of property, plant and equipment	-	170,301	-	123,354
Debit/ (Credit) in the statement of comprehensive income	**(5,149)**	**140,540**	**(2,635)**	**96,736**

Absorption of Lignite subsidiaries 2022

On June 1, 2022, the absorption of 100% of the subsidiaries of Lignitiki Megalopolis S.A. and Lignitiki Melitis SA by PPC S.A. was complete, in accordance with the provisions of articles 6-53 of Law 4601/2019, articles 48-49 of Law 4843/2021, Law 4172/2013, Law 4548/2018 (Note 5.1).

Due to this absorption, the Parent company recognized for the first time in 2022 a deferred tax asset on the tax losses carried forward. Lignitiki Megalopolis S.A. and Lignitiki Melitis S.A. had not recognized a deferred tax asset on their tax losses as no future taxable profits were expected in order tax losses to be utilised.

Spin-off of the distribution network 2021

Due to the completion of the spin-off of the distribution network from PPC to HEDNO (Note 5) in November 2021, in accordance with the provisions of Law 1297/1972 on the provision of tax incentives for the merger or conversion of companies, the tax base of the contributed fixed assets increased by goodwill arising on the valuation of these assets, in proportion to their depreciable value in relation to their acquisition value. The decrease of the deferred liability due to the revision of the tax base of the fixed assets of the distribution sector was recognized in the revaluation suprlus of the Group and amounted to € 62.5 million.

Income Tax Refund for the years 2015, 2016 within 2021

During the process of the preparation and audit of the annual financial statements for the year 2017, PPC SA determined that the method followed for the calculation of unbilled energy to low voltage customers for the years 2015 and 2016 was not appropriate under its circumstances, which led to an overstatement of the revenues of the respective years.

Specifically, the aforementioned overstatement formed additional accrued revenues from energy sales of € 91.3 million for 2016 and € 251.4 million for 2015, which consequently increased the profits of these years.

After the determination of the overstatement of revenues of the respective years, the results of the Financial Statements of the Company, but also of PPC's Group were restated, in accordance with the provisions of IAS 8, in order to be compatible with the actual data. The specific restatement was included in the Financial Statements of 2017 which were approved by the 18th General Meeting of June 7, 2018.

In parallel with the accounting restatement of the results, amending tax returns were submitted for the specific years 2015 and 2016, with which the Company essentially requested the recovery of tax that had been additionally paid due to the overstatement of revenues amounting to € 76.6 million for the year 2015, and € 26.4 million for the year 2016.

With the submission of the amending tax returns, a corresponding audit was carried out by the State Tax Office and in combination with the E2228 / 2021 circular order of AADE regarding the possibility of submitting a return and repaying the credit balance, as a consequence of correcting an error, according to the provisions of article 28 of Law 4308/ 2014 or IAS 8, the refund of the requested amount of amendments totaling to € 103 million was approved.

The Parent Company received from the State Tax Office on December 27, 2021 an amount of € 99.5 million, while it offseted the remaining amount of € 3.7 million with its liabilities.

(All amounts in thousands of Euro unless otherwise stated)

15. PROPERTY, PLANT AND EQUIPMENT, NET

GROUP	Land	Mines	Lakes	Buildings and Technical Works	Machinery and Equipment	Transportation Assets	Fixtures and Furniture	Construction in progress	Total
Carrying amount December 31, 2020	**440,336**	**837,249**	**40,250**	**1,457,919**	**7,328,435**	**34,093**	**71,683**	**1,534,542**	**11,744,507**
- Impairments of mines' and Lignite Units' property, plant and equipment and provision of mines' land restoration	-	(75,184)	-	-	-	-	-	(55,225)	**(130,408)**
Revaluation surplus / (Devaluation) of property, plant and equipment	6,272	-	-	1,971	298,151	(1,001)	(918)	-	**304,475**
- Additions -decommissioning and removal costs of Power Plants', and Mining facilities and mines' land restoration additional costs	-	87,981	-	-	71	-	-	-	**88,052**
- Additions	-	-	-	2,481	189,981	1,096	8,989	232,654	**435,200**
- Disposals/Sales	(2,960)	(129,980)	-	(1,543)	(30,182)	(1,225)	(1,191)	(7,508)	**(174,589)**
- Transfers from CIP	1,923	6,860	-	6,955	43,874	-	1,145	(60,757)	**-**
-Transfers to intangible assets	-	-	-	-	-	-	(5)	(7,748)	**(7,753)**
- Other Movements	(1,666)	1,977	(433)	-	55	(56)	(100)	(224)	**(427)**
- Offsetting accumulated depreciation at cost due to revaluation of fixed assets	-	-	-	(39,810)	(543,363)	(809)	(1,152)	-	**(585,133)**
Carrying amount December 31, 2021	**443,906**	**728,923**	**39,817**	**1,427,974**	**7,287,022**	**32,097**	**78,452**	**1,635,734**	**11,673,924**
Accumulated Depreciation December 31, 2020	**(577)**	**(740,615)**	**(18,829)**	**(108,506)**	**(571,658)**	**(12,073)**	**(22,362)**	**-**	**(1,474,620)**
- Depreciation charge	(577)	(35,159)	(764)	(91,514)	(513,910)	(5,462)	(9,069)	-	**(656,456)**
-Accumulated depreciation of disposals / sales	-	129,980	-	823	4,862	1,067	1,020	-	**137,752**
- Other movements	-	-	-	-	25	(4)	(8)	-	**13**
-Offsetting accumulated depreciation at cost due to revaluation of fixed assets	-	-	-	39,810	543,363	809	1,152	-	**585,133**
Accumulated Depreciation December 31, 2021	**(1,154)**	**(645,794)**	**(19,593)**	**(159,387)**	**(537,319)**	**(15,663)**	**(29,266)**	**-**	**(1,408,177)**
Net carrying amount December 31, 2021	**442,752**	**83,129**	**20,224**	**1,268,586**	**6,749,703**	**16,434**	**49,185**	**1,635,734**	**10,265,746**
Carrying amount December 31, 2021	**443,906**	**728,923**	**39,817**	**1,427,974**	**7,287,022**	**32,097**	**78,452**	**1,635,734**	**11,673,924**
-Impairment of fixed assets	(15)	-	-	(520)	(129)	-	-	(7,371)	**(8,035)**
-Partial reversal of impairment loss for CIP	-	-	-	-	-	-	-	177,500	**177,500**
- Carrying amount of fixed assets (subsidiaries acquisition) (Note 3)	5,548	-	-	16,151	67,341	-	5	4,174	**93,219**
- Additions/(reduction) of decommissioning and removal costs of Power Plants', and Mining facilities and mines' land restoration	-	(5,600)	-	-	47	-	-	-	**(5,553)**
- Additions	172	-	-	3,491	253,630	964	7,284	418,366	**683,907**
- Disposals/Sales	(90)	-	-	(597)	(17,256)	(428)	(1,518)	(3,498)	**(23,387)**
- Transfers from CIP	716	7,856	42	12,279	51,548	-	1,036	(73,477)	**-**
-Transfers to intangible assets	-	-	-	-	-	-	-	(4,364)	**(4,364)**
- Other Movements	-	-	-	(21)	15	-	5	(32)	**(33)**
- Assets Held for sale (Note.5.2)	(1,728)	(279,266)	-	(640)	-	-	-	-	**(281,634)**
Carrying amount December 31, 2022	**448,509**	**451,913**	**39,859**	**1,458,117**	**7,642,218**	**32,633**	**85,259**	**2,147,032**	**12,305,544**
Accumulated Depreciation December 31, 2021	**(1,154)**	**(645,794)**	**(19,593)**	**(159,387)**	**(537,319)**	**(15,663)**	**(29,266)**	**-**	**(1,408,177)**
- Depreciation charge	(436)	(25,675)	(764)	(83,210)	(487,416)	(3,939)	(9,483)	-	**(610,923)**
-Accumulated depreciation of fixed assets (subsidiaries acquisition) (Note 3)	-	-	-	(1,834)	(6,162)	-	-	-	**(7,996)**
-Accumulated depreciation of disposals / sales	-	-	-	92	9,426	371	1,433	-	**11,322**
- Assets Held for sale (Note.5.2)	-	260,542	-	469	-	-	-	-	**261,011**
Accumulated Depreciation December 31, 2022	**(1,590)**	**(410,927)**	**(20,357)**	**(243,870)**	**(1,021,471)**	**(19,231)**	**(37,316)**	**-**	**(1,754,763)**
Net carrying amount December 31, 2022	**446,919**	**40,986**	**19,502**	**1,214,247**	**6,620,747**	**13,402**	**47,948**	**2,147,032**	**10,550,781**

(All amounts in thousands of Euro, unless otherwise stated)

15. PROPERTY, PLANT AND EQUIPMENT, NET (CONTINUED)

Parent Company	Land	Mines	Lakes	Buildings and Technical Works	Machinery and Equipment	Transportation Assets	Fixtures and Furniture	Construction in progress	Total
Carrying amount December 31, 2020	**238,334**	**837,246**	**39,817**	**1,229,611**	**2,649,054**	**15,751**	**43,534**	**1,433,758**	**6,487,106**
- Impairments of mines' and lignite Units' property, plant and equipment and provision for mines' land restoration	-	(75,184)	-	-	-	-	-	(52,336)	**(127,520)**
- Additions- decommissioning and removal costs of Power Plants', and Mining facilities and mines' land restoration	-	87,981	-	-	-	-	-	-	**87,981**
- Additions	-	-	-	60	-	37	3,705	179,525	**183,327**
- Disposals / Sales	(2,960)	(129,980)	-	(1,310)	(26,505)	(912)	(177)	(7,487)	**(169,330)**
- Transfers from CIP	1,846	6,860	-	3,575	26,592	-	1,142	(40,014)	**-**
-Transfers to intangible assets	-	-	-	-	-	-	-	(7,141)	**(7,141)**
- Other Movements	(1,977)	1,997	-	-	46	-	-	1	**67**
- Transfers from / (to) assets held for sale	(8)	-	-	(90)	-	-	-	2,431	**2,333**
Carrying amount December 31, 2021	**235,235**	**728,920**	**39,817**	**1,231,846**	**2,649,188**	**14,876**	**48,205**	**1,508,738**	**6,456,824**
Accumulated Depreciation December 31, 2020	**(577)**	**(740,614)**	**(18,829)**	**(83,034)**	**(278,136)**	**(6,974)**	**(6,242)**	**-**	**(1,134,406)**
- Depreciation charge	(577)	(35,159)	(764)	(71,292)	(223,361)	(1,660)	(6,511)	-	**(339,324)**
-Accumulated depreciation of disposals / sales	-	129,980	-	779	4,085	912	65	-	**135,821**
Accumulated Depreciation December 31, 2021	**(1,154)**	**(645,793)**	**(19,593)**	**(153,547)**	**(497,412)**	**(7,722)**	**(12,688)**	**-**	**(1,337,910)**
Net carrying amount December 31, 2021	**234,081**	**83,127**	**20,224**	**1,078,299**	**2,151,776**	**7,154**	**35,517**	**1,508,738**	**5,118,915**
Carrying amount December 31, 2021	**235,235**	**728,920**	**39,817**	**1,231,846**	**2,649,188**	**14,876**	**48,205**	**1,508,738**	**6,456,824**
-Impairment of CIP	-	-	-	-	-	-	-	(5,744)	**(5,744)**
-Partial reversal of impairment loss for CIP	-	-	-	-	-	-	-	177,500	**177,500**
-Carrying amount of property,plant,equipment due to absorption of lignite subsidiaries (Note 5.1)	4,687	-	-	6,965	32,804	489	1,911	31	**46,887**
-Decrease in decommissioning and removal costs of Mines	-	(5,600)	-	-	-	-	-	-	**(5,600)**
- Additions	-	-	-	86	-	43	3,841	201,388	**205,358**
- Disposals / Sales	-	-	-	(3)	(11,501)	(68)	(434)	-	**(12,006)**
- Transfers from CIP	716	7,856	42	8,681	31,940	-	1,032	(50,267)	**-**
-Transfers to intangible assets	-	-	-	-	-	-	-	(3,800)	**(3,800)**
- Other Movements	-	-	-	-	-	-	-	8	**8**
-To Assets Held for sale (Note 5.2)	(1,728)	(279,266)	-	(640)	-	-	-	-	**(281,634)**
Net carrying amount December 31, 2022	**238,910**	**451,910**	**39,859**	**1,246,935**	**2,702,431**	**15,340**	**54,555**	**1,827,854**	**6,577,794**
Accumulated Depreciation December 31, 2021	**(1,154)**	**(645,793)**	**(19,593)**	**(153,547)**	**(497,412)**	**(7,722)**	**(12,688)**	**-**	**(1,337,910)**
- Depreciation charge	(436)	(25,675)	(764)	(63,676)	(185,826)	(1,731)	(6,724)	-	**(284,832)**
- Accumulated depreciation of of property,plant,equipment due to absorption of lignite subsidiaries (Note 5.1)	-	-	-	(2,268)	(10,098)	(290)	(847)	-	**(13,503)**
-Accumulated depreciation of disposals / sales	-	-	-	2	7,421	53	382	-	**7,858**
-To Assets Held for sale (Note 5.2)	-	260,542	-	469	-	-	-	-	**261,011**
Accumulated Depreciation December 31, 2022	**(1,590)**	**(410,926)**	**(20,357)**	**(219,020)**	**(685,915)**	**(9,690)**	**(19,877)**	**-**	**(1,367,375)**
Net carrying amount December 31, 2022	**237,320**	**40,984**	**19,502**	**1,027,915**	**2,016,516**	**5,650**	**34,678**	**1,827,854**	**5,210,419**

15. PROPERTY, PLANT AND EQUIPMENT, NET (CONTINUED)

Revaluation of Tangible Fixed Assets of the Distribution Network on March 31, 2021

On March 31, 2021 the Group proceeded with the valuation of the operating tangible fixed assets of the branch of the PPC distribution network due to the separation of this branch from PPC and its contribution to the 100% subsidiary HEDNO SA with the exchange of shares based on the provisions of Law 1297/1972 on the provision of tax incentives for the merger or conversion of companies, of Corporate Law 4548/2018 of societe anonyme companies and of Law 4601/2019 on Corporate Transformations (Note 5). This valuation was carried out in accordance with IAS 16 and IFRS13 by an independent valuation firm and its results were recognized in the financial statements of the Group on November 30, 2021 (fair value 31.03.2021 less depreciation until 30.11.2021, plus additions and reductions). As the fair value of the tangible fixed assets of the sector was recognized in the subsidiary HEDNO upon the completion of the spin-off, ie on 30.11.2021, the same date it was recognized on the Group. At Parent Company level, paragraph 15 of IFRS 5 was applicable and as the carrying amount of the fixed assets was lower than their recoverable amount, no adjustment was made.

The new estimated fair value of the assets of the distribution network branch was influenced, inter alia, by the methodology established for the calculation of the Allowed and Required Revenue of the Operator of the Hellenic Electricity Distribution Network (RAE Decision 1431/2020), RAE Decision 1566/2020 (OG B´1389/08.04.2021) which determined the return on the Regulated Asset Base for the Regulatory Distribution Period 2021 - 2024, equal to 6.7%, and the Network Development Plan for the period 2021-2025.

The method and significant assumptions applied by the independent appraising firm were as follows:
(a) For the calculation of the fair value of the assets, the appraisers took into account the Group's Business Plan.
(b) The total of the real estate assets 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 assessed were considered to be privately used by the Group, and that the same use is expected throughout their remaining useful lives.
(d) The Market Approach (market-based evidence) was applied to determine the Fair Value of land, buildings, fixtures and 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 land and buildings where sufficient comparative data were not identified, the Utilization Approach/ Residual method was applied.
In special purpose buildings, machinery and technical works (specialized fixed assets), the determination of the fair value was made on the basis of the Cost Approach, and in particular with the method of amortized replacement costs, in the content of which adjustments were made, as needed to reflect their physical, functional, technological and economic obsolescence. For all electromechanical equipment the appraiser took into account the date of acquisition, the degree of use, maintenance and marketability.

(e) The economic obsolescence was determined by the appraiser applying the income approach and in particular the discounted cash flows method after testing the profitability (Profitability testing) of the Distribution Network branch. The discount rate used was calculated on the basis of WACC (Weighted Average Cost of Capital) and amounted to 4.6%.
The revalued amounts, from appraisers' work (fair value as of 31.03.2021 less depreciation until 30.11.2021), compared to Net Book Value of the fixed assets, resulted to net surplus for the Group amounting to approximately € 330,3 million, which was credited directly in the Revaluation Surplus in Comprehensive Income (€257,6 million net of deferred taxes for the Group). Also, an amount of € 22.7 million for the Group which was not offset by previous years' revaluation surplus was charged in the Statement of Income for the year ended December 31st, 2021 (€ 17,7 million net of deferred tax for the Group).

(All amounts in thousands of Euro, unless otherwise stated)

15. PROPERTY, PLANT AND EQUIPMENT, NET (CONTINUED)

Revaluation of Tangible Fixed Assets of lignite subsidiaries on November 30, 2021

On November 30, 2021 the subsidiaries "Lignitiki Megalopolis soleshareholder SA" and "Lignitiki Melitis soleshareholder SA" proceeded to the valuation of their operating tangible fixed assets in the context of their absorption by PPC within 2022 (Note 5.1), in accordance with the provisions of articles 48-49 of Law 4843/2021 in combination with Law 4601/2019 and the tax provisions of article 54 of Law 4172/2013 with reference date of the Merger Accounts on November 30, 2021. This valuation was carried out in accordance with IAS 16 by an independent valuation firm and its results were recognized in the Group's financial statements on November 30, 2021.

The independent valuation firm used the cost approach to evaluate the fair value of specialized assets. Based on its methodology, functional and physical obsolescence was given to these fixed assets, while no economic obsolescence test was conducted as mentioned in more detail in its Report.

The revalued amounts on 30 November 2021, from appraisers' work compared to the Net Book Value of the fixed assets, resulted to net surplus for the Group amounting to approximately € 880 thousands which was credited directly in the Revaluation Surplus in Comprehensive Income. Also, an amount of € 4 million for the Group which was not offset by previous years' Revaluation Surplus was charged in the Statement of Income for the year ended December 31st, 2021.

Revaluation reserve for fixed assets

The following is a table showing the overall effect of the revaluation of the fixed assets of the distribution network branch and of lignite subsidiaries on the statements of comprehensive income and profit or loss, as well as the movement of the revaluation surplus:

	Group 31.12.2021
Revaluation Surplus	375,925
(Devaluation)	(44,735)
Total revaluation of fixed assets recognized directly in the statement of comprehensive income	**331,190**
Devaluation of fixed assets in the income statement	**(26,715)**
Total revaluation effect 2021	**304,475**
Revaluation Surplus	375,925
Deferred tax on revaluation	38,618
Devaluation	(44,735)
Deferred tax on revaluation	8,329
Total revaluation of fixed assets directly in the statement of comprehensive income, net of deferred taxes	**378,136**
Devaluation of fixed assets in the income statement	(26,715)
Deferred tax on revaluation	4,995
Total revaluation of fixed assets net of deferred taxes	**(21,720)**
Overall Impact of the revaluation 2021, net of deferred taxes	**356,416**

(All amounts in thousands of Euro, unless otherwise stated)

15. PROPERTY, PLANT AND EQUIPMENT, NET (CONTINUED)

The following is a table showing the aggregate movement of the revaluation surplus value after taxes:

	31.12.2022		31.12.2021	
	Group	**Company**	**Group**	**Company**
Balance 01.01	**5,163,915**	**3,000,597**	**4,686,388**	**4,594,433**
Change in future outflows of decommissioning and removal costs of Power Plants', Mining facilities and mines' land restoration, after tax	4,383	6,687	8,709	8,709
Revaluation surplus 2021	-	-	378,136	-
Deferred taxes on fixed assets due to change in tax rate	-	-	123,354	123,354
Deferred taxes on recovery provision due to change in tax rate	-	-	(2,494)	(2,494)
Distribution network reserves transferred to retained earnings	-	-	-	(1,696,476)
Fixed asset disposals	(17,966)	(13,952)	(30,179)	(26,929)
Revaluation surplus from the absorption of liginites (Note 5.1)	-	71,265	-	-
Balance 31.12	**5,150,332**	**3,064,597**	**5,163,915**	**3,000,597**

Impairment test of the investment in the New Unit, power 660 MW in Ptolemaida V

The construction of the new unit 660 MW in Ptolemaida is in the final stage of testings and it is expected that it will commence its commercial operation in the next period of time. On December 31st, 2022, the total expenditure for the Project amounts to €1.664 bil. (31.12.2021: € 1.538 bil.) and its value (after impairment) to €1.463 bil. (31.12.2021: €1.159 bil.).

Considering that the operation of the lignite-fired unit is estimated to continue beyond 2024 and given the market conditions, the impairment that existed at December 31, 2021 has now been partially reversed as of December 31, 2022. In particular, the recoverable amount that was determined using the Value in Use method, it turned out to be greater than the already reduced cost of the investment by approximately €177.5 million. Following these and in accordance with IAS 36, the Parent Company proceeded to a partial reversal of the impairment loss by €177.5 million in favor of the Income Statement.

To estimate the Value in Use as of December 31, 2022, the method of discounting the future cash flows of the investment was applied and a discount rate (Weighted Average Cost of Capital - "WACC") of 6.1% was used. The main assumptions made concern the future costs for the operation of the Unit (fuel costs, CO2 emission allowances cost, etc), the expected future revenues as well as the additional capex required for the change of fuel mix from 2028.

Property, plant and equipement, net from the acquisition of new subsidiaries as of 31.12.2022

On June 22, 2022, the Group, through its subsidiary PPC Renewables, entered into an agreement to purchase 100% of the shares of subsidiary companies of Volterra (100% subsidiary of AVAX). From this acquisition, the Group recognized tangible fixed assets amounting to € 79,239 (Note 3) related to Wind Farms under construction.

Additionally, on December 20, 2022 the Parent Company purchased 51% of the company's shares under the name "Power Generation Alexandroupolis S.A." from the company Damco Energy. From this acquisition, the Group recognized tangible fixed assets amounting to € 5,979 which mainly concern land. The new subsidiary company is planning the construction and operation of a new natural gas fueled electricity production unit, with a nominal capacity of 840 MW, in Alexandroupolis (Note 40).

15. PROPERTY, PLANT AND EQUIPMENT, NET (CONTINUED)

Other impairments for the year ended December 31, 2021

On December 31, 2021, capitalized costs in the Parent Company's Construction in Progress account were impaired totaling of € 55.2 million, of which € 19.3 million concern investments that are implemented gradually, in order for Units I, II, III and V of SES Agios Dimitrios to adapt to the environmental requirements of Directive 2010/75/EU and to comply with the objectives of Transitional National Emissions Reduction Plan (TNERP).
On December 31st, 2019, the Parent Company recognized a provision for losses based on IAS 37 (onerous contracts) amounting to € 45.7 million for the aforementioned investments that cannot be avoided and derive from the specific environmental obligation. Therefore, this impairment of the capitalized costs by € 19.3 million, reduced equally the relevant provision recognized on December 31st, 2019 and did not charge the income statement of the year 2021. The remaining part of the impairment € 31.3 million concerned mainly additions made to the Mines and the specific amount was charged the income statement of the year ended December 31st, 2021.

Transfer of High Voltage tangible assets of Crete from PPC SA to IPTO SA

After the completion of the first phase of the Interconnection of Crete with the Peloponnese, with the provisions of articles 106-108 of Law 4821/2021 (OG A' 134 / 31.7.2021) articles 108B to 108D are added to Law 4001/2011 regulating the operation of the electricity market of Crete until the 2nd Phase of the Interconnection with the System of the mainland.

From August 1st 2021, all tangible high voltage assets of the electricity system of Crete, owned by the Parent Company and managed by HEDNO SA are automatically transferred, from PPC SA to IPTO SA, in full ownership, use and possession, within Hellenic Electricity Transmission System (HETS) and at the Regulatory Fixed Assets Registry of HETS and are under the management of IPTO SA for a price, which is calculated and paid in accordance with the provisions of article 108 of Law 4821/2021.

For the purpose of the transfer, the undepreciated value of the assets is calculated based on the date of the automatic transfer, as determined under the rules of Regulatory Authority for Energy (RAE), in the context of the approval of the Distribution Network Revenue and of Transmission System Revenue and is certified by an Auditor.

In addition, within three months from the determination of the transferred assets' market value by an independent specialized appraiser and with the mutual acceptance from IPTO SA and PPC SA, an additional amount will be paid by IPTO SA to PPC SA, for the assets' transfer, equal to any positive difference between the regulatory value dated 1.8.2021 and the market value of the tangible assets. This valuation completed in 2022.

On August 1, 2021, all the fixed assets of the high voltage of the electrical system of Crete were derecognised from the "Tangible Assets" of the Statement of Financial Position of the Group and the Parent Company as their automatic transition to the IPTO has taken place. The Group and the Parent Company recognized accrued income of € 40.6 million equal to their net regulatory carrying value and gains from the sale of fixed assets of € 7.4 million. On November 26, 2021, IPTO paid the initial price of € 40.6 million to PPC.

Moreover, from the valuation at market value of those assets as determined by an independent appraiser in June 2022, an additional consideration of €17.8 million was defined as the positive difference between the market and the regulatory value of those assets, and was recognized in other revenues of the Group and the Parent Company. The additional consideration was received within the fiscal year by IPTO.

Capitalization of Borrowing cost:
The Group and the Parent Company capitalized borrowing costs for ongoing projects totaling € 22.2 million and €21.4 million respectively for the year ended December 31, 2022 (2021: € 21.7 million Group and Parent Company).

Encumbrances on property, plant and equipment:

Encumbrances on the Group's Property, plant and equipment are presented in Note 30, while claims from third parties are presented in Note 40.

(All amounts in thousands of Euro, unless otherwise stated)

16. INTANGIBLE ASSETS, NET

Group	31.12.2022 Software	31.12.2022 Other Intangible Assets	31.12.2022 Emission Allowances	31.12.2022 Goodwill	31.12.2022 Energy sales rights	31.12.2022 Total	31.12.2021 Software	31.12.2021 Other Intangible Assets	31.12.2021 Emission Allowances	31.12.2021 Total
Net book value, January 1	**6,296**	**29,867**	**323,826**	**-**	**-**	**359,989**	**6,919**	**23,668**	**81,529**	**112,116**
Additions	1,819	496	1,222,810	-	-	**1,225,125**	2,654	158	941,446	**944,258**
Intangible assets from acquisitions	162	6,232	-	21,191	46,509	**74,094**	-	-	-	-
Consumption	-	-	(1,037,499)	-	-	**(1,037,499)**	-	-	(699,149)	**(699,149)**
Depreciation (Note 9)	(3,122)	(4,611)	-	-	(1,227)	**(8,960)**	(3,434)	(2,383)	-	**(5,817)**
Disposals	(11)	-	-	-	-	**(11)**	(13)	-	-	**(13)**
Transfers from property, plant and equipment	940	3,424	-	-	-	**4,364**	134	7,620	-	**7,753**
Impairments	-	-	-	-	-	**-**	-	(154)	-	**(154)**
Other movements	-	(3,163)	-	-	-	**(3,163)**	36	959	-	**995**
Net book value, December 31	**6,084**	**32,245**	**509,137**	**21,191**	**45,282**	**613,939**	**6,296**	**29,867**	**323,826**	**359,989**

Company	31.12.2022 Software	31.12.2022 Other Intangible Assets	31.12.2022 Emission Allowances	31.12.2022 Total	31.12.2021 Software	31.12.2021 Other Intangible Assets	31.12.2021 Emission Allowances	31.12.2021 Total
Net book value, January 1	**3,045**	**6,912**	**323,826**	**333,783**	**4,816**	**1,256**	**81,529**	**87,601**
Additions	722	15	1,222,810	**1,223,544**	431	14	941,446	**941,891**
Consumption	-	-	(1,037,499)	**(1,037,499)**	-	-	(699,149)	**(699,149)**
Depreciation (Note 9)	(2,094)	(3,440)	-	**(5,534)**	(2,317)	(1,350)	-	**(3,668)**
Disposals	(11)	-	-	**(11)**	(13)	-	-	**(13)**
Transfers from property, plant and equipment	941	2,859	-	**3,800**	129	7,012	-	**7,141**
Intangible assets from the absorption of Lignite (Note 5.1)	8	-	-	**8**	-	-	-	**-**
Other movements	-	-	-	-	-	(20)	-	**(20)**
Net book value, December 31	**2,611**	**6,346**	**509,137**	**518,094**	**3,045**	**6,912**	**323,826**	**333,783**

The net carrying amount of software and other intangible assets is further analyzed as follows:

	Group				Company	
December 31, 2021	**Software**	**Other Intangible Assets**	**Goodwill**	**Energy sales rights**	**Software**	**Other Intangible Assets**
Gross carrying amount	90,232	40,036	-	-	77,361	13,033
Accumulated amortization	(83,935)	(10,169)	-	-	(74,316)	(6,121)
Net carrying amount	**6,296**	**29,867**	**-**	**-**	**3,045**	**6,913**
December 31, 2022						
Gross carrying amount	91,240	47,022	21,191	46,509	77,362	15,907
Accumulated amortization	(85,154)	(14,780)	-	(1,227)	(74,751)	(9,561)
Net carrying amount	**6,086**	**32,242**	**21,191**	**45,282**	**2,611**	**6,346**

The intangible assets as of December 31, 2022 include the intangible assets from the new subsidiaries of RES portfolio amounting to €52.7 million and the goodwill recognized from their acquisition amounting to €21.2 million (Note 3).

(All amounts in thousands of Euro, unless otherwise stated)

17. INVESTMENTS IN SUBSIDIARIES

The direct subsidiaries of the Parent Company and the value of the investment are as follows:

		Company	
	Notes	**31.12.2022**	**31.12.2021**
HEDNO S.A.	5	547,332	1,073,201
PPC Renewables S.A.		455,608	155,608
PPC FINANCE PLC		59	59
PPC BULGARIA JSCo		522	522
PPC ELEKTRIK TEDARIK VE TICARET AS		1,350	1,350
PPC ALBANIA		490	490
EDS AD Skopje		10,300	10,300
CARGE S.A.		621	-
Alexandroupolis Electricity Production Sole Shareholder S.A.	40	3,236	-
DEI Optikes Epikoinonies Single member S.A.	3	-	-
LIGNITIKI MELITIS S.A.	5.1	-	-
LIGNITIKI MEGALOPOLIS S.A.	5.1	-	-
		1,019,518	**1,241,530**

The consolidated financial statements include the financial statements of PPC and its subsidiaries (full consolidation method).

Due to the fact that the tender process for the sale of the lignite subsidiaries "Lignitiki Melitis S.A." and "Lignitiki Megalopolis S.A." within 2019 was declared barren, their operational profitability (EBITDA) within 2019, 2020 and 2021 was negative, no dividend is expected to be received in the future and also taking into account the fact that the Parent Company decided in 2020 and 2021 to capitalize its trade receivables from these subsidiaries, the Parent Company fully impaired the value of its shareholding in the Lignite Subsidiaries since 2019.

In December 2020, the Parent Company's Board of Directors decided the increase of the share capital of its 100% subsidiary under the name "Lignitiki Megalopolis S.A." through the offset of its existing and future debt towards PPC of €55.0 million, an increase of its share capital through cash amounting to €40.0 million (€95.0 million in total) and a reduction of its share capital by offsetting it with losses of €230.0 million.

The amount of the share capital increase through cash, was paid in installments, by an amount of €10.0 million in December 2020 and an amount of €30.0 million in the first two months of 2021.

The increase in the shareholding of Lignitiki Megalopolis S.A. by €85.0 million incurred in 2021, was fully impaired by the Parent Company and is included in "Impairment loss on Lignite Subsidiaries" in the Income Statement of the Parent Company.

In February 2021, the Parent Company's Board of Directors decided the increase of the share capital of its 100% subsidiary under the name "Lignitiki Melitis S.A." through the offset of its existing and future debt towards PPC of €33.0 million, as well as the reduction of the share capital through offsetting losses amounting to €90.0 million.

The increase in the shareholding of Lignitiki Melitis S.A. by €33.0 million incurred in 2021, was fully impaired by the Parent Company and is included in "Impairment loss on Lignite Subsidiaries" in the Income Statement of the Parent Company.

On December 31, 2021 the shareholding in "Lignitiki Melitis S.A." and in "Lignitiki Megalopolis S.A." before impairments amounted to €199.8 million (31.12.2020: €166.8 million) and €196.6 million (31.12.2020: €111.6 million) respectively.

Moreover, as of December 31st, 2020 the Parent Company had established a provision for additional losses from legal commitments for Lignitiki Megalopolis S.A. amounting to €30.0 million, which was reversed in 2021. The income from the derecognition is included in "Impairment loss on Lignite Subsidiaries" in the Income Statement of the Parent Company for the year ended on December 31, 2021.

17.INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Alongside, as of December 31st, 2021 the Parent Company recorded a provision for expected credit losses for the trade receivables included in its records by the lignite subsidiaries.

In particular, the Parent Company recorded a provision for expected credit losses amounting to €20.9 million (31.12.2020: € 30.0 million) as of December 31st, 2021 for trade receivables by Lignitiki Melitis S.A. and to €25.2 million (31.12.2020: € 51.2 million) for trade receivables by Lignitiki Megalopolis S.A.

The reduction of the provision for expected credit losses for the trade receivables by the lignite subsidiaries as of December 31st, 2021 compared to as of December 31st, 2020, was due to the share capital increase with the offset of trade receivables of the Parent Company, as noted above. As a result, the provision for expected credit losses in the Statement of Income of the Parent Company for the year ended on December 31st, 2021 were reduced (income) by €35.1 million.

As of June 1st, 2022 (Note 5.1) the Parent Company recorded a provision for expected credit losses for the trade receivables included in its records by the lignite subsidiaries. In particular, the Parent Company recorded a provision for expected credit losses amounting to €3.2 million and €26.5 million as of June 1st, 2022 for the trade receivables by Lignitiki Melitis S.A. and Lignitiki Megalopolis S.A. respectively.

Due to the absorption of the lignite subsidiaries by the Parent Company on June 1st, 2022 (Note 5.1), the provision for expected credit losses for the trade receivables of the lignite subsidiaries of € 29.7 million as of June 1st, 2022 were reversed (income) in favor of the results of the year ended as of December 31, 2022. This reversal was included in “Provision for expected credit losses” in the Income Statement of the Parent Company for the year ended on December 31, 2022.

In addition, on March 19, 2021 the Parent Company signed a loan agreement with the 100% subsidiary Energy Deliver Solutions (AD) JSK Skopje amounting to € 3.7 million, with an interest rate of 3.8% and an expiration date of June 30, 2021, which was obtained by the subsidiary on the same date. On August 12, 2021, the share capital of the subsidiary was increased by offsetting the above obligation.

In May 2022, the Board of Directors of the Parent Company decided the share capital increase of the 100% subsidiary PPC Renewables with cash transfer of €150 million, that the subsidiary received in June 2022. Also, in December 2022, the Board of Directors of the Parent Company decided to further increase the share capital of the 100% subsidiary company PPC Renewables by €150 million, which the subsidiary received within December 2022.

The subsidiaries of the Group is as follows:

(All amounts in thousands of Euro, unless otherwise stated)

17.INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Subsidiaries	Note	Ownership Interest 31.12.2022	Ownership Interest 31.12.2021	Country and Year of Incorporation	Principal Activities
PPC Renewables S.A.		100%	100%	Greece, 1998	RES
HEDNO S.A.	5	51%	100%	Greece, 1999	HEDN
Arkadian Sun 1 Sole Shareholder S.A.		100%	100%	Greece, 2007	RES
Arkadian Sun 2 Sole Shareholder S.A.		100%	100%	Greece, 2007	RES
Solar Arrow 1 Sole Shareholder S.A.		100%	100%	Greece, 2007	RES
Amalthia Energy Sole Shareholder S.A.		100%	100%	Greece, 2007	RES
SOLARLAB Sole Shareholder S.A.		100%	100%	Greece, 2007	RES
Solar parks Western Makedonia 1 Sole Shareholder S.A.		100%	100%	Greece, 2007	RES
Solar parks Western Makedonia 2 Sole Shareholder S.A.		100%	100%	Greece, 2007	RES
AIOLIKO PARKO K-R Sole Shareholder S.A. ***	3	100%	-	Greece, 2014	RES
AIOLIKO PARKO LYKOVOUNI Sole Shareholder S.A. ***	3	100%	-	Greece, 2017	RES
AIOLIKO PARKO DOUKAS Sole Shareholder S.A. ***	3	100%	-	Greece, 2020	RES
AIOLIKO PARKO KOUKOULI Sole Shareholder S.A. ***	3	100%	-	Greece, 2020	RES
HELIOFANEIA Sole Shareholder S.A.	3	100%	-	Greece, 2007	RES
CARGE S.A.**		100%	-	Greece, 2020	Management of HO charging points and development of billing applications
Alexandroupolis Electricity Production Sole Shareholder S.A..*****		51%	-	Greece, 2022	Generation of power under development
DEI Optikes Epikoinonies Single member S.A. *****	3	100%	-	Greece, 2022	Installation-operation of Telecommunications
PPC Finance PLC		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
Energeiakos Stochos Sole Shareholder S.A.****		100%	100%	Greece, 2017	RES
AMYNTAIO PV Park ONE Sole Shareholder SA*		-	100%	Greece, 2021	RES
AMYNTAIO PV Park TWO Sole Shareholder SA*		-	100%	Greece, 2021	RES
AMYNTAIO PV Park THREE Sole Shareholder SA*		-	100%	Greece, 2021	RES
AMYNTAIO PV Park FOUR Sole Shareholder SA*		-	100%	Greece, 2021	RES
AMYNTAIO PV Park FIVE Sole Shareholder SA*		-	100%	Greece, 2021	RES
AMYNTAIO PV Park SIX Sole Shareholder SA*		-	100%	Greece, 2021	RES
AMYNTAIO PV Park SEVEN Sole Shareholder SA*		-	100%	Greece, 2021	RES
AMYNTAIO PV Park EIGHT Sole Shareholder SA*		-	100%	Greece, 2021	RES
AMYNTAIO PV Park NINE Sole Shareholder SA*		-	100%	Greece, 2021	RES
WINDARROW Energiaki Sole Shareholder S.A. ****		100%	100%	Greece, 2018	RES
EDS AD 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 Sole Shareholder S.A.	5.1	-	100%	Greece, 2018	Generation of power
LIGNITIKI MEGALOPOLIS Sole Shareholder S.A.	5.1	-	100%	Greece, 2018	Generation of power

*Until January 14, 2022, the companies were 100% subsidiaries of "PPC RENEWABLES" until they were contributed in kind to "METON ENERGY SA" for the acquisition of 49% of its share capital. In the current financial statements, they are consolidated through the associate company "METON ENERGY SA" with the equity method.

** On June 9, 2022, the Parent company acquired the electric mobility service provider CARGE S.A. paying the amount of €621 thousand and the amount of €247 thousand for the redemption of loans given by third parties to CARGE SA. CARGE specializes in the development of innovative software for applications which, among other things, enable the user to navigate through a digital map arriving at the charging station by the best and fastest route.

***It should be noted that the companies named WIND FARM K-R SOLE SHAREHOLDER S.A., WIND FARM LYKOVOUNI SOLE SHAREHOLDER S.A., WIND FARM DOUKAS SOLE SHAREHOLDER S.A., WIND FARM KOUKOULI SOLE SHAREHOLDER S.A. were initially named as VOLTERRA K-R SOLE SHAREHOLDER S.A., VOLTERRA LYKOVOUNI SOLE SHAREHOLDER S.A., VOLTERRA DOUKAS SOLE SHAREHOLDER S.A., VOLTERRA KOUKOULI SOLE SHAREHOLDER S.A. The change in their legal name occurred with the new statutes as of August 2022 (Note 3).

****On 16/12/2022, the company GEOTHERMAL TARGET sole shareholder S.A.was renamed to Energeiakos Stochos sole shareholder S.A. and on 15/12/2022 the company Windarrow Mouzaki Energy sole shareholder S.A. was renamed to Windarrow Energiaki sole shareholder S.A.

***** Alexandroupolis Electricity Production Sole Shareholder S.A. was acquired on 20.12.2022 and on 1.02.2023 was renamed to Alexandroupolis Electricity Production S.A.
***** DEI Optikes Epikoinonies Single member S.A. was established on 21.12.2022.

(All amounts in thousands of Euro, unless otherwise stated)

18. INVESTMENTS IN ASSOCIATES

The Group's and the Parent Company's associates as of December 31st, 2022 and December 31st, 2021 are as follows (equity method):

		Group		Company	
	Note	**31.12.2022**	**31.12.2021**	**31.12.2022**	**31.12.2021**
PPC Renewables ROKAS S.A.		2,787	2,483	-	-
PPC Renewables TERNA Energiaki S.A.		2,426	2,351	-	-
PPC Renewables NANKO Energy – Gitani S.A.		2,191	2,335	-	-
PPC Renewables MEK Energiaki S.A.		652	648	-	-
PPC Renewables ELTEV AIFOROS S.A.		2,734	2,730	-	-
PPC Renewables EDF EN GREECE S.A.		8,429	7,967	-	-
Aioliko Parko LOYKO S.A.		3	4	-	-
Aioliko Parko MBAMBO VIGLIES S.A.		1	3	-	-
Aioliko Parko KILIZA S.A.		7	9	-	-
Aioliko Parko LEFKIVARI S.A.		4	6	-	-
Aioliko Parko AGIOS ONOUFRIOS S.A.		9	11	-	-
OROS ENERGY S.A.		303	295	-	-
ATTICA GREENESCO ENERGIAKI S.A.		393	354	-	-
AIOLIKO PARKO LYKOVOUNI Sole Shareholder S.A.	3	-	9,618	-	-
AIOLIKO PARKO K-R SOLE Sole Shareholder S.A.	3	-	7,542	-	-
BALIAGA IKE		626	754	-	-
TEICHIO S.A.		713	792	-	-
PIVOT SOLAR Sole Shareholder IKE		696	883	-	-
GEOTHERMAL TARGET II Sole Shareholder S.A.		6	16	-	-
METON ENERGY S.A.	3	37,651	-	-	-
NVISIONIST S.A.		500	-	500	-
WASTE CYCLO S.A.		16	21	37	37
Total		**60,147**	**38,822**	**537**	**37**

On 22.09.2022, PPC S.A. acquired 33.34% of NVISIONIST S.A. for a consideration of € 500 thousand, while there is a term for an additional consideration based on specific conditions with closing date on 23.03.2023.

(All amounts in thousands of Euro, unless otherwise stated)

18. INVESTMENTS IN ASSOCIATES (CONTINUED)

The full list of the Group's and the Parent Company's associates are presented below:

		Ownership Interest		Country and year	Principal
Associates	Note	31.12.2022	31.12.2021	of Incorporation	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 –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 Energiaki S.A.		49.00%	49.00%	Greece, 2004	RES
PPC Renewables EDF EN HELLAS S.A.		49.00%	49.00%	Greece, 2007	RES
EEN VOIOTIA S.A.	1	46.55%	46.55%	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
NVISIONIST S.A.		33.34%	-	Greece, 2021	Specialized systems and software
OROS ENERGY S.A.		49.00%	49.00%	Greece, 2017	RES
GREENESCO ENERGIAKI S.A.	2	49.00%	49.00%	Greece, 2017	En. Serv.
AIOLIKO PARKO LYKOVOUNI Sole Shareholder S.A.	7	-	45.00%	Greece, 2017	RES
AIOLIKO PARKO K-R Sole Shareholder S.A.	7	-	45.00%	Greece, 2014	RES
BALIAGA IKE	3	49.00%	49.00%	Greece, 2020	RES
TEICHIO S.A.	3	49.00%	49.00%	Greece, 2020	RES
PIVOT SOLAR Sole Shareholder IKE	3	49.00%	49.00%	Greece, 2021	RES
GEOTHERMAL TARGETII Sole Shareholder S.A.	4	49.00%	49.00%	Greece, 2020	RES
METON ENERGY S.A.	5	49.00%	49.00%	Greece, 2021	RES
IDEA FOS S.A.	8	49.00%	-	Greece, 2020	RES
AMYNTAIO PV Park ONE Sole Shareholder SA	6	49.00%	-	Greece, 2021	RES
AMYNTAIO PV Park TWO Sole Shareholder SA	6	49.00%	-	Greece, 2021	RES
AMYNTAIO PV Park THREE Sole Shareholder SA	6	49.00%	-	Greece, 2021	RES
AMYNTAIO PV Park FOUR Sole Shareholder SA	6	49.00%	-	Greece, 2021	RES
AMYNTAIO PV Park FIVE Sole Shareholder SA	6	49.00%	-	Greece, 2021	RES
AMYNTAIO PV Park SIX Sole Shareholder SA	6	49.00%	-	Greece, 2021	RES
AMYNTAIO PV Park SEVEN Sole Shareholder SA	6	49.00%	-	Greece, 2021	RES
AMYNTAIO PV Park EIGHT Sole Shareholder SA	6	49.00%	-	Greece, 2021	RES
AMYNTAIO PV Park NINE Sole Shareholder SA	6	49.00%	-	Greece, 2021	RES

1. It is consolidated by the associate company PPC Renewables EDF EN GREECE S.A., as it participates in its share capital by 95%.
2. The subsidiary of PPC Renewables SA., Amalthia Energy S.A. purchased the 49% of this company.
3. The shareholding in the above companies by PPC Renewables SA commenced on 7/5/2021 based on an agreement.
4. GEOTHERMAL TARGET II Sole Shareholder S.A. until 4/11/2021 was a subsidiary company of PPC Renewables SA and on 5/11/2021 the 51% was sold. It remains an associate company of PPC Renewables SA.
5. METON ENERGY S.A. was incorporated on 22/12/2021.
6. Investments through METON ENERGY S.A. The companies until January 14, 2022 were 100% subsidiaries of PPC Renewables S.A. until they were transferred to METON ENERGY S.A. for the acquisition of the 49% of its share capital. In the current financial statements those companies are consolidated with the equity method through METON ENERGY S.A. (Note 3).
7. For those companies information is provided in Note 3. It should be noted that those companies were re-named from VOLTERRA to AIOLIKO PARKO due to their new statutes as of August 2022.
8. Investments through METON ENERGY S.A. New subsidiary of METON ENERGY S.A. with 100% shareholding and date of acquisition on 26/10/2022.

(All amounts in thousands of Euro, unless otherwise stated)

18. INVESTMENTS IN ASSOCIATES (CONTINUED)

The following tables present PPC's share (directly or indirectly) of its associates' financial figures as of 31.12.2022 and 31.12.2021 respectively:

	December 31, 2022		
	Assets	Liabilities	Equity
PPC Renewables ROKAS S.A.	3,609	822	2,787
PPC Renewables TERNA Energiaki S.A.	8,862	6,436	2,426
PPC Renewables NANKO Energy –Gitani S.A.	2,645	455	2,190
PPC Renewables MEK Energiaki S.A.	1,290	638	652
PPC Renewables ELTEV S.A.- SMIXIOTIKO	3,718	984	2,734
PPC Renewables EDF EN HELLAS S.A.	15,091	6,662	8,429
Aioliko Parko LOYKO S.A.	4	2	2
Aioliko Parko MBAMBO VIGLIES S.A.	6	5	1
Aioliko Parko KILIZA S.A.	11	4	7
Aioliko Parko LEFKIVARI A.E.	6	2	4
Aioliko Parko AGIOS ONOUFRIOS S.A.	12	3	9
OROS ENERGY S.A.	837	649	188
GREENESCO Energiaki S.A.	530	144	386
BALIAGA S.A.	2,385	2,160	225
TEICHIO S.A.	2,104	1,809	295
PIVOT SOLAR S.A.	4,242	4,029	213
GEOTHERMAL TARGET II S.A.	20	16	4
METON ENERGY S.A.**	78,228	3,949	74,279
NVISIONIST S.A.	190	9	181
Total	**123,790**	**28,778**	**95,012**

** Amounts related to METON include the consolidated amounts of Group Meton (METON and AMYNTAIO 1-9 and IDEA FOS)

	December 31, 2021		
	Assets	Liabilities	Equity
PPC Renewables ROKAS S.A.	3,298	817	2,482
PPC Renewables TERNA Energiaki S.A.	8,464	6,114	2,351
PPC Renewables NANKO Energy –Gitani S.A.	2,849	514	2,335
PPC Renewables MEK Energiaki S.A.	1,382	734	648
PPC Renewables ELTEV S.A.- SMIXIOTIKO	3,827	1,098	2,730
PPC Renewables EDF EN GREECE SA	16,736	8,777	7,958
Aioliko Parko LOYKO S.A.	7	3	4
Aioliko Parko MBAMBO VIGLIES S.A.	9	6	3
Aioliko Parko KILIZA S.A.	20	11	9
Aioliko Parko LEFKIVARI S.A.	8	2	6
Aioliko Parko AGIOS ONOUFRIOS S.A.	14	3	11
OROS ENERGY S.A.	1,023	844	179
GREENESCO Energiaki S.A.	499	151	348
VOLTERRA LYKOVOUNI SOLE SHAREHOLDER S.A.	30,017	21,338	8,678
VOLTERRA K-R SOLE SHAREHOLDER S.A.	12,501	7,533	4,968
BALIAGA S.A.	1,895	1,542	353
TEICHIO S.A.	1,761	1,388	373
PIVOT SOLAR S.A.	3,245	2,846	399
GEOTHERMAL TARGET II S.A.	26	11	15
Total	**87,581**	**53,732**	**33,849**

(All amounts in thousands of Euro, unless otherwise stated)

18. INVESTMENTS IN ASSOCIATES (CONTINUED)

The following table presents PPC's share of its associates' revenues and results:

	December 31, 2022		December 31, 2021	
	Revenues	**Profit/ (Loss)**	**Revenues**	**Profit/ (Loss)**
PPC Renewables ROKAS S.A.	838	486	853	519
PPC Renewables TERNA Energiaki S.A.	1,248	331	1,073	282
PPC Renewables NANKO Energy –Gitani S.A.	279	(20)	460	130
PPC Renewables MEK Energiaki S.A.	1,115	575	1,087	570
PPC Renewables ELTEV S.A.SMIXIOTIKO	446	201	532	280
PPC Renewables EDF EN GREECE S.A	2,581	982	2,557	822
Aioliko Parko LOYKO S.A.	-	(2)	-	(2)
Aioliko Parko MBAMBO VIGLIES S.A.	-	(2)	-	(2)
Aioliko Parko KILIZA S.A.	-	(2)	-	(3)
Aioliko Parko LEFKIVARI A.E.	-	(2)	-	(2)
Aioliko Parko AGIOS ONOUFRIOS S.A.	-	(2)	-	(4)
OROS ENERGY S.A.	151	22	254	69
GREENESCO Energiaki S.A.	817	39	699	56
AIOLIKO PARKO LYKOVOUNI Sole Shareholder S.A.*	-	-	3,638	1,049
AIOLIKO PARKO K-R Sole Shareholder S.A.*	-	-	1,680	451
BALIAGA S.A.	-	(119)	-	(38)
TEICHIO S.A.	-	(71)	-	(34)
PIVOT SOLAR S.A.	-	(170)	-	(70)
GEOTHERMAL TARGET II	-	(11)	-	(4)
METON ENERGY S.A.**	122	(904)	-	-
NVISIONIST S.A.	-	-	-	-
Total	**7,597**	**1,331**	**12,833**	**4,069**

*The companies " AIOLIKO PARKO LYKOVOUNI Sole Shareholder S.A." and " AIOLIKO PARKO K-R Sole Shareholder S.A." until 20/06/2022 were associates by 45%. On 21/06/2022, the remaining 55% was acquired by "PPC Renewables" and are 100% subsidiaries. Also, these companies from "VOLTERRA LYKOVOUNI Sole Shareholder S.A." and "VOLTERRA K-R Sole Shareholder S.A." were renamed to "AIOLIKO PARKO LYKOVOUNI Sole Shareholder S.A" and "AIOLIKO PARKO K-R Sole Shareholder S.A". The change in their legal name occurred with the new statutes as of August 2022.

** Amounts related to METON include the consolidated amounts of Group Meton (METON and AMYNTAIO 1-9 and IDEA FOS)

(All amounts in thousands of Euro, unless otherwise stated)

19. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

PPC balances with its subsidiaries as of December 31st, 2022 and December 31st, 2021 are as follows:

	December 31, 2022		December 31, 2021	
	Receivables	**(Payables)**	**Receivables**	**(Payables)**
Subsidiaries				
PPC Renewables S.A.	2,879	(92)	1,814	(399)
HEDNO S.A.	140,193	(248,802)	221,202	(380,849)
LIGNITIKI MEGALOPOLIS Sole Shareholder S.A.	-	-	25,885	(684)
LIGNITIKI MELITIS Sole Shareholder S.A.	-	-	20,999	
ILIAKA PARKA ENA S.A	5	-	13	-
ILIAKA PARKA DIO S.A	5	-	4	-
SOLAR ARROW ENA S.A	51	-	143	-
ARKADIAN SUN ENA S.A	7	-	11	-
ARKADIAN SUN DIO S.A	2	-	3	-
AMYNTAIO PV Park ONE Sole Shareholder S.A.	-	-	2	-
AMYNTAIO PV Park TWO Sole Shareholder S.A.	-	-	2	-
AMYNTAIO PV Park THREE Sole Shareholder S.A.	-	-	2	-
AMYNTAIO PV Park FOUR Sole Shareholder S.A.	-	-	2	-
AMYNTAIO PV Park FIVE Sole Shareholder SA.	-	-	2	-
AMYNTAIO PV Park SIX Sole Shareholder S.A.	-	-	2	-
AMYNTAIO PV Park SEVEN Sole Shareholder S.A.	-	-	2	-
AMYNTAIO PV Park EIGHT Sole Shareholder S.A.	-	-	2	-
AMYNTAIO PV Park NINE Sole Shareholder S.A.	-	-	2	-
CARGE S.A	711	-	-	-
PPC Finance Plc.	-	(118)	-	(71)
PPC Elektrik	151	-	110	-
PPC Bulgaria JSCO	-	-	9	(374)
PPC Albania	4	-	40	-
EDS AD Skopje	54,115	-	20,026	-
Total	**198,123**	**(249,012)**	**290,277**	**(382,377)**

As of December 31, 2021, the Parent company had a claim from the subsidiary HEDNO SA amounting to € 43.4 million due to repayment of loans on behalf of the subsidiary, which were contributed to it due to the spin-off of the Distribution Network from PPC S.A. to HEDNO SA.

Within the first half of 2022, a dividend of €85 million was approved by the subsidiary company HEDNO S.A. of which € 41.65 million was attributable to the minority shareholders for the year ended December 31, 2021. The dividend attributable to the Parent amounting to € 43.35 million was collected within the third quarter of 2022.

Respectively, within the first half of 2021, a dividend of € 6.7 million was approved by the subsidiary HEDNO SA. from profits for the year ended December 31, 2020, which was paid to the Parent Company on September 6, 2021.

On December 31st, 2021, the Parent Company recognized a provision of expected credit losses on trade receivables and other accrued income for the subsidiaries “Lignitiki Megalopolis S.A.” and “Lignitiki Melitis S.A.” amounting to €25.2 million and €21 million respectively.

Due to the absorption of the lignite subsidiaries Lignitiki Megalopolis S.A. and Lignitiki Melitis S.A. from the Parent company on June 1, 2022, on December 31, 2022 there are no receivables and payables with the Parent company.

On December 24, 2021, EDS received a temporary cash facility of € 4.8 million from the Parent Company, which was returned on February 23, 2022.

(All amounts in thousands of Euro, unless otherwise stated)

19.BALANCES AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

The Transactions of the Parent Company with subsidiaries for the year ended December 31, 2022 and December 31, 2021 are as follows:

	December 31, 2022		December 31, 2021	
	Invoiced to	**Invoiced from**	**Invoiced to**	**Invoiced from**
Subsidiaries				
PPC Renewables S.A.	4,565	(3,044)	2,998	(380)
HEDNO S.A.	975,558	(1,374,825)	1,567,808	(1,653,766)
LIGNITIKI MEGALOPOLIS S.A.	52,002	(363)	98,775	(928)
LIGNITIKI MELITIS S.A.	31,647	-	42,176	-
ILIAKA PARKA ENA S.A	35	-	49	-
ILIAKA PARKA DIO S.A	33	-	47	-
SOLAR ARROW ENA S.A	508	-	138	-
ARKADIAN SUN ENA S.A	73	-	11	-
ARKADIAN SUN DIO S.A	19	-	3	-
AMYNTAIO PV Park ONE Sole Shareholder S.A.	-	-	2	-
AMYNTAIO PV Park TWO Sole Shareholder S.A.	-	-	2	-
AMYNTAIO PV Park THREE Sole Shareholder S.A.	-	-	2	-
AMYNTAIO PV Park FOUR Sole Shareholder S.A.	-	-	2	-
AMYNTAIO PV Park FIVE Sole Shareholder SA.	-	-	2	-
AMYNTAIO PV Park SIX Sole Shareholder S.A.	-	-	2	-
AMYNTAIO PV Park SEVEN Sole Shareholder S.A.	-	-	2	-
AMYNTAIO PV Park EIGHT Sole Shareholder S.A.	-	-	2	-
AMYNTAIO PV Park NINE Sole Shareholder S.A.	-	-	2	-
CARGE S.A	-	-	-	-
PPC Finance Plc.	-	(47)	-	(62)
PPC Elektrik	-	(178)	8	(3,097)
PPC Bulgaria JSCO	1	-	115	(19,262)
PPC Albania	-	(216)	-	-
EDS AD Skopje	41,398	(1,700)	12,751	(350)
Total	**1,105,839**	**(1,380,373)**	**1,724,897**	**(1,677,845)**

Guarantee in favour of the subsidiaries

As of 31.12.2022, the Parent Company has provided a guarantee to its subsidiary PPC Renewables S.A. for a total credit line of up to € 8.0 million, through overdraft facilities, out of which PPC Renewables S.A. has used an amount of € 418 thousands relating to letters of guarantee.

As of 31.12.2022, the Parent Company is a guarantor in loans of the subsidiary company Energy Delivery Solutions EDS AD (EDS) for working capital of € 32 million, of which € 5.7 million has been drawn for working capital purposes, while € 4.4 million has been used to issue letters of guarantee.

As of 31.12.2022, the Parent Company provided a corporate guarantee to EDS for the electricity supplier Energy Financing Team AG - St Gallen amounting of up to € 1.5 million and for the electricity supplier Alpiq Energija amounting of up to € 1.5 million.

On February 21, 2022, bank deposits of €21 million (Note 23) of the Parent Company were pledged on behalf of a loan of the subsidiary EDS.

Significant Transactions and balances with other companies in which the Greek State participates
The following table presents the transactions and balances with the companies Hellenic Petroleum ("ELPE") and Public Gas Company ("DEPA") which are suppliers of liquid fuels and natural gas, respectively, and in which the Greek State participates. In addition, the transactions and the rest with DAPEEP SA are presented. EXE SA, ENEXCLEAR A.E., IPTO SA and LARCO GMME. The below tables include also accrued receivables and payables and accrued income and expenses.

(All amounts in thousands of Euro, unless otherwise stated)

19.BALANCES AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

	1.1.2022– 31.12.2022		1.1.2021 – 31.12.2021	
	Invoiced to	Invoiced from	Invoiced to	Invoiced from
ELPE	-	316,838	25,572	(98,978)
DEPA	-	1,556,387	61	(672,967)
DAPEEP S.A.	4,883,984	(347,250)	254,107	(359,949)
HEnEx S.A.	-	(2,678)	-	(3,384)
IPTO S.A	59,245	(111,139)	43,624	(128,795)
ENEXCLEAR S.A.	6,039,054	(10,457,909)	3,179,247	(4,610,117)
LARCO S.A.	27,322	-	26,951	-

	December 31, 2022		December 31, 2021	
	Receivables	(Payables)	Receivables	(Payables)
ELPE	-	(88,134)	-	(18,064)
DEPA	-	(119,977)	-	(91,447)
DAPEEP S.A.	474,910	(59,134)	31,704	(68,889)
HEnEx S.A.	-	(7)	-	(8)
IPTO S.A.	14,625	(18,629)	4,754	-
ENEXCLEAR S.A.	43,693	(61,345)	34,111	(40,178)
LARCO S.A.	367,542	-	369,093	-

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

In addition to the above mentioned, 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 as of December 31, 2022 and December 31, 2021 with HCAP S.A. and the companies, in which HCAP S.A. participates, are presented below:

	GROUP		PARENT COMPANY	
	December 31, 2022		December 31, 2022	
	Receivables	(Payables)	Receivables	(Payables)
ATHENS INTERNATIONAL AIRPORT S.A.	1,683	(11)	1,642	(11)
ELTA S.A.	983	(3,148)	-	(3,041)
ELTA COURIER S.A.	2	(343)	2	(293)
EYDAP S.A.	10,843	(54)	10,843	(12)
ETVA INDUSTRIAL PARKS S.A.	803	(27)	803	(21)
ODIKES SYNGKOINONIES S.A.	10,311	-	10,311	-
PUBLIC PROPERTIES COMPANY S.A.	6,699	-	6,699	-
URBAN RAIL TRANSPORT S.A.	19,224	-	19,224	-
C.M.F.O. S.A.	137	-	137	-
O.A.S.A. S.A.	5	-	5	-
E.Y.A.TH. S.A	7,029	-	7,028	-
GEA OSE S.A	2	(1)	-	-
AEDIK	7	-	7	-
HELLENIC SALTWORKS S.A.	-	(1)	-	(1)
TOTAL	**57,728**	**(3,585)**	**56,701**	**(3,379)**

(All amounts in thousands of Euro, unless otherwise stated)

19.BALANCES AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

	GROUP		PARENT COMPANY	
	December 31, 2021		December 31, 2021	
	Receivables	(Payables)	Receivables	(Payables)
HCAP S.A	-	(1)	-	(1)
ATHENS INTERNATIONAL AIRPORT S.A.	632	(12)	591	(12)
ELTA S.A.	1,486	(6,888)	-	(6,809)
ELTA COURIER S.A.	1	(98)	-	(72)
EYDAP S.A.	5,756	(30)	5,756	(19)
ETVA INDUSTRIAL PARKS S.A.	232	(21)	232	(16)
THESSALONIKI INTERNATIONAL FAIR S.A.	138	-	138	-
ODIKES SYNGKOINONIES S.A.	11,616	-	11,616	-
PUBLIC PROPERTIES COMPANY S.A.	5,207	-	5,207	-
URBAN RAIL TRANSPORT S.A.	34,963	-	34,963	-
C.M.F.O. S.A.	190	-	190	-
O.A.S.A. S.A.	6	-	6	-
E.Y.A.TH. S.A	3,988	(1)	3,987	(1)
GEA OSE S.A	-	(1)	-	(1)
MANAGEMENT INDUSTR.PARK KASTORIA	-	(1)	-	(1)
AEDIK	1	-	1	-
MARINA ZEAS	1	-	1	-
HELLENIC SALTWORKS S.A.	-	(11)	-	(11)
TOTAL	**64,217**	**(7,064)**	**62,688**	**(6,943)**

The transactions made by the Group and the Parent company with HCAP S.A. and the companies in which participates for the years ended December 31st 2022 and December 31st 2021 are as follows:

	GROUP		PARENT COMPANY	
	1.1.2022 – 31.12.2022		1.1.2022 – 31.12.2022	
	Invoiced to	Invoiced from	Invoiced to	Invoiced from
HCAP S.A.	37	-	37	-
ATHENS INTERNATIONAL AIRPORT S.A.	1,811	(106)	1,590	(106)
ELTA S.A.	8,561	(11,589)	8	(11,538)
ELTA COURIER S.A.	19	(353)	19	(318)
EYDAP S.A.	64,006	(219)	63,917	(167)
ETVA INDUSTRIAL PARKS S.A.	3,221	(58)	3,221	(53)
THESSALONIKI INTERNATIONAL FAIR S.A.	2,945	(91)	2,945	(81)
ODIKES SYNGKOINONIES S.A.	10,923	(10)	10,922	-
PUBLIC PROPERTIES COMPANY S.A.	4,701	(2)	4,701	(2)
URBAN RAIL TRANSPORT S.A.	72,010	(2)	72,007	-
C.M.F.O. S.A.	3,758	-	3,758	-
O.A.S.A. S.A.	120	-	120	-
CENTRAL THESSALONIKI MARKET S.A.	588	-	588	-
E.Y.A.TH. S.A.	44,113	(6)	44,108	(1)
HELLENIC SALTWORKS S.A.	674	-	674	-
MANAGEMENT OF INDUSTRIAL PARK OF KASTORIA	9	-	9	-
GAIA- OSE S.A.	41	-	41	-
A.E.DI.K	56	-	56	-
TOTAL	**217,593**	**(12,436)**	**208,721**	**(12,266)**

(All amounts in thousands of Euro, unless otherwise stated)

19.BALANCES AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

	GROUP		PARENT COMPANY	
	1.1.2021 – 31.12.2021		1.1.2021 – 31.12.2021	
	Invoiced to	Invoiced from	Invoiced to	Invoiced from
HCAP S.A.	20	-	20	-
ATHENS INTERNATIONAL AIRPORT S.A.	4,494	(102)	4,258	(102)
ELTA S.A.	17,256	(17,207)	4	(12,588)
ELTA COURIER S.A.	7	(236)	7	(181)
EYDAP S.A.	20,999	(163)	20,886	(127)
ETVA INDUSTRIAL PARKS S.A.	1,186	(44)	1,185	(38)
THESSALONIKI INTERNATIONAL FAIR S.A.	902	(71)	902	(70)
ODIKES SYNGKOINONIES S.A.	3,536	(8)	3,536	-
PUBLIC PROPERTIES COMPANY S.A.	1,783	(28)	1,704	(2)
URBAN RAIL TRANSPORT S.A.	22,328	(1)	22,328	-
C.M.F.O. S.A.	1,272	-	1,272	-
O.A.S.A. S.A.	49	-	49	-
E.Y.A.TH. S.A.	14,220	(7)	14,214	(1)
HELLENIC SALTWORKS S.A.	263	-	263	-
MANAGEMENT OF INDUSTRIAL PARK OF KASTORIA	4	-	4	-
GAIA- OSE S.A.	16	-	16	-
A.E.DI.K	17	-	17	-
TOTAL	**88,352**	**(17,867)**	**70,665**	**(13,109)**

Management remuneration

Management Members remuneration (Board of Directors and General Managers) for the year ended December 31st, 2022 and December 31st, 2021 is as follows:

	GROUP		COMPANY	
	2022	2021	2022	2021
Remuneration of the Board of Directors' members				
- Remuneration of executive members	989	1,254	580	677
- Remuneration of non-executive members	235	326	-	-
- Compensation / Extraordinary fees and other benefits	594	375	500	211
- Employer's Social Contributions	184	238	96	83
	2,002	**2,193**	**1,176**	**971**
Remuneration of the Deputy Chief Executive Officers and General Managers				
- Regular remuneration	2,698	2,175	1,814	1,468
- Employer's Social Contributions	414	346	304	254
-Compensation / Extraordinary fees	1,380	1,001	922	573
	4,492	**3,522**	**3,040**	**2,295**
Total	**6,494**	**5,715**	**4,216**	**3,266**

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. It also 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.

It was also approved to provide additional incentive in the form of equity settled stock awards. As to date the key Efficiency Ratios for this benefit have not been defined, it is not possible at present to determine the fair value of the rights of free shares (Note 7).

(All amounts in thousands of Euro, unless otherwise stated)

20. INVENTORIES

	Group		Company	
	2022	2021	2022	2021
Lignite	44,062	35,786	44,062	24,232
Liquid fuel	371,604	218,844	371,604	215,994
Materials and consumables	827,217	785,322	592,797	536,754
Purchased materials in transit	7,441	7,441	7,333	7,333
Inventrories of electromobility	2,172	-	2,172	-
	1,252,496	**1,047,393**	**1,017,968**	**784,313**
Provision for impairment of inventories	(412,312)	(437,491)	(401,279)	(354,177)
Total	**840,184**	**609,902**	**616,689**	**430,136**

As of December 31, 2022 the balances from lignite subsidiaries are included in the inventories and the provision for impairment of inventories of the Parent Company due to the absorption (Note 5.1).

Moreover, the Parent Company recorded on December 31, 2022 an additional impairment provision of € 5.3 million (2021: € 10.6 million) on the value of specific used spare parts of the Gas Units as their book value was higher than their net realizable value.

The Group's provision for impairment of inventories on December 31, 2022 appears reduced by € 25.2 million compared to 2021, due to a) the partial reversal of the provision for impairment of inventories by €18.4 million (Note 35) of lignite units and mines in operation, taking into account that the estimated withdrawal plan of the lignite units, with a slight extension of it, depending on the market conditions (Note 3), will result in a further utilization of materials and spare parts in the production process b) the change in the accounting estimate of the subsidiary HEDNO regarding the valuation of slow-moving materials, leading to a reversal of the provision by appr. €10.5 million.

The inventories of the Group and the Parent Company are held free of encumbrance.

21. TRADE RECEIVABLES, NET

	Group		Company	
	2022	2021	2022	2021
High voltage	702,386	580,379	687,988	585,147
Medium and Low voltage	2,889,741	2,599,854	2,889,741	2,592,335
Customers’ contributions	2,741	2,741	2,741	2,741
Other energy suppliers	270,310	339,920	-	-
Natural gas receivables	516	220	516	220
Receivables from electromobility	90	-	90	-
	3,865,784	**3,523,114**	**3,581,076**	**3,180,443**
Provision for expected credit losses High voltage	(483,403)	(518,146)	(483,403)	(518,146)
Provision for expected credit losses Medium and Low voltage	(1,897,085)	(1,786,388)	(1,896,939)	(1,786,388)
Provision for expected credit losses Other energy suppliers	(119,691)	(117,955)	-	-
	(2,500,179)	**(2,422,489)**	**(2,380,342)**	**(2,304,534)**
Total	**1,365,605**	**1,100,625**	**1,200,734**	**875,909**

The provision for expected credit losses is stated as follows:

	Group		Company	
	2022	2021	2022	2021
Balance, as at January 1	**2,422,489**	**2,646,784**	**2,304,534**	**2,528,764**
-Additional provision due to lignite absorption (Note 5.1)	-	-	3,084	-
-Increase/ (Decrease) in provision	74,709	(224,295)	72,724	(224,230)
-Transfer of provision from doubtful other receivables (Note 23)	2,981	-	-	-
Balance, as at December 31	**2,500,179**	**2,422,489**	**2,380,342**	**2,304,534**

(All amounts in thousands of Euro, unless otherwise stated)

21.TRADE RECEIVABLES, NET (CONTINUED)

In 2022, the Parent Company proceeded to write offs of overdue trade receivables, derived from electricity sales to Low, Medium and High Voltage customers, amounting to €192,208 (31.12.2021: Low Voltage customers € 49,870), out of which an amount of €71.2 million (€53.9 million from High Voltage receivables, €17.3 million from Medium Voltage receivables) concerns the write off of trade receivables from Hellenic Halyvourgia S.A., which took place in September 2022 (Note 40). For the total amount of write offs, an equal expected credit loss provision was recorded in previous years.

High voltage customer balances relate to (a) receivables from sales of energy to 57 companies with 90 installations (power supplies), including large industrial companies, which are invoiced at the end of each calendar month, based on individual agreements and actual monthly metering that is sent from IPTO 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 send by HEDNO. 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 tables based on the ageing of the balances and 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.

As at 31 December 2022 and 31 December 2021, the maturity of the invoiced trade receivables and the expected credit loss on them is as follows:

Ageing analysis of the trade receivables balances (Group)

31.12.2022	**Non past due balance**	**<30 days**	**30 – 60 days**	**60 – 90 days**	**90 – 180 days**	**180 – 365 days**	**>365 days**	**Total**
Expected credit loss	5.39%	12.07%	20.61%	27.58%	43.91%	66.60%	97.42%	64.67%
Total receivables	619,431	274,113	198,354	121,862	275,021	250,523	2,126,480	**3,865,784**
Expected credit loss	33,367	33,072	40,875	33,607	120,761	166,840	2,071,658	**2,500,179**

31.12.2021	**Non past due balance**	**<30 days**	**30 – 60 days**	**60 – 90 days**	**90 – 180 days**	**180 – 365 days**	**>365 days**	**Total**
Expected credit loss	6.26%	9.21%	20.26%	21.02%	37.07%	56.45%	94.06%	68.76%
Total receivables	462,748	178,102	131,412	78,406	191,368	188,003	2,293,074	**3,523,114**
Expected credit loss	28,964	16,407	26,618	16,483	70,931	106,132	2,156,954	**2,422,489**

(All amounts in thousands of Euro, unless otherwise stated)

21.TRADE RECEIVABLES, NET (CONTINUED)

Ageing analysis of the trade receivables balances (Parent Company)

31.12.2022	Non past due balance	< 30 days	30 – 60 days	60 – 90 days	90 – 180 days	180- 365 days	>365 days	Total
Expected credit loss	6.22%	12.30%	21.06%	27.80%	46.92%	67.87%	99.70%	66.47%
Total receivables	536,405	268,918	194,017	120,862	257,373	245,814	1,957,687	**3,581,076**
Expected credit loss	33,367	33,070	40,865	33,604	120,756	166,826	1,951,854	**2,380,342**

31.12.2021	Non past due balance	<30 days	30 – 60 days	60 – 90 days	90 – 180 days	180 – 365 days	>365 days	Total
Expected credit loss	7.21%	10.99%	25.58%	32.28%	52.76%	62.90%	93.62%	72.46%
Total receivables	401,751	149,355	104,058	51,059	134,440	168,736	2,171,044	**3,180,443**
Expected credit loss	28,964	16,407	26,618	16,483	70,931	106,132	2,038,999	**2,304,534**

22. CONTRACT ASSETS

	Group		Company	
	2022	**2021**	**2022**	**2021**
Unbilled revenue	923,393	768,511	923,393	768,511
Provision for expected credit losses	(54,731)	(108,166)	(54,731)	(108,166)
Total	**868,662**	**660,345**	**868,662**	**660,345**

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 are billed in the next months. 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.

On December 31, 2022, the consumed and unbilled energy appears increased by €208,317 compared to December 31, 2021 as in 2021 PPC had collected part of unbilled adjustment clause by DAPEEP.

The analysis of the provision for expected credit losses on the value of the unbilled revenue is as follows:

	Group		Company	
	2022	**2021**	**2022**	**2021**
Balance as at January 1	**108,166**	**48,101**	**108,166**	**48,101**
- Increase/(Decrease) in provision	(53,435)	60,065	(53,435)	60,065
Balance as at December 31	**54,731**	**108,166**	**54,731**	**108,166**

Provision for expected credit losses is decreased by € 53,435 as of December 31, 2022 compared to December 31, 2021 as part of the increased supply charges are covered by the Energy Transition Fund (energy consumptions subsidies) (Note 2.1).

(All amounts in thousands of Euro, unless otherwise stated)

23. OTHER RECEIVABLES, NET

	Group		Company	
	2022	2021	2022	2021
Value Added Tax	12,840	57,187	-	49,841
Assessed taxes and penalties	407	2,125	225	1,371
Receivable from extraordinary contribution on electricity generators (Note 2.4)	30,725	-	30,725	-
Social security funds				
- in dispute	18,059	18,059	18,059	18,059
- current	4,426	4,446	4,426	4,426
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	5,362	5,788	3,324	3,215
Receivables from contractors	5,144	5,144	5,146	5,116
Receivables from PPCR	-	-	2,406	1,007
Receivables from Lignite subsidiaries (Note 19)	-	-	-	31,409
Advances and prepayments	53,394	40,075	47,541	33,845
State subsidy from DAPEEP	459,222	-	459,222	-
Accrued income	143,318	140,121	54,188	67,302
Receivables from third parties from hedge accounting transactions through derivative financial instruments	11,638	14,743	11,638	14,743
Claims from over the counter agreements for physical delivery of energy	22,894	36,985	22,894	36,985
Receivables of subsidiaries from third parties	11,225	21,817	-	-
Electricity and CO2 insurance Margin	545,624	907,700	545,624	907,700
Receivables from consignment Deposit and Loans Fund	39,014	39,014	39,014	39,014
Pledged deposits for EDS loan (Note 19)	21,003	-	21,003	-
Other	82,176	95,019	137,465	90,655
	1,473,279	**1,395,031**	**1,409,708**	**1,311,496**
Provision for expected credit losses	(142,618)	(152,491)	(141,706)	(191,508)
Total	**1,330,661**	**1,242,540**	**1,268,002**	**1,119,988**

VAT refunds:
For the year 2022, due to the VAT credit balances that came mainly from outflows subject to a rate lower than that of input tax, VAT refund requests were submitted to the Athens Tax Office of a total amount of €300 million and were refunded without audit to the Company.

Also, on December 31, 2022, the Parent company's VAT of €10,741 is a credit balance and is included in trade and other payables (Note 36), while on December 31, 2021 it was a debit balance and amounted to €49,841. The change in liability is due to a significant amount of invoicing that took place in December 2022 to DAPEEP for the energy consumption subsidy.

State subsidy from DAPEEP:
On December 31, 2022, other receivables include the accrued receivable from DAPEEP of €459,222 for the subsidy of energy consumption provided as discount on variable energy supply charges of the company's customers. For further details on those subsidies refer to note 2.1.

Electricity and CO2 insurance margin:
On December 31, 2022, receivables from electricity and CO2 insurance margin of the Group and the Parent Company for their participation in the Electricity Market and in the Futures Market appear decreased by € 362.1 million. In particular, the open positions in futures contracts for the purchase of CO2 emission allowances and electricity reduced compared to December 31, 2021 and at the same time the insurance margin of the clearing bank also reduced in 2022.

23. OTHER RECEIVABLES, NET (CONTINUED)

(All amounts in thousands of Euro, unless otherwise stated)

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) have 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 in the 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 participation 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 analysis of the provision for expected credit losses of other receivables is as follows:

	Group		Company	
	2022	2021	2022	2021
Balance, January 1	**152,491**	**139,588**	**191,508**	**249,595**
- Provision charge	-	47,580	-	88,038
- Reversal of unused provision	(6,892)	(1,234)	(3,637)	(112,682)
-Additional provision due to lignite absorption (Note 5.1)	-	-	34	-
- Reversal of unused provision on receivables from lignite companies	-	-	(46,199)	-
-Transfer of provision to doubtful trade receivable (Note 21)	(2,981)	-	-	-
-Special contribution tax provision write-off	-	(33,443)	-	(33,443)
Balance, December 31	**142,618**	**152,491**	**141,706**	**191,508**

On December 31, 2021, the above provision of the Parent company included the provision of expected credit losses on receivables from the lignite subsidiaries of a total amount of € 46.1 million. Due to the absorption of the lignite subsidiaries by the Parent company on June 1, 2022, the provision of expected credit losses on the receivables of the lignite subsidiaries was reversed (income) in favor of the Income Statement of the year ended December 31, 2022.

24. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	Group		Company	
	2022	2021	2022	2021
-National Bank of Greece	26	20	26	20
- Evetam	250	250	250	250
- Euroasia Interconnector	51	51	51	51
- Attica Bank	3	6	2	4
Total	**330**	**327**	**329**	**325**

On December 31st, 2022 the total change in the fair value of the above financial assets was recorded in "Other reserves" in Equity (Note 28).

(All amounts in thousands of Euro, unless otherwise stated)

25. CASH AND CASH EQUIVALENTS

	Group		Company	
	2022	2021	2022	2021
Cash in hand	337	392	326	309
Cash at banks	1,103,705	2,650,525	765,226	2,353,895
Time deposits	2,055,442	181,434	1,995,000	158,000
Total	**3,159,484**	**2,832,351**	**2,760,552**	**2,512,204**

Interest earned on cash at banks and time deposits are accounted for on an accrual basis and amounted to €1,755 (2021: € 709) for the Group and to € 504 (2021: € 121) for the Parent Company and are 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, 2022 the Group and the Parent Company kept in a pledged deposit account an amount of € 67,847 and € 40,012 respectively (2021: € 65,856 Group and € 48,278 Parent Company). 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 schemes and (b) the pledged account for a pledged deposit in favor of the Consortium of Banks for financing the project of PTOLEMAIDA V. Out of the above amount € 17,004 for the Group and Parent Company (31.12.21: €12,533) is not related to pledged deposits of loan agreements.

26. SHARE CAPITAL AND SHARE PREMIUM

Under Law 2773/1999 and P.D. 333/2000, PPC was transformed into a Société anonyme.

Pursuant to the decision of October 19, 2021 of the Extraordinary General Meeting of the shareholders of the Parent Company and of the decision of October 29, 2021 of its Board of Directors, PPC SA proceeded to Share Capital increase through a public offering in Greece, to private investors and outside Greece, to institutional and other eligible investors, through a process of private placement book building.

On November 11, 2021, the share capital increase was completed by cash payment and a chartered accountant certified the share capital increase by € 372.0 million and the share premium increase by € 978.0 million in cash, with total amount of € 1.350 billion, with the issuance of 150,000,000 new common shares with a nominal value of € 2.48 each and with share premium of € 6.52 each.

Therefore, on December 31, 2022 and December 31, 2021 the Share Capital of PPC SA. amounted to € 947,360 (31.12.2020: € 575,360) consisting of 382,000,000 common shares (31.12.2020: 232,000,000) with a nominal value of € 2.48 each, while the Share Premium amounted to € 1,018.7 million (31.12.2020: €106.7) minus expenses for the share capital increase of € 65.9 million.

The Greek State reduced its participation from 51.12% as of December 31, 2020 to 34.12% as of December 31, 2021 while remains the largest shareholder of PPC. More specifically, the Hellenic Corporation of Assets and Participations (HCAP) as a result of the share capital increase, directly holds 90,909,860 common shares or 23.8% of PPC shares (31.12.2020: 79,165,114 number of shares or 34,12%) and indirectly through the Hellenic Republic Asset Development Fund SA " HRADF " (wholly owned subsidiary of HCAP) 39,440,000 common shares or 10.32% of PPC shares (31.12.2020: 39,440,000 number of shares or 17%).

Therefore, the total participation of HCAP in the voting rights of PPC SA amounted to 34.12%, from 51.12%.

The total funds raised through the Share Capital Increase amounted to €1.35 billion and, after deduction of the expenses of € 65.9 million, will be used, in accordance with section 16.2 "Reasons for the Share Capital Increase and use of proceeds" of the Company's Prospectus dated 01.11.2021 (the “Prospectus”), by PPC and/or other Group companies or existing or future joint ventures between 2022 and 2024 as follows:
(a) up to €1.284 billion of the approximately €3.2 billion the Company has budgeted for capital expenditures on renewable energy projects through 2024, including hydroelectric power generation and projects in adjacent markets, aiming to reach an installed RES capacity of 7.2 GW by 2024; and/or

26.SHARE CAPITAL AND SHARE PREMIUM (CONTINUED)

(b) up to €1.284 billion of the approximately €1.7 billion the Company has budgeted for capital expenditures through 2024 on conventional power generation, supply business unit, the construction of a waste-to-energy plant, digitalization, telecommunications, electric vehicle charge-points; and
(c) to the extent reasonably necessary and only up to amounts that are not material for the Group's financial condition, for other general corporate and other investment purposes.

On March 2, 2022, the automatic transfer of all shares in PPC owned by HRADF (corresponding to 39,440,000 shares or 10.32%) to HCAP was completed, pursuant to article 147 of L. 4876/2021.

Following this, as of December 31, 2022, the direct participation of HCAP S.A. in PPC amounts to 34.12% with the corresponding voting rights, while HRADF no longer participates in PPC's share capital.

Acquisition of treasury shares for free stock awards program to executives

In the context of the free equity settled stock awards (Note 7) to the executives of PPC S.A. and PPC Renewables S.A., the Group and the Parent Company proceed with the purchase of own shares based on the provisions of article 49 of Law 4548/2018. Specifically, the Parent Company within the year ended as of December 31, 2022 acquired through the Athens Stock Exchange 1,856,000 own treasury shares with an average purchase price of € 6.6896 per share, with a total value of € 12.163 million, corresponding to 0.4859% of the total shares of the Company, completing the program of stock awards.

Establishment of treasury shares buyback program

The extraordinary General Meeting of shareholders that took place on August 3, 2022 approved the establishment of a treasury shares program and authorized the Board of Directors of the Parent Company in order to take all the necessary actions for the implementation of the said program. The main features of the program are as follows:
-Maximum number of shares: existing common registered shares issued by PPC, which correspond to a maximum of up to 10% of its paid-up share capital, after excluding the 1,856,000 treasury shares that have been already acquired, thus up to 36,344,000 shares.
-Duration of the Buyback Program: up to 24 months from the day immediately after the day of its approval by the general meeting of shareholders. The exact starting date of the Buyback Program was set by the 20.09.2022 Board of Directors Decision.
-Range of purchase price of treasury Shares: a minimum price of €2.48, which is equal to the nominal value of the share and a maximum price of € 17, per own Share.
-Funding of the Buyback Program: exclusively through free cash flows and other available cash resources of PPC, expressly excluding funds that a) have been raised through its share capital increase that was completed on November 2021, and/or b) are required to be allocated to specific purposes, in accordance with the relevant commitments undertaken by the company.

In this context, the Parent Company within 2022 acquired through the Athens Stock Exchange 4.687.353 own treasury shares (in addition to 1,856,000 own treasury shares) with an average purchase price of € 6.1432 per share, with a total value of € 28.520 million, corresponding to 1.2271% of the total shares of the Company.

As of December 31, 2022, the Parent Company held 6,543,353 own treasury shares of total value € 40.683 million that correspond to 1.7129% of the total shares of the Company.

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.
The legal reserve of € 8,318 formed in 2022 results from the profits of the year 2021.

(All amounts in thousands of Euro, unless otherwise stated)

28. OTHER RESERVE

	Group		Company	
	2022	2021	2022	2021
Tax free	7,458	7,458	7,458	7,458
Specially taxed reserves	95,597	95,597	95,597	95,597
Actuarial losses of personnel benefits/Foreign exchange differences	23,704	302	(24,599)	(42,818)
Financial assets measured at fair value through other comprehensive income (Note 24)	(468)	(470)	(400)	(401)
Financial liability from NCI Put option	(1,410,833)	-	-	-
Reserve from Hedging activities (Note 43)	(37,259)	203,490	(38,866)	203,490
Total	**(1,321,801)**	**306,377**	**39,190**	**263,326**

The reserves from cash flow hedging activities as of 31.12.2022 are analyzed as follows:

	Group					
Hedging Reserves 2022	**Gas price swap contracts**	**Gas Future Contracts**	**Electricity Future Contracts**	**Interest swap contracts**	**Total**	**Effect on:**
Balance 31/12/2021	**59,988**	**227,278**	**(83,776)**	**-**	**203,490**	
Gains/(Losses) from valuation of effective hedging operations	60,270	373,620	(442,070)	2,059	**(6,121)**	Statement of comprehensive income
Ineffective cash flow hedge transferred to Results	-	(37,675)	-	-	**(37,675)**	Income statement (other income / expenses)
Reclassification of hedging transactions in the Results (Gain)/Losses	(137,178)	(486,253)	423,797	-	**(199,634)**	From statement of comprehensive income to income statement(Electricity purchases, natural gas purchases)
Tax effect	16,920	3,090	(16,876)	(452)	**2,682**	Statement of comprehensive income
Balance 31/12/2022 (Debit)/Credit	**-**	**80,059**	**(118,925)**	**1,607**	**(37,259)**	
Effect on:						
Income Statement 31/12/2022	(137,178)	(523,928)	423,797	**-**	**(237,309)**	
Statement of comprehensive income (before tax) 31/12/2022	(76,908)	(150,308)	(18,273)	2,059	**(243,431)**	

(All amounts in thousands of Euro, unless otherwise stated)

28. OTHER RESERVE (CONTINUED)

	Company				
Hedging Reserves 2022	**Gas price swap contracts**	**Gas Future Contracts**	**Electricity Future Contracts**	**Total**	**Effect on:**
Balance 31/12/2021	**59,988**	**227,278**	**(83,776)**	**203,490**	
Gains/(Losses) from valuation of effective hedging operations	60,270	373,620	(442,070)	**(8,180)**	Statement of comprehensive income
Ineffective cash flow hedge transferred to Results	-	(37,675)	-	**(37,675)**	Income statement (other income / expenses)
Reclassification of hedging transactions in the Results (Gain)/Losses	(137,178)	(486,253)	423,797	**(199,634)**	From statement of comprehensive income to income statement(Electricity purchases, natural gas purchases)
Tax effect	16,920	3,090	(16,876)	**3,134**	Statement of comprehensive income
Balance 31/12/2022 (Debit)/Credit	**-**	**80,059**	**(118,925)**	**(38,866)**	
Effect on:					
Income Statement 31/12/2022	(137,178)	(523,928)	423,797	**(237,309)**	
Statement of comprehensive income (before tax) 31/12/2022	(76,908)	(150,308)	(18,273)	**(245,490)**	

On 31.12.2022, there are gains in the cash flow hedge reserve of €50,944 (hedged item natural gas) and losses of €68,321 (hedged item electricity) from positions for which hedging accounting was discontinued due to the application from 08.07.2022 of the Temporary Return Mechanism for part of the Next Day and Intraday Markets and will be recognized in the results of 2023 at the time when the hedged item will affect the results of the Group and the Parent company.

The reserves from cash flow hedging activities as of 31.12.2021 for the Group and the Parent Company are analyzed as follows:

Hedging Reserves 2021	**Gas price swap contracts**	**Gas Future Contracts**	**Electricity price swap contracts**	**Electricity Future Contracts**	**Total**	**Effect on:**
Balance 31/12/2020	**1,066**	**-**	**2,585**	**661**	**4,312**	
Gains from valuation of effective hedging operations	176,582	229,120	48,032	6,074	**459,808**	Statement of comprehensive income
Ineffective cash flow hedge transferred to Results	-	-	-	-	**-**	Income statement (other income / expenses)
Reclassification of hedging transactions in the Results	(101,076)	(1,842)	(51,434)	(90,511)	**(244,863)**	From statement of comprehensive income to income statement(Electricity purchases, natural gas purchases)
Tax effect	(16,583)	-	816	-	**(15,767)**	Statement of comprehensive income
Balance 31/12/2021 (Debit)/Credit	**59,988**	**227,278**	**-**	**(83,776)**	**203,490**	
Effect on:						
Income Statement 31/12/2021	(101,076)	(1,842)	(51,433)	(90,511)	**(244,862)**	
Statement of comprehensive income (before tax) 31/12/2021	75,506	227,278	(3,402)	(84,437)	**214,945**	

28. OTHER RESERVE (CONTINUED)

As of December 31, 2021, an amount of € 4.1 million was included in the reserves from cash flow hedging of electricity futures contracts and related to the gain from valuation of the electricity purchase contracts resulted from the discontinuation of the hedging relationship due to the inclusion of an adjustment clause based on the market price fluctuations in Low Voltage.

Their transfer to the Results of the Group and the Parent Company took place gradually within 2022 until the occurence of the hedged item transactions.

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.

In addition, the amount distributed to the shareholders may not exceed the amount of the results of the last year, added with the profits from previous years that have not been distributed and the reserves for which their distribution is allowed and approved by the general meeting, and reduced: (a) by the amount of the income statement credits, which do not constitute realized profits, (b) by the amount of the losses of previous years and (c) by the amounts to be used to form reserves, in accordance the law and the statute.

Although the year ended December 31, 2022 is profitable for the Parent Company, the Board of Directors will propose to the General Meeting of the shareholders the non-distribution of dividend. The decision for the non distribution of dividend will be considered final at the General Meeting of the shareholders based on the above provisions of Law.

Finally, on 29/06/2022 the General Meeting of the shareholders of the Parent company decided not to distribute a dividend from the profits of the year 2021 following a relevant proposal of the Board of Directors.

(All amounts in thousands of Euro, unless otherwise stated)

30. LONG-TERM BORROWING

	Group		Company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
- Banks Loans	1,485,676	1,832,927	171,419	372,078
- Bonds Payable	3,004,791	2,671,509	2,756,769	2,647,093
Unamortized portion of loans issuance fees and loan amendments	(75,666)	(88,166)	(74,017)	(88,166)
Total Long-Term Borrowing	**4,414,801**	**4,416,270**	**2,854,171**	**2,931,005**
Less short- term portion:				
- Bank Loans	250,493	285,909	25,985	139,318
- Bonds Payable	361,414	86,744	351,354	86,754
Unamortized portion of loans issuance fees and loan amendments	(20,013)	(19,021)	(19,677)	(19,021)
Total Short-Term portion	**591,894**	**353,632**	**357,662**	**207,051**
Total Long-Term portion	**3,822,907**	**4,062 ,638**	**2,496,509**	**2,723,954**
Short Term Loans	**108,333**	**271,337**	**50,000**	**260,000**
Loan Total	**4,523,134**	**4,687,607**	**2,904,171**	**3,191,005**

During the period 1.1.2022 - 31.12.2022, the Group and the Parent Company proceeded to debt repayments of loan installments amounting to € 473.1 million and € 317.4 million respectively.

During the period 1.1.2022- 28.02.2022, the Parent Company proceed with debt repayment of € 31.8 million (that are included in the Group amount referred above) respectively on behalf of the HEDNO subsidiary until approval of the new terms of the existing loan agreements that were contributed to the subsidiary due to the spin-off of the distribution network (Note 5). For these payments, the Parent Company recognized an equal receivable in its books from HEDNO, which was offset with its obligations in the first semester of 2022.

During the period 1.1.2022- 31.12.2022, the Parent Company, drew an amount of €12.7 million from a Bond Loan of a total amount of €680.0 million, 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".
During the period 1.1.2022- 31.12.2022, certain loan agreements were modified due to the achievement of specific ratios that led to a reduction in existing interest rates, while at the same time in some agreements an increase in the interest rate is expected to occur due to the non-achievement of the clause for reducing CO2 emission allowances (see below), resulting in a total net loss of €7.3 million (31.12.2021: €11.5 million gain) which is included in the "financial expenses" of the Group and the Parent Company for the year ended on December 31, 2022.

The following is a further breakdown of the long-term borrowings of the Group and the Parent Company:

	GROUP		COMPANY	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Bank loans and bonds				
- Fixed rate	1,435,000	1,435,000	1,275,000	1,275,000
- Floating rate	1,275,319	1,026,104	1,091,250	997,841
European Investment Bank				
- Fixed rate	1,319,106	1,597,136	164,849	296,288
Project Financing				
- Floating rate	456,119	454,252	390,519	454,252
Total	**4,485,544**	**4,512,492**	**2,921,618**	**3,023,381**

The total amount of interest on loans (excluding those that were capitalized - Note 15) for the year ended December 31, 2022 is included in the financial expenses, in the income statement.

Below exists a brief description on the new loan agreements/ bonds signed during the year 2022 by the Group and the Parent Company:

30.LONG -TERM BORROWING (CONTINUED)

Issuance of new Joint Bond Loans with Greek banks by the Parent Company

The Parent Company signed on October 7, 2022 a loan agreement for the issuance of a new Joint Bond Loan (N.4548/ 2018), amounting to € 100.0 million in the form of revolving credit (RCF), without collateral with floating interest rate Euribor plus margin between 3.0%-3.75% depending on the ratio Net debt / Profits before taxes interest and depreciation and the credit rating by ICAP, with Initial Bond holder **Piraeus Bank**. The Loan will be used for general business purposes and will have a duration of 18 months.

Morover, the Parent Company signed on October 14, 2022 a loan agreement for the issuance of a new Joint Bond Loan (N.4548/ 2018), amounting to € 100.0 million in the form of revolving credit (RCF), without collateral with floating interest rate Euribor plus margin between 2.50%-3.25% depending on the ratio Net debt/ Profits before taxes interest and depreciation and the credit rating by ICAP, with Initial Bond holder **National Bank of Greece**. The Loan will be used for working capital and general business purposes and will have a duration of 2 years, which can be extended by an additional 1 year. The Parent Company raised in 29.12.2022, an amount of € 50 million.

This loan include, among other things, a 40% reduction clause of CO_2 emissions by December 2022 with a base year of 2019, in the context of aligning PPC's fiscal policy with its overall strategy for the environment and mitigating the effects of climate change. Based on provisional data of CO_2 emissions for the period 01.01.2022-31.12.2022, this clause has not been achieved as a result of measures for the energy sufficiency of the country. Failure to meet the target results in an interest rate increase by 0.50% from 29.06.2023.

In addition, the Parent Company signed on November 14, 2022 a loan agreement for the issuance of a new Joint Bond Loan (N.4548/ 2018), amounting to € 100.0 million in the form of revolving credit (RCF), without collateral with floating interest rate Euribor plus margin 2.90%, with Initial Bond holder **Eurobank** and will have a duration of 3 years. The whole amount was raised on 18.11.2022.

The Parent Company signed on November 15, 2022 a loan agreement for the issuance of a new Joint Bond Loan (N.4548/ 2018), amounting to € 53.0 million in the form of revolving credit (RCF), without collateral with floating interest rate Euribor plus margin between 2.80%, with **Optima Bank** and **Attica Bank**. The whole amount was raised on 22.11.2022 and was used to cover liquidity purposes and debt repayment of the existing bond loan of €15 million with Optima Bank and the existing overdraft facility of €25 million with Attica Bank.

Issuance of new loans from subsidiary HEDNO

On February 10, 2022 a joint secured bond loan of the subsidiary HEDNO was approved and on July 19, 2022 was signed with National Bank of Greece, amounting to € 22.52 million with a floating interest rate in order to finance the purchase of real estate property to cover the housing needs of its central headquarters with the following basic terms: Loan duration 15 years, 6-month Euribor interest rate plus 1.75% margin and repayment in 6-month equal installments. The total amount of the bond loan was raised on December 16, 2022. It is noted that a first class mortgage note has been granted to NBG on the property to secure its claims from the bond loan.

Additionally, on July 19,2022 a joint secured bond loan of the subsidiary HEDNO was signed with Eurobank, for up to € 660 million with a floating interest rate, with the possibility of an amount increase by € 440 million, from which the first drawdown of € 150 million took place on August 3, 2022. Drawdowns are possible until January 31, 2027 (availability period). The purpose of this loan is to finance investments of the Regulated Asset Base (RAB) of the subsidiary and its other business needs including the repayment of existing borrowing. The loan is expected to be covered by Eurobank by 70% and by Piraeus Bank and National Bank of Greece, each participating by 15%. The basic terms of the loans are: 11-year duration – with a 6-year grace period – with gradual repayments until December 31, 2033, 6-month Euribor interest rate plus 2.3% margin which is expected to decrease to 2.1% after the availability period. Finally, the bond loan is subject to certain covenants, including specific financial ratios that the subsidiary must meet during the financing period.

Interest Rate Swap Agreements

In order to hedge the interest rate risk arising from the two new floating rate loan agreements with Eurobank and National Bank of Greece, as described above, HEDNO entered in August 2022 into over the counter derivative contracts with each bank. These are Interest Rate Cap Transactions that give the subsidiary the possibility of coverage against a positive Euribor price while paying a premium. As of December 31, 2022, the nominal value of the contract with NBG and Eurobank amounted to € 21 million and € 182 million respectively and follow the capital repayments/ scheduled disbursement plan of each loan agreement. Hedging accounting is not followed for these contracts (Note 43.2). For the year ended December 31, 2022, gains from the valuation of those derivatives of € 11.6 million have been recognized the financial income of the Group.

30.LONG -TERM BORROWING (CONTINUED)

Loans from European investment Bank
On August 2, 2022 and in the context of the financing line of the subsidiary HEDNO with EIB for a total amount of €330 million for the modernization of the Distribution Network in Greece, HEDNO proceeded with a guarantee request from the Greek State in order to draw the second line of financing amounting to € 100 million, while on October 7, 2022 the third and final loan agreement with EIB amounting to € 130 million, resulting from the said financing, was signed. The relevant request for guarantee included also the third loan agreement. The total amount of € 230 million has not been disbursed until today.

New loan liabilities from the acquisition of subsidiaries of the RES portfolio
Following the acquisition of subsidiary companies of RES portfolio (Note 3), the Group's long-term borrowings increased as follows:

The subsidiary companies AIOLIKO PARKO LYKOVOUNI and AIOLIKO PARKO K-R have entered into Jointly Collateralized Bond Loan Agreements with the National Bank of Greece S.A. and NBG BANK MALTA LTD on 16/01/2020 and on 11/12/2017 of up to €46.1 million and €19.4 million respectively, for the financing of the construction of two wind farms of 42.9 MW and 10.8 MW in Viotia for LYKOVOUNI, and two wind farms of 8 MW each in Aitoloakarnania for K-R, the balance of which on December 31, 2022 was € 37.7 million, with expiration date on 06/2033 and €10.4 million with expiration date on 06/2030 respectively.

The subsidiary company HELIOFANEIA has entered into the from 25/08/2021 Program for Issuance of a Jointly Collateralized Bond Loan with NBG of up to €1.45 million for the construction of a 2.64 MW photovoltaic plant in Viotia, the balance of which as of December 31, 2022 was € 1.2 million with an expiration date on 06/2032.

We present a brief description of significant **existing loan agreements / long-term borrowing bonds** of the Group and the Parent Company:

Issuance of Sustainability Bonds (SLB "sustainability-linked bonds") expiring in 2026
The Parent Company raised on March 18, 2021 through the issuance of viability bonds with a sustainability clause an amount of € 650 million, with an interest rate of 3.875% and maturing in 2026, with a issue price of 100%. On March 24, 2021, through an additional issue, it raised an amount of € 125.0 million, with an interest rate of 3.875% and maturity in 2026, with an issue price of 100.75% and a yield of 3.672%, which corresponds to a savings of 0.205% compared to the original issue rate. The Bonds were issued in accordance with Article 59, paragraph 2, and Article 74 of Law 4548/2018, and Article 14 of Law 3156/2003, governed by New York law and traded on the Dublin Stock Exchange.

The proceeds from the sustainability bonds were used to repay existing borrowing, for general corporate purposes and to pay the costs and expenses of the issue. Both issues have a sustainability clause according to which in case of no reduction of CO_2 emissions by 40% in December 2022 compared to those of December 2019, the interest rate will increase from March 30, 2023 by 0.50%.

Based on provisional data of CO_2 emissions for the period 01.01.2022-31.12.2022, this clause has not been achieved as a result of measures for the energy sufficiency of the country. Failure to meet the target results in an interest rate increase by 0.50% from March 30, 2023.

Issuance of Sustainability Bonds (SLB "sustainability-linked bonds") expiring in 2028
The Parent Company raised on July 21, 2021 through the issuance of viability bonds with a sustainability clause an amount of € 500.0 million, with an interest rate of 3.375% and maturity in 2028, with a issue price of 100%. The Bonds were issued in accordance with Section 59 (2), Section 74 of Act 4548/2018, and Section 14 of Law 3156/2003, governed by New York law and traded on the Dublin Stock Exchange. An amount of € 495.0 million from the income from the viability bonds was used for the partial repayment of an existing bank loan on 30.9.2021, while an amount of € 5.0 million was used to pay the costs and expenses of the issue. The Bonds have a sustainability clause according to which in case of failure to achieve a reduction of CO_2 emissions by 57% in December 2023 compared to those of December 2019, the interest rate will increase from 31 July 2024 by 0.50%.

Signing of loan agreements in the form of revolving credit (RCF)
The Parent Company signed on August 12, 2021 a loan agreement for the issuance of a new Joint Bond Loan (N.4548/ 2018), amounting to € 300.0 million in the form of revolving credit (RCF), without collateral with floating interest rate Euribor plus margin between 4.75% -2.50% depending on the ratio Net Lending / Profits before taxes and depreciation, with Contractor, Initial Organizer, Payment Manager and Initial Bond holder **Alpha Bank**. Eurobank also participates in the Loan as Organizer and Initial Bondholder. On 22.12.2022 the margin was 2.50%. The Loan was used for general business purposes and will have a duration of 3 years, which can be extended by an additional 2 years.

30.LONG -TERM BORROWING (CONTINUED)

The Parent Company raised in September 2021, an amount of € 250 million and in October 2021 the remaining amount of € 50.0 million.

In addition, the Parent Company signed and raised in December 2021 an amount of € 300 million from the issuance of a Common Bond Loan of Law 4548/2018 in the form of Revolving Credit (RCF) without collateral with a floating interest rate Euribor plus a margin between 3.25% - 2.50% depending on the Net Lending / Profit before taxes and depreciation ratio, with **National bank** and **Piraeus Bank** as Initial Bondholders, Coordinators, Co-Organizers, to cover working capital needs and other business purposes. On 18.7.2022 the margin is formed in 2.75%.

Those loans include, among other things, a 40% reduction clause of CO2 emissions by December 2022 with a base year of 2019, in the context of aligning PPC's fiscal policy with its overall strategy for the environment and mitigating the effects of climate change. Based on provisional data of CO2 emissions for the period 01.01.2022-31.12.2022, this clause has not been achieved as a result of measures for the energy sufficiency of the country. Failure to meet the target will result in an interest rate increase by 0.50% from 22.06.2023 (for loan with Alpha Bank) and from 14.09.2023 (for loan with National bank and Pireaus bank).

Syndicated Unsecured Bond Loan of € 1,085,750,000

On October 5, 2018, an agreement was concluded with the National Bank of Greece (as an initial bondholder, as a representative of the bondholders and a power of attorney), Eurobank, Alpha Bank, Piraeus Bank and Attica Bank as original bondholders, for refinancing a syndicated bond loan (originally borrowed in 2014) amounting to € 1,085 million. On January 1, 2021, the margin of this Syndicated Bond Loan decreased from 5.80% to 5.00% and further decreased to 4.50% on July 1, 2021. On April 7, 2021, the Syndicated Bond Loan in the amount of € 200.0 million was partially repaid, with the income of the sustainability bond expiring in 2026. As of September 30, 2021, there was an additional partial repayment of this syndicated bond loan of € 495.0 million with the maturity of the 2028 sustainability bond. On 30.09.2022, the margin of this Syndicated Bond Loan was between 2.50% to 3.25% depending on the Net debt/ Profits before taxes interest and depreciation ratio and the eligibility of the loan for raising liquidity in the Eurosystem.
This loan include, among other things, a 40% reduction clause of CO2 emissions by December 2022 with a base year of 2019, in the context of aligning PPC's fiscal policy with its overall strategy for the environment and mitigating the effects of climate change. Based on provisional data of CO2 emissions for the period 01.01.2022-31.12.2022, this clause has not been achieved as a result of measures for the energy sufficiency of the country. Failure to meet the target will result in an interest rate increase by 0.50% from 30.03.2023.

The balance of the loan as of December 31, 2022 amounted to €265.75 million.

European Investment Bank Loans

The Group is a party to certain loan agreements with the European Investment Bank ("EIB"), which have been provided in the context of development of investment projects. EIB loans generally have a maturity of fifteen years from the date of disbursement. As of December 31, 2022, EIB loans of the Group and Parent Company amounted to € 1,319.1 million (31.12.21: €1,597.1 million) and € 164.8 million (31.12.21: €296.2 million) respectively which are guaranteed by the Hellenic Republic.
The annual weighted average cost of EIB outstanding loans as of December 31, 2022 for the Group and the Parent Company was 3.23% and 3.64% respectively.
For the provision of the guarantee of the Greek State in favor of PPC SA to all loans from the European Investment Bank, the Parent Company pays a relevant guarantee to the Greek State.

KFW Syndicated Bond Loan

The Parent Company has raised until December 31, 2022 an amount of € 648.9 million from a Bond Loan of € 680.0 million to finance part of the construction cost of the new Lignite plant "Ptolemaida V" with a consortium of foreign banks supported by the German Export Insurance Agency Credits "Euler Hermes", the balance of which amounted to €390.5 million as of December 31, 2022.

Finally, as of December 31, 2022 there is first class pledge on bank account of € 23 million, regarding this bond loan and is included in “Restricted cash” of the Group and the Parent Company.

Borrowings of PPC Renewables

The subsidiary PPC Renewables SA signed on December 2017 a loan agreement with the European Investment Bank for the financing of 18 projects (14 Wind farms and 4 SHPP) amounting to € 85.0 million. The first draw down of € 34.0 million took place in 2019 and the second of € 51.0 million on 05.06.2020 and as a result the entire approved loan has been raised. The repayments of the capital are semi-annual starting on 24.04.2023 and will be finalized by 24.04.2036.

(All amounts in thousands of Euro, unless otherwise stated)

30.LONG -TERM BORROWING (CONTINUED)

Also, the same subsidiary in September 2018 signed a Joint Property Guaranteed Bond Loan Agreement amounting to € 17.5 million, covered by the National Bank. The first draw down of € 12.2 million took place in 2019 and the second of € 2.0 million on 28.02.2020. The repayments of the capital are semi-annual starting on 30.06.2021 and will be completed by 31.12.2026.

To secure the loan obligations of PPC Renewables SA, an irrevocable notarial letter of attorney has been provided for the establishment, in the event of a Complaint Event, of a fictitious pledge on the premises and of the mechanical and other equipment of each project that was funded. In addition, there is a first-class pledge on all claims arising from the Revenue Contracts for each of the funded projects, a pledge on the Proceeds Account, the Reserve Accounts on Loan Liabilities (DSRA), of its receivables deriving from the insurance contracts which is obliged to sign for each of the financed projects.

Bond Loan Agreement of SOLAR PARKS OF WESTERN MACEDONIA ONE SA

The company SOLAR PARKS OF WESTERN MACEDONIA ONE SA (100% subsidiary of PPC RENEWABLES SA), signed on April 8, 2021 a loan agreement of € 8.7 million in the form of a Bond Loan for the financing of development development 15 MW in Ptolemaida in the Kozani Region. This amount is part of the wider financing agreement for the construction of a portfolio of photovoltaic parks with a total installed capacity of 230 MW in the same area in which National Bank and Eurobank participate as bondholders, while the European Investment Bank has the right to participate in the financing for the entire portfolio of 230MW. In 2021, the Company raised an amount of € 8.73 million.

Bond Loan Agreement of SOLAR PARKS OF WESTERN MACEDONIA TWO SA

The company SOLAR PARKS OF WESTERN MACEDONIA TWO SA (100% subsidiary of the company PPC RENEWABLES SA), signed on 01.07.2021 a loan agreement of € 9.9 million in the form of a Bond Loan for the financing of development 15 MW in Ptolemaida in the Kozani Region. This amount is part of the wider financing agreement for the construction of a portfolio of photovoltaic parks with a total installed capacity of 230 MW in the same area in which National Bank and Eurobank participate as bondholders, while the European Investment Bank has the right to participate in the financing for the entire portfolio of 230MW. In 2021, the Company raised an amount of € 5.79 million.

The annual repayment schedule of long-term and short-term borrowing after December 31, 2022 is as follows:

	Group		Company	
	2022	**2021**	**2022**	**2021**
Within one year	637,849	644,192	427,339	486,072
In the second year	1,066,830	572,590	761,589	426,822
Between three and five years	1,656,091	2,327,248	1,245,039	1.732,353
After five years	1,233,100	1,236,786	537,651	638,133
Total	**4,593,870**	**4,780,736**	**2,971,618**	**3,282,380**

Credit rating

On 31.12.2022, the credit rating by S and P and by Fitch at "BB-" with a stable outlook and by ICAP at "BB".

Compliance with financial ratios

Certain loan agreements of the Group and Parent Company, include financial covenants, the non-compliance of which may lead to the contract defaulting or, if necessary, a change in the margin.

The Parent Company is in compliance with the financial ratios included in their loan agreements on 31.12.2022.

The Group on 31.12.2022 was not in compliance with the financial ratio "Guarantees and Loans in favor of third parties to Total Assets ≤ 20%" of the loan agreement with the European Investment Bank. The deviation occurred temporarily on 31.12.2022 due to the implementation of the investment plan of the subsidiary. The European Investment Bank has subsequently provided its consent and it is expected that the existing agreement will be amended with retroactive effect, in order on 31.12.2022 to cure this excess. For this reason, as of 31.12.2022 the long-term portion of this loan agreement amounting to €82,280 was classified to Short-term Liabilities.

(All amounts in thousands of Euro, unless otherwise stated)

31. POST-RETIREMENT 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 year are included in the payroll cost in the accompanying income statement consisting of the interest cost, as well as service cost, reduced by the benefits granted in the year. The actuarial gains or losses are recorded in comprehensive income statement. Retirement benefit obligations are not funded.

According to Article 11 of Law 4643/2019, from January 1st, 2020 the supply of electricity at reduced tariffs to pensioners of the Group changed. 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%).

The results of the actuarial study regarding the supply of electricity at reduced tariffs for the fiscal year ended December 31st, 2022 and December 31st, 2021 are as follows:

	Group		Company	
	2022	**2021**	**2022**	**2021**
Changes in the Present Value of the Liability				
Liability at the beginning of the year	67,506	94,404	39,041	56,713
Absorption of Lignite subsidiaries (Note 5.1)	-	-	2,282	-
Current Service cost	606	1,093	344	599
Interest cost	672	468	408	281
Actuarial (gains)/losses	(5,157)	(23,756)	(1,657)	(15,627)
Benefits provided	(4,676)	(4,709)	(2,931)	(2,926)
Liability at the end of the year	**58,951**	**67,506**	**37,487**	**39,041**
Components that burden the Income Statement				
Current Service cost	606	1,093	344	599
Interest cost	672	468	408	281
Benefits granted	(4,676)	(4,709)	(2,931)	(2,926)
Total	**(3,398)**	**(3,148)**	**(2,179)**	**(2,046)**
Statement of Comprehensive income				
Actuarial (gains)/losses	(5,157)	(23,756)	(1,657)	(15,627)
Total	**(5,157)**	**(23,756)**	**(1,657)**	**(15,627)**

Assumption values in the Actuarial Study

Valuation date	Discount rate	Tariff increases	Profit margin	Expectancy of future services
31/12/2022	3.57%	0.00%	2023:2.3% 2024:4.5% 2025:8.2% 2026+:7.4%	12.91
31/12/2021	1.05%	0.00%	2022:2.57% 2023:10.1% 2024:13.7% 2025+:16.5%	11.91

(All amounts in thousands of Euro, unless otherwise stated)

31.POST-RETIREMENT BENEFITS (CONTINUED)

Sensitivity disclosures	Percentage change
Increase in discount rate by 0.5%	(5.0%)
Decrease in discount rate by 0.5%	5.5%

b)PROVISION FOR SEVERANCE PAY

Voluntary retirement programms

On December 6, 2022, with Decision no. 142, the Board of Directors of the Parent Company decided to implement the voluntary retirement plan by providing additional financial incentives based on regular remuneration depending on the previous service, age and number of protected children of employees as well as a fixed amount of € 10,000 to cover their insurance issues.

The program was addressed to all employees of the Parent Company including the employees who are seconded to organizations outside PPC, who are employed on an indefinite contract, aged 50 and over, including those who reach the age of 50 by December 31, 2022 and have completed at least 15 years of continuous service in the Company or complete the 15-year period up to and including December 31, 2022 regardless of the establishment of a pension right.

Employees who met the requirements of the program and wished to join it, had to declare their voluntary participation until February 15, 2023. Those employees who declared their participation within the month of December 2022, will receive as an incentive for short registration, the payroll cost of one month.

On July 29, 2021, with Decision no. 95, the Board of Directors of the Parent Company decided to implement the voluntary retirement plan by providing additional financial incentives based on regular remuneration depending on the previous service, age and number of protected children of employees as well as a fixed amount of € 5,000 to cover their insurance issues.

The program was addressed to all employees of the Lignite Production Units (Stations and Mines) of Western Macedonia, who are employed on an indefinite contract regardless of specialty, aged 50 and over, including those who reach the age of 50 by December 31, 2021 and have completed at least 15 years of continuous service in the Company or complete the 15-year period up to and including December 31, 2021 regardless of the establishment of a pension right.

Employees who met the requirements of the program and wished to join it, had to declare their voluntary participation within the months of September and October 2021. Those employees who declared their participation within the month of September 2021, will receive as an incentive for short registration, the payroll cost of one month.

On October 26, 2021, with Decision no. 131, the Board of Directors of the Parent Company decided to implement a voluntary retirement plan by providing additional financial incentives based on regular remuneration depending on the previous service, age and number of protected children of employees as well as a fixed amount of € 5,000 to cover their pending insurance issues.

The program was addressed to all employees except the employees who were subject to the above voluntary retirement program (Decision No. 95 of the Board of Directors) and except for employees of specific branches/ departments, who are employed on an indefinite contract regardless of specialty, aged 50 and over. including those who reach the age of 50 by December 31, 2021 and have completed at least 15 years of continuous service in the Company or complete the 15-year period until December 31, 2021 regardless of the establishment of a pension right.

Employees who met the requirements of the program and wished to join it had to declare their voluntary participation within the month of November 2021 and specifically until 25.11.2021.

For the year ended December 31, 2022, the Group and the Parent Company recognized additional provision for employee benefits due to the new voluntary retirement plans of € 46.1 million (31.12.2021: € 13.9 million for the Group and € 13.6 million for the Parent Company), burdening their results equally.

In addition, as of December 31, 2021 an amount of € 19.4 million and € 17.3 million respectively for the Group and the Parent Company was included in the trade and other liabilities arising from the above voluntary retirement programms.

All above are defined benefit plans in accordance with the provisions of IAS 19.

(All amounts in thousands of Euro, unless otherwise stated)

31.POST-RETIREMENT BENEFITS (CONTINUED)

Finally, on 02/03/2023 the Board of Directors of the subsidiary HEDNO decided to implement a new voluntary retirement program by providing financial incentives to its employees.

Provision for staff leave indemnities - Actuarial study

The present value of the liability undertaken by PPC and its subsidiaries is calculated using actuarial methods.

The results of the actuarial study regarding the obligation for compensation to staff due to retirement for the year ended December 31, 2022 and the year ended December 31, 2021 are as follows:

	Group		Company	
	2022	2021	2022	2021
Liability, at beginning of year	**144,016**	**153,023**	**80,584**	**72,657**
Absorption of Lignite subsidiaries (Note 5.1)	-	-	9,338	-
Current Service Cost	1,492	1,667	932	983
Interest Cost	937	301	598	173
Cost of cuts/settlements/termination of service	48,047	14,107	47,664	12,434
Actuarial (gains)/losses	(24,819)	(6,063)	(15,995)	(2,890)
Benefits Provided	(26,426)	(16,802)	(19,813)	(2,773)
Liability, end of the year	**143,247**	**144,016**	**103,308**	**80,584**
Short term portion of Liability	**64,803**	**2,150**	**64,803**	**-**
Long term portion of Liability	**78,444**	**141,866**	**38,505**	**80,584**
Components that burden the results				
Current Service Cost	1,492	1,667	932	983
Interest Cost	937	301	598	173
Cost of cuts/settlements/termination of service	48,047	14,107	47,664	12,434
Total Continuing Operations	**50,476**	**16,075**	**49,194**	**13,590**
Statement of Comprehensive income				
Actuarial (gains)/losses	(24,819)	(6,063)	(15,995)	(2,890)
Total	**(24,819)**	**(6,063)**	**(15,995)**	**(2,890)**

Assumptions values in the Actuarial Study

Valuation date	Discount Rate	Salary Increase	Inflation	Resignations	Future Service Expectancy
31/12/2021	**0.79%**	**2.00%**	**2.00%**	**0.00%**	**9.4**
31/12/2022	**3.68%**	**2.5%**	**2.5%**	**0.00%**	**10.94**

Sensitivity Analysis	**Percentage change**
Increase in the discount rate by 0.5%	(4.8%)
Decrease in the discount rate by 0.5%	5.1%
Increase in the expected salary increase by 0.5%	0.1%
Decrease in the expected salary increase by 0.5%	(0.2%)

In addition to the above benefits, the subsidiary PPC Renewables SA has recognized a provision for compensation of staff leave indemnites amounting to € 6 for staff that has been directly hired (2021: € 6).

(All amounts in thousands of Euro, unless otherwise stated)

32. PROVISIONS

	Group		Company	
	2022	2021	2022	2021
Litigation against employees/ third parties (Note 40)	400,250	417,012	404,391	393,139
Non-current portion of provision of decommissioning and removal of Power Plants', Mines' and Wind Parks' facilities and mines' land restoration	401,379	410,424	395,186	410,424
Provision for onerous contracts	-	4,017	-	4,017
PPC-PIO fixed assets	2,400	2,400	2,400	2,400
Other	-	1,408	-	-
Total	**804,029**	**835,261**	**801,977**	**809,980**

During the year ended December 31, 2022, the Group reduced the provision for disputes by € 16.8 million and the Parent Company made an additional provision for disputes by € 11.2 million. For further details refer to Note 40.

Provision of Decommissioning and removal of Power Plants', Mines' and Wind Parks' facilities and provision for mines' land restoration

The Group and the Parent Company have undertaken the commitment to dismantle or alternatively use of the power plants' and mining facilities, to remove their equipment and to fully restore mines' lands when the facilities cease to operate. The provision is recognized at the present value of future cash flows that will be required to settle the relevant liabilities and has not taken into account any income from the sale of machinery, spare parts and materials or from the utilization of land.

In 2022, the Group and the Parent Company proceeded with land restorations and removal of equipment in the mines, and as a result the relevant provision was reduced by 21.1 million (31.12.2021: € 10.7 million). At the same time, they carried out works for removals in Power Plants, reducing the relevant provision by €5.7 million.

In addition, within 2022, the timetable for the restoration of the mines and the dismantling and removal of the Power Plants was updated due to the change of the lignite withdrawal program (Note 3), transferring the relevant works to the following years.

In 2021, the plan for the restoration of the mines and the dismantling and removal of the Power Plants was updated, carrying earlier the relevant restoration works. At the same time, the works of restoration and preparation of the areas for the new land utilizations after the completion of lignite-phase out (new land utilizations: industrial, recreational parks, lakes, forest and agricultural areas) were specified and as a result the cost of restoration of the mine areas was revised. Finally, the cost of dismantling facilities / equipment of the Mines and power plants was reduced due to the design of new utilizations of some facilities / buildings within the Mines and power plants.

The provision for the decommissioning of Units, Mines and Wind Parks is as follows:

(All amounts in thousands of Euro, unless otherwise stated)

32.PROVISIONS (CONTINUED)

	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, 2022	**194,748**	**73,513**	**222,761**	**1,407**	**492,429**
From subsidiaries acquisition (Note 3)	-	-	-	1,246	**1,246**
Change in future outflows (property, plant and equipment- note 15)	(5,600)	-	-	47	**(5,553)**
Change in future outflows through income statement	2,771	2,995	(11,579)	413	**(5,400)**
Change in future outflows through comprehensive income statement	-	1,035	(9,608)	2,954	**(5,619)**
Finance cost (Note 11)	13,048	4,925	14,925	125	**33,024**
Used provision	(14,100)	(6,907)	(5,778)	-	**(26,785)**
Balance, December 31, 2022	**190,867**	**75,561**	**210,721**	**6,192**	**483,341**

	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	44,914	19,220	17,828	-	**81,963**
Non-current portion	145,953	56,341	192,893	6,192	**401,378**
Balance, December 31, 2022	**190,867**	**75,561**	**210,721**	**6,192**	**483,341**

	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, 2021	**119,649**	**64,849**	**243,126**	**1,272**	**428,896**
Change in future outflows (property, plant and equipment- note 15)	87,981	-	-	71	**88,052**
Change in future outflows through income statement	(10,116)	(2,964)	(17,356)	55	**(30,381)**
Change in future outflows through comprehensive income statement	-	7,413	(18,578)	9	**(11,156)**
Finance cost (Note 11)	7,777	4,215	15,803	-	**27,795**
Used provision	(10,543)	-	(234)	-	**(10,777)**
Balance, December 31, 2021	**194,748**	**73,513**	**222,761**	**1,407**	**492,429**

	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	41,395	15,993	23,210	-	**80,598**
Non-current portion	153,353	57,520	199,551	1,407	**411,831**
Balance, December 31, 2021	**194,748**	**73,513**	**222,761**	**1,407**	**492,429**

(All amounts in thousands of Euro, unless otherwise stated)

32.PROVISIONS (CONTINUED)

	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, 2022	**194,748**	**73,513**	**222,761**	**-**	**491,022**
Change in future outflows (property, plant and equipment-Note 15)	(5,600)	-	-	-	**(5,600)**
Change in future outflows through income statement	2,771	2,995	(11,579)	-	**(5,813)**
Change in future outflows through comprehensive income statement	-	1,035	(9,608)	-	**(8,573)**
Finance cost (Note 11)	13,048	4,925	14,925	-	**32,898**
Used/Unused provision	(14,100)	(6,907)	(5,778)	-	**(26,785)**
Balance, December 31, 2022	**190,867**	**75,561**	**210,721**	**-**	**477,149**

	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
Current portion	44,914	19,220	17,828	-	**81,963**
Non-current portion	145,953	56,341	192,893	-	**395,186**
Balance, December 31, 2022	**190,867**	**75,561**	**210,721**	**-**	**477,149**

	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, 2021	**119,649**	**64,849**	**243,126**	**-**	**427,624**
Change in future outflows (property, plant and equipment-Note 15)	87,981	-	-	-	**87,981**
Change in future outflows through income statement	(10,116)	(2,964)	(17,356)	-	**(30,436)**
Change in future outflows through comprehensive income statement	-	7,413	(18,578)	-	**(11,165)**
Finance cost (Note 11)	7,777	4,215	15,803	-	**27,795**
Used/Unused provision	(10,543)	-	(234)	-	**(10,777)**
Balance, December 31, 2021	**194,748**	**73,513**	**222,761**	**-**	**491,022**

	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
Current portion	41,395	15,993	23,210	-	**80,598**
Non-current portion	153,353	57,520	199,551	-	**410,424**
Balance, December 31, 2021	**194,748**	**73,513**	**222,761**	**-**	**491,022**

(All amounts in thousands of Euro, unless otherwise stated)

32.PROVISIONS (CONTINUED)

As of December 31, 2022, the present value of the provision for the dismantling and removal of Production Units, Mines and the rehabilitation of the Group and the Parent Mine was estimated at the total cost of land rehabilitation, dismantling of existing equipment/ installations and equipment, demolition any waste by applying an average inflation rate of 2% (31.12.2021: 2%) and a discount rate of 6.9% (2021: 6.7%).

Below we present a sensitivity analysis of the forecast for the dismantling and removal of facilities of Production Units, Mines and restoration of areas of Mines from the change of the discount rate used.

	Present value of the provision of decommissioning		**Sensitivity Analysis**			
			2022		**2021**	
	2022	**2021**	**0.25%**	**(0.25%)**	**0.25%**	**(0.25%)**
Provision of decommissioning of units and mines and land restoration	477,149	491,022	470,976	483,526	484,998	497,252
Balance, December 31,	**477,149**	**491,022**	**470,976**	**483,526**	**484,998**	**497,252**
Positive / (Negative) effect on the Results of the Group and the Company	**-**	**-**	**6,173**	**(6,377)**	**6,024**	**(6,230)**

(All amounts in thousands of Euro, unless otherwise stated)

33. SUBSIDIES

Net book values	Group
31.12.2020	**153,720**
-Transfer to revenues (Note 9)	(16,172)
31.12.2021	**137,548**
-New subsidies for fixed assets of Distribution Network	58,336
-Transfer to revenues (Note 9)	(12,929)
31.12.2022	**182,955**

Net book values	Company
31.12.2020	**105,259**
-Transfer to revenues (Note 9)	(9,896)
-Transfer from Liabilities held for sale	302
31.12.2021	**95,665**
- Subsidies due to absorption of Lignite subsidiaries (note 5.1)	2,808
-Transfer to revenues (Note 9)	(9,257)
31.12.2022	**89,217**

34. LONG-TERM CONTRACT LIABILITIES

As stated in Note 4.4, 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, 2022 and December 31st, 2021 of the Long-Term Contract Liabilities.

	Group	Company
Balance, December 31, 2020	**2,274,035**	**450,745**
Customers' contributions receipts	179,094	-
Transfer to revenues (Note 6)	(91,852)	(248)
Reduction of customers advances for electricity consumption	(12,225)	(12,225)
Other	22	-
Balance, December 31, 2021	**2,349,074**	**438,272**
Customers' contributions receipts	134,216	-
Transfer to revenues (Note 6)	(96,343)	(248)
Reduction of customers advances for electricity consumption	(2,292)	(2,292)
Other	2	-
Balance, December 31, 2022	**2,384,657**	**435,732**

(All amounts in thousands of Euro, unless otherwise stated)

35. IMPAIRMENT LOSS ON ASSETS

Impairment loss on assets includes the following:

	Group		Company	
	2022	2021	2022	2021
Reduction of provision for impairment of inventories (Note 20)	(18,380)	-	(18,380)	-
Impairment loss on mines land and under construction mines	2,882	32,398	2,882	32,398
Partial (reversal of impairment loss) on investment in Ptolemaida V plant (Note 15)	(177,500)	-	(177,500)	-
Provision for onerous contracts	(1,361)	1,530	(1,361)	1,530
Devaluations due to revaluation of fixed assets/ Impairment loss of property, plant and equipment of Mines (Note 15)	-	26,878	-	-
Impairment loss of decommissioning assets of Units and Mines (Note 15)	-	75,184	-	75,184
Decommissioning provision of Units and Mines (Note 32)	(5,813)	(30,437)	(5,813)	(30,437)
Other impairment loss on property, plant and equipment	2,497	2,022	206	-
Total	**(197,675)**	**107,575**	**(199,966)**	**78,675**

36. TRADE AND OTHER PAYABLES

	Group		Company	
	2022	2021	2022	2021
Trade Payables:				
Suppliers and contractors	559,218	322,773	320,326	104,633
Municipalities' duties	83,224	107,959	83,224	107,959
Social security funds	39,777	38,326	24,982	21,037
Greek TV	28,438	28,022	28,438	28,022
DAPEEP S.A.	17,461	5,165	17,461	5,165
Taxes withheld	39,652	44,721	21,694	18,213
Special consumption tax	6,390	7,406	6,390	7,406
Customers' credit balances	103,777	89,147	103,777	89,147
IPTO S.A.	385	-	385	-
HEDNO S.A.	-	-	34,688	20,586
Bank of Crete	12,053	12,053	12,053	12,053
Lignite Levy	51,953	60,814	51,953	50,305
HEnEx S.A.	997	17	-	8
Liabilities for PSO	72,997	155,588	-	-
VAT (Note 23)	10,741	-	10,741	-
Advances from RES customers	71,703	56,399	-	-
Other	47,959	41,683	19,777	15,668
Total	**1,146,725**	**970,073**	**735,889**	**480,202**

37. SHORT-TERM BORROWINGS

	Group		Company	
	2022	2021	2022	2021
Overdraft facilities				
Credit lines available	254,250	284,140	170,250	270,000
Unused portion	150,419	13,479	120,250	10,000
Used portion	**103,831**	**271,337**	**50,000**	**260,000**
Short-Term Borrowings				
Credit lines available	21,000	-	-	-
Unused portion	16,498	-	-	-
Used portion	**4,502**	**-**	**-**	**-**
Short-Term Borrowings	**108,333**	**271,337**	**50,000**	**260,000**

(All amounts in thousands of Euro, unless otherwise stated)

37.SHORT- TERM BORROWINGS (CONTINUED)

In August 2022, the Parent Company signed with Eurobank an agreement to increase the credit of the overdraft facility by € 100 million, which was repaid in November 2022 with an amount of the Joint Bond Loan in the form of Revolving Credit (RCF) which the Parent raised the same month.

On December 15, 2022, the subsidiary HEDNO, with the aim of covering cash needs for working capital, used the credit limit through an overdraft facility it maintains at the National Bank of Greece and drew the amount of € 45 million with a floating interest rate based on 1-month Euribor plus margin of 2.4% and contribution of 0.6% (Law 128/1975). The principal together with accrued interest was repaid on January 3, 2023.

38. SHORT-TERM CONTRACT LIABILITIES

On December 30, 2020 the Parent Company received from the Greek State the amount of € 200 million, as a partial prepayment for the value of the energy consumption by the government owned entities for the year 2021. In February 26, 2021, it received the remaining amount of € 390.5 million (total prepayment € 590.5 million).

On December 15, 2021, the amount of € 694.3 million was paid to the Parent Company by the Greek State as an advance payment for the year 2022, based on the five-year agreement signed with the Greek State.

On December 15, 2022 the Parent Company received from the Greek State the amount of €833.7 million, as a partial prepayment for the year 2023, while the total amount for the energy consumption of its government owned entities is €999.3 million (OG 6354/B/14.12.2022).

	Group		Company	
	2022	2021	2022	2021
Balance, January 1	**1,129,571**	**550,877**	**1,129,571**	**550,877**
Received advance from the Greek State for the value of the electricity consumed by the government owned entities	833,739	1,084,800	833,739	1,084,800
Decrease in the Greek State's advance for the value of the electricity consumed by the government owned entities	(473,225)	(506,106)	(473,225)	(506,106)
Balance, December 31	**1,490,085**	**1,129,571**	**1,490,085**	**1,129,571**

39. ACCRUED AND OTHER CURRENT LIABILITIES

	Group		Company	
	2022	2021	2022	2021
Accrued interest on loans and borrowings	34,343	30,416	29,633	25,418
Natural gas and liquid fuel purchases	61,073	35,719	61,073	35,705
Expropriation costs	157,087	112,885	157,087	112,885
Personnel day off and overtime	61,499	66,821	36,754	36,532
RAE fees	10,941	15,392	10,941	15,392
Purchase of CO2 emission allowances	1,476,296	696,746	1,476,296	696,746
Discounts on medium voltage customers	9,171	3,981	9,171	3,981
HEDNO S.A.	-	-	73,925	95,659
Variation margin of CO2 emission allowances	13,410	552,059	13,410	552,059
Other	159,936	163,801	129,387	138,026
Total	**1,983,756**	**1,677,820**	**1,997,677**	**1,712,403**

The accrued and other current liabilities of the Group and the Parent company on December 31, 2022 increased by €305.9 million and €285.3 million respectively compared to December 31, 2021 mainly due to the increase by € 240.9 million of the obligation to purchase CO2 emission rights including the variation margin of open positions, which increased due to the increase of purchase prices in comparison to 2021, but also due to the new buy positions taken by the Parent company through forward Markets in 2022 for the compliance of 2023.

40. COMMITMENTS, CONTINGENCIES AND LITIGATION

OWNERSHIP AND INSURANCE OF PROPERTY

1. The National Cadastral process is in progress. The Parent Company has already completed its Real Estate's recording. Those properties are recorded in total in the Land Registries throughout Greece in the Cadastral Offices and at the same time the Cadastral process is monitored, and all pending issues from this process are settled (it has been completed for about 50% of the Country). In this context, above 100 cadastral lawsuits are pending, out of which 30 are in Athens, for which the relevant judgements have not yet been issued. The posting of temporary cadastral tables in Athens is expected (72 areas under Cadastral), where the Company owns a significant number of properties.
   Pursuant to article 129 of law 4819/23.07.2021 and of no. 42352/ 29.11.2021 notarial deed of separation of the Distribution Network Sector, a significant percentage of the above pending lawsuits are legal rights of the Distribution Network and therefore subsidiary HEDNO is now actively/ passively legalized, as pending lawsuits and rights referred to on the properties and fixed assets of the Distribution Network and the Network of the non-Interconnected Islands are continued by HEDNO SA, without being interrupted and not need for their continuation or repetition, the self-printing or declaration by it, according to with par. 3 of article 70 of law 4601/2019 (law 4001/2011 art. 123A par. 4 g).
   Also, pursuant to articles 106-108 of Law 4821/ 31.07.2021 on the transfer from PPC SA to IPTO SA of the fixed assets of the High Voltage electrical system of the island of Crete that are interconnected with the HETS, in the context of the Peloponnese electrical interconnection - Crete, a significant percentage of the above lawsuits pending in Courts of First Instance of Crete concern High Voltage rights and therefore IPTO is now actively/ passively legalized, as pending lawsuits on the transferred assets, continue automatically by IPTO SA, without being interrupted and no need to any formulation or statement on its part is required, for their continuation or repetition (Law 4001/2011 art. 108D par. 8).

2. In several cases, expropriated land, as presented in the expropriation statements, differs from the cadastral survey, a reason why the PPC is in the process of cadastral settlement (filing of monitored acts) in collaboration with the Cadastral Offices. In particular, for the properties in question, PPC has the right till December 2023 to proceed with lawsuits for the said land which are mainly located in expropriated lignite-bearing areas and in the official records appear to have an unknown owner or third-party owner. At the pre-trial / preliminary stage, 185 objections are pending, a process which had been suspended due to the pandemic and has started to operate again, commencing from Northern Greece and Peloponnisos (Megalopoli).

3. Agricultural land acquired by the Parent Company through expropriation in order to be used for the construction and operation 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 Law 2941/01.

4. According to article 168 par.1 of Law 4759/20, the article 15 of Law 4273/14 was abolished, according to which the land expropriation of PPC was declared in favour of the Greek State and under PPC's expenses and so, those expropriations will be declared in favour and under the expenses of PPC. According to article 29, par. 1 of Law 4872/2021 (OG/A/247/ 10-12-21) PPC after the full payment of the relevant compensations becomes the owner of the expropriation areas with the following data:
   a) Δ9 / Δ / Φ 53/9455/2442 / 2.9.2014 (ΑΑΠ 294), Expropriation ΟΔΠΚ-1
   b) Δ9 / Δ / Φ 53/22337 / ΠΕ / 4095 / 2.9.2014 (ΑΑΠ 294), Expropriation ΟΝΠ-6
   c) Δ9 / Δ / Φ53 / 8773/2272 / 2.9.2012 (ΑΑΠ 294), Expropriation ΟΝΠ-7 and
   d) Δ9 / Δ / Φ53 / 4855/1139 / 28.7.2014 (ΑΑΠ 249), Expropriation ΧΩΡ-6
   decisions declaring the Deputy Minister of Environment, Energy and Climate Change

5. There are about 16 applications pending for the removal of expropriations concerning abolished HV Transmission Lines through the settlement of rights in rem.

6. The Group does not carry any form of insurance coverage on its fixed assets in operation (except for its information technology infrastructures), and as a result if a sizable damage occurs to its properties, it might affect its profitability. Materials and spare parts as well as liability risks against third parties are not insured as well.

40. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

LITIGATION AND CLAIMS

The Group is a defendant in several legal proceedings arising from its operations. The total amount claimed as at December 31st, 2022, amounts to € 999 million (31.12.2021: € 999 million) 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 raised to € 439 million (31.12.2021: € 416 million). 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 raised to € 92 million (31.12.2021: €108 million).

3.Claims by employees:

A number of the Groups' Employees are claiming the amount of € 77 million (31.12.2021: €72 million), for allowances and other benefits that according to the employees should have been paid by PPC.

4.Lawsuits and extrajudicial documents of IPTO against PPC S.A.

On 29.11.2018, IPTO served an extrajudicial document to PPC with which asks from PPC:
-to pay-off debts of € 495.3 million from PPC's participation in the wholesale electricity market for the period January 2018 to August 2018, which have become overdue, plus overdue interest.
-to pay overdue interest amounting to € 83.4 million arising from the overdue payment of PPC's debts from its participation in the wholesale electricity market for the period August 2016 to September 2018.

Of the above amounts, only the amount of € 55 million pertains to IPTO, while for the rest, DAPEEP (former EMO) has become the universal successor.

On 28.02.2019, two IPTO's lawsuits n. ΓΑΚ/ΕΑΚ 10679/355/2015 και 10682/356/2015 (February 2015) against PPC for a total amount of € 540.0 million, for amounts due from the Parent Company's participation in the wholesale electricity market, were discussed before the Multimember Court of First Instance in Athens. By its first lawsuit IPTO was asking for an amount of € 242.7 million (with interest) for amounts due which PPC collects from electricity bills and conveys to IPTO, that in turn conveys them to EMO. By its second lawsuit, IPTO was asking for the payment of € 232.6 million (with interest) for amounts due which PPC collects from electricity bills and conveys to IPTO.

The Decision 944/2020 of the Multimember Court of First Instance in Athens was issued and was sent to PPC on 08.07.2020, which is not provisionally enforceable and obliges PPC to pay:
- regarding the first lawsuit, to IPTO: a) the legal interest on the amount of € 188.3 mil. for the period from 03.02.2015 until the payment of each of the legal invoices paid after that date, and b) the amount of € 18.9 million with the legal interest from the service of the lawsuit until the full repayment,
- regarding the second lawsuit, to IPTO: a) the legal interest on the amount of € 227.6 million for the period from 03.02.2015 until the payment of each of the legal invoices, paid after that date, and b) the amount of € 40.3 million with the legal interest from the service of the lawsuit until the full payment.
-to HEDNO: a) the legal interest on the amount of €5.0 million for the period from 03.02.2015 until the payment of each of the legal invoices, paid after that date and b) the amount of €244.6 thousands with the legal interest from the service of the lawsuit until the full payment.

Interest corresponding to these overdue receivables amounts to € 62.0 million PPC has filed an appeal against the above decision, which was heard on 23.02.2023 before the Three-Member Court of Appeal of Athens and the issuance of a decision is expected.

On its side, PPC has served an extrajudicial document to IPTO (without the latter having answered), requesting the payment of a total amount of € 14.0 million for overdue interest on invoices which incorporate debts to PPC from March 2012 until 02.02.2015. On 5.10.2017, a new (third) lawsuit (n.ΓΑΚ/ΕΑΚ 508791/2833/2016 and after the redefinition n.ΓΑΚ/ΕΑΚ 72442/794/2020) of IPTO against PPC was discussed and furthermore re-discussed on 07.01.2021, due to a long delay in the issuance of a decision by the first composition of the Athens Multi-Member Court of First Instance, by which IPTO asks PPC to pay an amount of € 406.4 million (with interest) for overdue receivables arising also from

40. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

PPC's participation in the wholesale electricity market and specifically relating to non-competitive charges of IPTOs' invoices for the year 2015 - 2016. Decision no. 1494/2021 of the Athens Multi-Member Court of First Instance was issued on this lawsuit, which rejected the claim for interest. The interest corresponding to these overdue receivables, amounted to € 59.0 million. IPTO, together with HEDNO and DAPEEP (who entered by law in part of the original claim) appealed against the above decision, which was discussed before the Tri-member Court of Appeal of Athens on 13.10.2022 and the issuance of a decision is expected.

On 31.12.2021 the lawsuit No. ΓΕΚ/ΕΑΚ/106878/4124/2021 (new fourth lawsuit) was served on PPC by IPTO, as it was filed in the Multi-Member Court of First Instance of Athens on 30.12.2021, for which a trial date has not yet been set and by which IPTO requests a pay of:
a) an amount of € 78.2 million for interest on arrears, with legal interest from the service of the lawsuit until the full payment
b) an amount of € 6.5 million for outstanding capital, with legal interest from the respective declared day, otherwise from the notification, otherwise from the service of the lawsuit until the full repayment.

The above amounts relate to IPTO issuance invoices that PPC allegedly did not pay or paid late and relate to the years 2016 to 2020. The proposals were submitted on is 11.04.2022 and with an addition on 19.04.2022.

Until today, all the above lawsuits' principal amounts have been paid, excluding interest amounts for which the Parent Company had established a provision on December 31st, 2021. Although with the recent decision no. 1494/2021 PPC was justified for the non-payment of interest on the amounts owed for the third above lawsuit, the Parent Company continues to maintain the established provision, as taking into account all available information to date, it is not substantiated until now the positive outcome of the case, as a whole, in favor of PPC in the future.

5.Alleged claims of former EMO 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 the years 2011 and 2012, PPC was obliged under RAE's Decision No. 285/2013 (whose legality was confirmed by the State Council's decision No.1761/2016), as well as by the Power Exchange Code for Electricity, to pay to EMO a total amount of € 126.3 million (after a final clearing according to Article 61 of the Power Exchange Code for Electricity) within 2017.

A. Although EMO explicitly accepted the proposed debt settlement, in December 2016 filed a lawsuit against PPC asking the (then) residual amount of € 78.0 mil.(with interest), which the Parent Company paid in 2017. In February 2017, PPC filed a counter lawsuit asking EMO to be ordered to pay the amount of € 126.0 mil. (plus an amount of € 100 thousands for PPC's moral damages). 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. PPC has filed a relevant appeal which were discussed after postponement on 19.05.2022 (from initial hearing on 16.09.2021), before the 13th section of the Three-Member Court of Appeal in Athens.

B. In December 2017, EMO sent to PPC two new Information Notes on the Allocation of Monthly Deficits of the Day Ahead Schedule (DAS), totalling to € 833 thousands with which, EMO claimed that its new claims arose from the second settlement of the Deficit for the years 2011 and 2012, due to the disappearance or insolvency of the previous third-party 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 € 50.0 thousands as compensation for PPC's moral damages. In May 2018, EMO filed its counterclaim. The two opposite lawsuits were judged, and the Multimember Court of First Instance in Athens issued recently the decision No. 932/2020, which justifies EMO (now DAPEEP), a reason for which a relevant appeal has already been filed, which will be heard on 17.02.2022. It has been agreed to postpone them for co-adjudication with the above initial case on 19.5.2022. The cases were discussed on 19.05.2022 and the decision MCFI 5058/22 was issued, which the company challenged before the Supreme Court.

6.Claims of third parties against real estate properties

As of December 31st, 2022, there are claims from third parties against the Parent Company's properties with a net book value of €13.2 million (31.12.2021: €13.2 million) for which the Parent Company has established adequate provision.

40. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

7.HEDNO lawsuits against PPC

HEDNO has so far filed 4 lawsuits against PPC seeking regulated charges and interest on them, as follows:

Lawsuit ΓΕΚ/ΕΑΚ 121583/4693/2018
On 31.12.2018, the lawsuit No. 121583/4693/2018 (1st lawsuit) was served to PPC, requesting it to pay the total amount of € 1.9 million with the legal interest of the lawsuit from service of the lawsuit until full payment. This amount refers to interest on arrears due to alleged late payment by PPC of invoices for the year 2013 issued by HEDNO. The case was heard on 1.10.2020, however due to non-issuance of a decision within 8 months and after the submission of a relevant letter of protest by PPC to the Court of First Instance, the case was assigned to another judge by a decision of 19.04.2022 and received new No. 54481/799/2022. The case was heard on 10.11.2022 and the issuance of a decision is expected.

Lawsuit ΓΕΚ/ΕΑΚ 115464/3775/2019
On 30.12.2019 the lawsuit No.115464/3775/2019 was served (2nd lawsuit), with which PPC is requested to pay to HEDNO the total amount of € 1.4 million with the legal interest from the service until full payment. This amount refers to interest on arrears due to alleged late payment by PPC of invoices for the year 2014 issued by HEDNO.

The case was heard on 18.11.2021 and on 18.02.2022 the decision no. 417/2022 was issued which partially accepted the lawsuit of HEDNO and ordered PPC to pay to HEDNO the amount of €1.2 million for interest on delayed payments. The decision was served to PPC on 05.05.2022. PPC filed an appeal on 02.06.2022 that will be heard on 16.11.2023 at the Three-Member Court of Appeal in Athens.

Lawsuits ΓΕΚ/ΕΑΚ 93423/2020 and 2989/2020
The case is new and has not been discussed yet. It concerns the payment of interest on arrears due to delays in the payments of regulated charges by PPC.
With this 3rd lawsuit, PPC is requested to pay interest on arrears amounting to €5.0 million (with legal interest from its delivery on 31.12.2020 - until payment) relating to late payment of invoices of the disputed year 2015. This lawsuit was discussed on 26.05.2022 in the Multimember Court of First Instance in Athens and no decision has yet been issued.

The above amount of interest relates to invoices for the following charges:
a) Distribution use charges, b) recovery of cost of purchase of electricity from RES NII, c) sale of electricity from PV rooftops in the NII, d) ETMEAR in the NII, e) intra-group contracts SLAs, ie, repetitive projects, branded projects, supply transport services, services to PPC customers, vehicle maintenance, PPC staff benefits.

Lawsuit 105062/4055/2021
On 29.12.2021, lawsuit No.105062/4055/2021 (4th lawsuit) was served to PPC by HEDNO, which HEDNO filed before the Athens Multi-Member Court of First Instance on 24.12.2021, requesting PPC to pay the total amount of € 22.5 million with the legal interest from the service of the lawsuit until the full payment. No official trial date has been set. This amount refers to interest on arrears due to alleged late payment by PPC of the invoices for the year 2016. Proposals were submitted on 04.04.2022 and an addition on 18.04.2022. The discussion of the case is expected to be determined.

Lawsuit 128343/3501/2022
On 27.12.2022, the lawsuit No. 128343/3501/2022 (5th lawsuit) was served on PPC, filed by HEDNO before the the Athens Multi-Member Court of First Instance, with which it requests PPC to pay the total amount of € 16.9 million with the legal interest from the service of the lawsuit until full payment. This amount refers to interest on arrears due to alleged late payment by PPC of the invoices for the year 2017. The deadline for submission of proposals is 19.4.2023 and for the addition 4.5.2023.

Against all the above cases 1 to 7, the Group and the Parent Company have established a provision as of December 31, 2022 that amounts to €404.3 million and €400.2 million respectively (31.12.2021: € 417.0 million for the Group and €393.0 million for the Parent company) which is considered adequate against expected losses that may arise after final settlement of the above cases.

40. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

PPC's lawsuit against ETAA/ Department of Engineers and Public Works Contractors (former TSMEDE)

ETAA/ Department of Engineers and Public Works Contractors (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 9.04.2019 and was postponed. From then on, numerous case hearings were postponed, until the case was discussed on 14.12.2021 and a decision is pending.

On 21.12.2022 we were served two debt certificates (namely no. 64785/2022 and 64784/2022) from e-EFKA (successor of the above TSMEDE), which they concern additional due contributions in favor of TSMEDE for the period 01/05/2012 to 31/12/2016.

Since the employees – who are engineers- are insured mandatorily to PPC's Insurance Fund based on L. 4491/1966 and as a result PPC is paying on their behalf to the above mentioned Insurance Fund the corresponding employer contributions, while the parallel insurance for the above mentioned engineers in ETAA is optional and is done by their 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 it has not established any provision.

Lawsuit of former EMO against HEDNO in which a notice was served to PPC

On 19.06.2017, HEDNO S.A. served a notice to PPC on EMO's lawsuit against HEDNO S.A. With this notice HEDNO S.A. requested PPC S.A. to intervene in favor of HEDNO S.A. in the court 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 amounted to approximately € 140.0 million, while interest due for late payment amounted to € 3.9 million.

The Multimember Court of First Instance in Athens, with its decision No.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 binds them is a contractual one. 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, while HEDNO filed an appeal before the Three-Member Court of Appeal in Athens, that will be heard on 22.09.2022.

40. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

Corrective settlements of IPTO, concerning the Special Account of art. 143 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 No. 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 months May, June, July and part of August of 2013, totalling to an amount of € 48.2 million, 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 No. 2260/2016) and is considered that PPC does not have to pay the invoices issued totalling € 54.4 million, which incorporate claims for the weighted average variable cost of the conventional thermal power plants for the months May to August 2013. IPTO (which, in the meantime, was substituted in this claim by DAPEEP) filed an appeal which was finally dismissed by the Court of Appeal in Athens with its decision 4928/2020. Finally, an appeal was filed by DAPEEP, before the Supreme Court, which will be heard on 15.01.2024.

Lawsuits from EKPOIZO and INKA against PPC S.A.

On May 4, 2022, the collective lawsuit from 3/5/2022 was served to PPC S.A. (article 10 par. 16 of L.2251/1994) of the non-profit Union with the name UNION OF CONSUMERS THE QUALITY OF LIFE (hereinafter "EKPOIZO"). The lawsuit was scheduled to be heard before the Athens Multi-Member Court of First Instance on June 1, 2022, while it was postponed and was heard on 6/07/2022 in which EKPOIZO requested the following:

1. To oblige PPC to stop using the term "Supply Charge Adjustment Clause" of the Household Tariffs Γ1 and Γ1N, because it was not included in the electricity supply contracts that had been drawn up before 5.9.2021 for the reasons set out in its lawsuit.
2. To oblige PPC to stop formulating and using in its contracts for the supply of electricity that it concludes with consumers, as well as in those contracts that it has already concluded to date, the general terms of transactions, terms that refer to the history of the lawsuit and more specifically the terms : a) 9, 16.3, 17 and 18 of the TERMS OF CONTRACT OF HOUSEHOLD CUSTOMER OR NON-HOUSEHOLD CUSTOMER WITH PROVISION POWER UP TO 25 KVA, b) 6.5.1, 7.2, 7.6 and 9.1 OF THE GENERAL TERMS OF ELECTRICAL ENERGY CUSTOMER OR NON -HOME CUSTOMER WITH PERFORMANCE OF PROVIDER OF 25 KVA, (c) "Supply charges Adjustment clause" in household bills Γ1 and Γ1N d) 3 of the SPECIAL CONDITIONS OF SUPPLY CONTRACT FOR CUSTOMER INCLUDED in the product "myHome Enter" e) 4 of the SPECIAL CONDITIONS OF SUPPLY CONTRACT FOR CUSTOMER INCLUDED in the product "myHome Enter+" and "myHomeOnLine", because these terms are abusive, illegal and invalid, for the reasons set out in the lawsuit.
3. To oblige PPC to inform in written the customers, with whom it has concluded a contract for the supply of electricity, that the above conditions do not apply.
4. To order the publication of the issued decision in the press as well as the publication of a corrective statement by PPC regarding the illegal practices it used.
5. To threaten against PPC a fine of five thousand eight hundred (5,800) euros in favor of EKPOIZO for any violation of the above obligations.
6. To oblige PPC to pay to EKPOIZO the amount of three hundred thousand (300,000) euros with legal interest from the filing of the lawsuit until the payment.
7. To declare the issued decision provisionally enforceable.
8. To order PPC to pay the court costs of EKPOIZO and the fee of its attorney.

Moreover, on May 5, 2022, the collective lawsuit from 4/5/2022 was served to PPC SA. (article 10 par. 16 of L.2251/ 1994) with an application for precautionary measures of the Second level Consumer Union under the name of "INKA - GENERAL CONSUMER FEDERATION OF GREECE (GCFG)" and of the First level Consumers' Union with the name CONSUMERS UNION OF AETOLOAKARNANIA PREFECTURE (hereinafter "Unions"). The lawsuit was scheduled to be heard before the Athens Multi-Member Court of First Instance on June 1, 2022, while it was postponed and was heard on 6/07/2022. The lawsuit is also against:

A. as a manager of receivables securitized in the special purpose limited liability company under the name "PPC ZEUS DESIGNATED ACTIVITY COMPANY", for its receivables from electricity supply contracts and
B. as manager of receivables securitized under the provisions of Law 3156/2003 to the special purpose company "PPC ENERGY FINANCE DESIGNATED ACTIVITY COMPANY", for its receivables from electricity supply contracts.

40. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

A special mention was made for the announcement of this lawsuit (based on art. 91 KPold), to the following legal entities in order to intervene in favor of the plaintiff Unions:

• In the legal entity of public law with the name "Athens Bar Association",
• to the legal entity under public law under the name "Thessaloniki Bar Association" and
• In the legal entity of public law with the name "Piraeus Bar Association"

Through the application for precautionary measures, the above Unions request the following:

1. Prohibit the termination of electricity supply contracts with the Household tariffs Γ1 and Γ1N, including the Social Tariffs, of the professional tariffs Γ21, Γ22, Γ23, E21, E22, E23, the street lighting and squares tariff (FOP), of the Low Voltage Agricultural Invoice, as well as in the commercial programs of PPC myHome Enter / Online / Enter +, if charges arising from the defendant's adjustment clause are imposed on them, as well as in any commercial program or invoice, with the same characteristics, regardless of any different trade name to be attributed to it by the defendant, if charges are imposed on them arising from the defendant's adjustment clause, if the amount corresponding to the charge arising from the PPC adjustment clause is not paid, until a final decision on the claim is issued.

2. Prohibit the termination of electricity supply for the Household tariffs Γ1 and Γ1N, including the Social Tariffs, for the professional tariffs Γ21, Γ22, Γ23, E21, E22, E23, the street and square lighting tariff (FOP), for the Agricultural Tariff as well as in the PPC commercial programs myHome Enter/ Online/ Enter +, if charges are imposed on them arising from the defendant's adjustment clause, as well as in each commercial program or invoice, with the same characteristics, regardless of any different trade name will be attributed by the defendant, if charges arising from the defendant's adjustment clause are imposed on them, if the amount corresponding to the charge arising from the PPC adjustment clause is not paid, until a final decision on the lawsuit is issued.

3. PPC should refrain from invoicing in any way the amounts corresponding to charges resulting from the adjustment clause in the Household tariffs Γ1 and Γ1N, including the Social Invoices, the professional tariffs Γ21, Γ22, Γ23, E21, E22, E23, of the street and square lighting invoice (FOP), of the Low Voltage Agricultural Invoice, as well as in the PPC commercial programs myHome Enter/ Online/ Enter +, if charges are imposed on them resulting from the defendant's adjustment clause, as well as in any commercial program or invoice, with the same characteristics, regardless of any different trade name attributed to it by the defendant, if charges arises from the defendant's adjustment clause are imposed on them, if the amount corresponding to the charge arising from the PPC adjustment clause, until a final decision on the lawsuit is issued.

The application for precautionary measures is not accompanied by a request for a provisional order. The application was co-adjudicated with the main lawsuit on 1/06/2022 (according to article 684 of the Code of Civil Procedure).

Through this lawsuit, the above Unions request the following:

1. The Collective Lawsuit to be accepted.

2. To recognize the invalidity of the General Terms and Conditions of the contested terms in the history of the present lawsuit and to be recited by the Court.

3. To prohibit the defendant from invoking the contested General Conditions of Transactions

4. To prohibit PPC from formulating, invoking and using in its transactions with consumers and in the context of the Γ1 and Γ1N Household tariffs, including the Social Tariffs, the professional tariffs Γ21, Γ22, Γ23, E21, E22, E23, the Street and Square Lighting Invoice (FOP), the Low Voltage Agricultural Invoice, as well as in the PPC commercial programs myHome Enter / Online/ Enter +, if charges are imposed on them resulting from the PPC adjustment clause, as well as in any commercial program or invoice, with the same characteristics, regardless of any different brand name given to it, general terms with the following content or any wording, which claims the same result (ie abusive GTC and unfair commercial practices).

5. To prohibit PPC from requesting the payment in any way of the amounts corresponding to charges resulting from the adjustment clause in the Household Invoices Γ1 and Γ1N, including the Social Invoices, in the professional tariffs Γ21, Γ22, Γ23, E21, E22, E23, in the street and square lighting invoice (ΦΟΠ), in the Low Voltage Agricultural Invoice, as well as in the PPC commercial programs myHome Enter/ Online/ Enter +, if charges are imposed on them arising from the adjustment clause, but also in any other commercial program, with the same characteristics, regardless of the brand name that PPC may give it in the future, since through the payment it tries to reap the benefits of the invalid as abusive General Terms of Transactions and unfair commercial practices.

6. To prohibit PPC from refusing payment by consumers all other charges, except the amounts corresponding to charges from the disputed adjustment clause, as found in Household invoices Γ1 and Γ1N, including Social Invoices, in the professional tariffs Γ21, Γ22, Γ23, E21, E22, E23, in the street and square lighting invoice (ΦΟΠ), in the Low

40. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

Voltage Agricultural Invoice, as well as in the PPC commercial programs myHome Enter/ Online/ Enter +, if charges arising from the clause are imposed on them but also in any other commercial program, with the same characteristics, regardless of the trade name given to it.

7. To recognize that PPC has committed and continues to commit against consumers unfair commercial practices (articles 9a - 9g Law 2251/1994), in the sense of unfair acts and omissions, a reason for which is requested, on the one hand their recognition and removal in the future and on the other hand to oblige PPC to pay the amount of one (1.00 €) euro, with the legal interest from the service of the lawsuit until the full payment for the moral damage that exists for the Greek consumers from its tort, illegal and abusive behavior and unfair commercial practices against consumers.

8. To oblige PPC to reverse the debited, but not paid, amounts which correspond to charges arising from the adjustment clause.

9. To recognize as unduly paid the amounts paid in part or in full of the amounts corresponding to charges arising from the adjustment clause.

10. To oblige PPC to offset any amounts unduly paid, which correspond to charges arising from the disputed clause, with future charges that will arise for the supply of electricity to the accounts of consumers.

11. In the event that in the meantime there is a change in the electricity provider, to oblige PPC to credit the amounts unduly paid that correspond to charges from the clause, in the service account of each consumer, through the Network administrator.

12. To oblige PPC to refrain from collecting in any way, (including the compulsory collection), its claims, until it performs a proper recalculation and informs the consumers with a personalized letter, served by a bailiff, on the result of the recalculation, with completeness and transparency for charging until the last euro cent.

13. To prohibit the unilateral conversion of fixed tariffs into floating tariffs, to which the adjustment clause applies.

14. Otherwise and in the alternative, to recognize and declare the total invalidity of the adjustment clause contract, as it is structured by the contested General Transaction Terms, which is distinct and divisible in relation to the other terms of the electricity supply contract, according to the provisions of articles 371, 372 AK.

15. To threaten PPC with a fine of € 100 thousands for each individual and per consumer but also per day of violation of the operative part of the issued decision, each of the above obligations.

16. To declare the issued decision provisionally enforceable.

17. To order PPC to pay the costs and fees of attorneys.

On the above lawsuits, decisions no. 68/2023 and 70/2023 of the Multi-Member Court of First Instance of Athens were issued, which ruled, among other things, in favor of the legality of the Supply Charge Adjustment Clause applied by PPC.

After the decisions have been written down, an appeal can be filed within a period of one month from their service, before the Athens Court of Appeal. To date it has not been served.

It should be noted that the protection that was ordered by virtue of a temporary order and which expressly provided: "Temporarily its is prohibited the interruption of electricity supply for household tariffs Γ1 and Γ1N of vulnerable customers (Article 52 of Law 4001/2011) in case of non-payment amount corresponding to the application of the adjustment clause until the appointed discussion (6/7) and under the condition of discussion during the appointed hearing".

It should also be noted that the above temporary order did not affect the company's pricing and the corresponding consumer debts.

40. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

Legal Claim by PPC of Public Service Obligations (PSO)

With the RAE decision 1526/2011 "Calculation of the Annual Compensation for the Coverage of the Costs of PSO for the year 2011" (OG B' 2991/28.12.2011), the compensation of the Public Service Obligation ("PSO") for year 2011 was determined at an amount of €681.7 million. This amount had to be recovered in 2012, by virtue of the heterochronism system that was in force at that time. In 2012, however, PPC recovered only the 2012 PSO compensation, due to the change in the recovery system of PSO compensations brought about by art. 36 of Law 4076/2012, which was incorrectly interpreted by RAE with its opinion 10/2017. Thus, the 2011 PSO compensation was not recovered. PPC then filed, from 31.10.2018, a compensation claim against the Greek State for the 2011 PSO.
On 30.10.2019, L.4635/2019 was published, in which Article 16 authorized RAE to determine the due compensation for the PSO of 2007-2011 that had not been paid to PPC.
Pursuant to this provision, RAE issued on 1.11.2019 the decision 1019/2019 (OG B΄4583/2019), by which it determined as due, only the amount of € 194.6 million to be returned to PPC, in exchange for the PSO compensation of the period 2007-2011, which was collected by PPC.

With the passing of the provision of article 69 of Law 4876/2021, RAE was authorized to "clear in full" with a decision that it should issue within 3 months from the entry into force of this law, "debts from Public Services Obligations of past years, which relate to the years before the entry into force of article 36 of Law 4067/2012 (A' 79) and have not been fully recovered". RAE has not issued a corresponding decision.

PPC has filled an appeal against this decision before the Administrative Court of Appeal of Athens, an appeal that was heard on 13.12.2022, after it was previously heard on 26.9.2022 before the Administrative Court of First Instance of Athens the lawsuit from 31.10.2018 for the compensation for the 2011 PSO against the Greek State. With this appeal, the Parent company is legally claiming the remaining amount of €487.1 million that it was entitled to collect against the PSO compensation for the year 2011. Currently, the issuance of decisions for the above-mentioned proceedings is expected.

Former Bank of Crete

The dispute with the former “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 filed a lawsuit in 1991 against the bank asking to be compensated for GRD 2.2 billion approximately, (€ 6.5 million) because 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 instalments. However, on June 10th, 1991, although PPC has paid the overdue instalments, the Bank has terminated all 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, in the context of hearing of PPC’s above mentioned lawsuit, the Bank proposed before Court 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 a lawsuit in 1995.

Following two annulment decisions (Supreme Court 746/1998 and Supreme Court 1968/2007) and expert reports, the Athens Court of Appeal issued the decision 3680/2014 which only partially accepts PPC’s lawsuit while essentially it upholds the results of the ordered by the same Court official expert report, as follows: a) the amount due by the Bank of Crete to PPC on July 22nd, 1991, the date PPC filed the lawsuit, amounted to GRD 1,268,027,987 and b) the amount due by PPC to the Bank of Crete on July 1st, 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 Appeal recognizes that on July 22nd, 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.

In 2017, PPC appealed against the above-mentioned decision of the Court of Appeal in Athens, the appeal was heard on March 9th, 2020 before the Supreme Court and the decision number 1272/2022 was issued on July 12, 2022 that rejected PPC’s appeal.

As such, the decision taken by the Court of Appeal become irrevocable. The assumptions of the above decision of the Court of Appeal become binding for the court that has heard the second lawsuit, i.e. the Bank's lawsuit against PPC, which is obliged to accept that on 22/07/1991, PPC owed to the Bank of Crete the amount of GRD 1,264,908,711 (€3,7 million) due to the closing of the overdraft facilities on 10/06/1991, 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), after deducting from the amount due the payments that PPC made to the Bank in repayment of the loan instalments, when they became overdue (after Bank's lawsuit). In any case, an expert opinion will be needed.

40. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

Pricing of the General Minining and Metallurgical Societe Anonyme LARCO (LARCO)

With the submission of the amendment plan - addition to a Bill, which related to the regulation of LARCO's Issues and in order not to be hindered, for reasons of public interest, the process of LARCO's privatization, as described in the above amendment plan, PPC's Board of Directors decided to continue the electricity supply to LARCO (Decision No. 11/11.2.2020), 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.4664/2020 and the appointment of the special administrator in LARCO, the new Electricity Supply Contract for the period 01.03.2020-31.12.2020 with the special administrator of the Company was signed on June 1st, 2020.

Due to the expiration of the said Electricity Supply Contract on 31.12.2020, PPC had sent its proposals to LARCO regarding the pricing terms, while the relevant negotiations took place.

Despite PPC SA efforts of good faith in the context of long negotiations, LARCO did not respond. Already, for June 2022 consumptions and henceforth it is billed with a floating price linked to the wholesale electricity market.
LARCO has paid on time the bills issued during the first semester of 2022, while PPC has taken appropriate actions to ensure the settlement of the following bills. The production of LARCO's factory has been suspended from August 2022, by the decision of the special administrator of the company.

It is noted that a provision of expected credit losses has been established for the total net receivables from LARCO of € 367.6 million as of December 31, 2022 (31.12.2021: € 369.2 million).

Following the invitation of the Special Administrator dated 22.04.2021 for the temporary announcement of claims of creditors of LARCO in accordance with the provisions of par. 7 (i) of article 21 of Law 4664/2020, PPC in terms of its claim was announced on time on 24.5.2021 (ie within one month from the publication of the invitation) and is expected to be classified in the non-privileged claims which can receive up to 10% of the auction amount (which is proportionally distributed to the creditors of this category).

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 € 30.5 million 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.

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, plus the amount of € 15 thousands for court costs. PPC notified the payment order in question to HALYVOURGIKI S.A. and further, on March 15th, 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 March 22nd, 2019, a Caveat and an Application for Suspension were served to PPC with a request for a temporary injunction of HALYVOURGIKI S.A. against PPC S.A. During the discussion of the request for a temporary injunction, which was heard on March 26th, 2019, the request was rejected.

PPC, at the request of HALYVOURGIKI S.A., proceeded to a partial withdrawal of imposed precautionary seizure toward the Bank EUROBANK up to the amount corresponding to the payroll cost of that company's employees.

On the Caveat of HALYVOURGIKI S.A. against PPC S.A. which was discussed on October 2nd, 2019, the Multimember Court of First Instance in Athens by its decision No. 1080/2020, accepted partially the above caveat, annulling partially the Payment Order No. 1769/2019 for the amount of € 7.2 million , and confirming the above Payment Order for the remaining amount.

PPC notified the above decision number 1080/2020, to HALYVOURGIKI S.A. on 8.3.2021, in order for the legal deadlines for the exercise of legal remedies to run, and filed an appeal on 14.5.2021 against "HALYVOURGIKI SA" and the above decision of the Athens Court of First Instance, for which the Hearing date was set on 8.12.2022 before the Athens Court of Appeal. HALYVOURGIKI S.A. filed a Counter Appeal served to PPC on the 7th of November 2022, the Hearing of which was held on the same date as as the date set for the aforementioned PPC's Appeal.

40. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

Furthermore, on February 15th, 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 €270 million for consequential damage, which according to the appeal in question, HALYVOURGIKI S.A. suffered, with interest from the service of this appeal, plus € 1 million for moral damage which according to HALYVOURGIKI S.A. suffered.

Both HALYVOURGIKI S.A. and PPC S.A. appointed their arbitrators (each party appointed its arbitrator). The 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 million 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 May 14th, 2019, stated that they were unable to jointly appoint a Third Arbitrator 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 August 10th, 2019) the Parties submitted their comments on the appointment of Third Arbitrator in the trial in question.

Finally, the Arbitration Court has sent to the Parties a proposal for the appointment of an Arbitrator, which has been lawfully submitted to the Parties its Independence Declaration citing the cases in which the Arbitrator has been involved in relevant legal proceedings and the Court invited the Parties, until September 10th, 2019, to submit any objections to the appointment of the said Arbitrator. Neither PPC nor HALYVOURGIKI S.A. raised any objections. Therefore, the ICC Court ratified the appointment of the said third Arbitrator. Following this, on October 16th, 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 will be 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 February 14th, 2020 and PPC on May 4th, 2020. In addition, in October 2020 the submissions from both sides of the Parties’ Additions – Rebuttals as well as the hearing process took place. Subsequently and before the ruling of the Court, the Referee appointed by the applicant resigned. According to the ICC Arbitration Rules, at this stage it is possible for a decision of the Arbitration Court to be issued by the two remaining members. However, on February 4, the applicant (HALYVOURGIKI SA) suddenly submitted an application for the exclusion of the appointment of the arbitrator appointed by PPC and of the third arbitrator as well.

The Parties, as well as the arbitrators, have been summoned by the International Court of Arbitration of the ICC (International Court of Arbitration of the International Chamber of Commerce) to submit opinions on the requests for the rejections of arbitrators. The applicant further on 4.3.2021, filed additional requests for exemption of the above Arbitrators. The Court again asked the parties involved to submit their views until 11.03.2021. The parties submitted their views on time. In addition, on 29.04.2021 the Court extended the deadline for the issuance of the arbitral decision until 31.05.2021.

On 12.05.2021, the ICC Court informed the parties for its decision to reject the above requests for exemption that HALYVOURGIKI S.A. filed against the above Arbitrator and the Third Arbitrator and the approval of the draft Decision of the Arbitration Court submitted on behalf of the two Arbitrators on the appeal of HALYVOURGIKI S.A. against PPC and announced that the official decision on the appeal will be notified within the legal deadline (ie until 31.5.2021), as soon as it receives the signatures from the Arbitrators of the Arbitration Court.

Subsequently, on 26.05.2021, the Arbitration Court notified the Parties of its Decision, by which it completely rejected the appeal dated 15.2.2019 of HALYVOURGIKI S.A. (Case with number 24270/AYZ) and vindicated PPC.

In particular, and according to the operative part of this Decision, all the claims and requests of HALYVOURGIKI SA are rejected and HALYVOURGIKI SA is ordered to pay to PPC, on the one hand, USD 350 thousand as well as €288.4 thousand for court costs and arbitration costs. The decision in question was served by PPC to HALYVOURGIKI SA on 1.6.2021. The decision is subject to appeal against annulment before the competent French courts within one month of service.

40. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

HALYVOURGIKI SA challenged the arbitral award in question with an action for annulment before the Paris Court of Appeal. It should be noted, however, that the action for annulment does not affect the res judicata produced by the above Judgment of the Court, therefore, at the present time it is not registered any provision for a claim against PPC from the case in question, as it no longer exists after the issuance in favor of PPC of the above Judgment of the Arbitration Court. The other party submitted an Opinion before the French Court on 28.1.2022.

PPC also submitted its Proposals on time. An act determining the discussion of the case by the Court is expected.

Furthermore, following an application by the National Bank (of 23 February 2021) before the Single Member Court of First Instance of Athens for the position of HALYVOURGIKI SA in a special management regime of articles 68-77 of law 43077/2014 (A'246/ 2014) and against on 5.4.2021, where the case was discussed, PPC, as well as Piraeus and ALPHA Bank, exercised additional intervention in favor of the applicant Bank (National) and against HALYVOURGIKI. Subsequently, the no. 990/2021 decision of the above court was issued, which rejected the appeal as abusively exercised and therefore with no substance, including the additional interventions exercised. It is noted that, according to the lawyers representing the National Bank, an appeal was to be filed, which it has not been notified so far to PPC.

HELLENIC HALYVOURGIA S.A.

HELLENIC HALYVOURGIA S.A had filed the lawsuit dated 31.08.2010 before the Athens Multi-Member Court of First Instance against PPC SA, by which it asked to be recognized that PPC SA must pay to HELLENIC HALYVOURGIA SA the amount of € 4.4 million, which corresponds to the amount included in the accounts issued by PPC SA, after the unilateral increase by PPC of the High Voltage tariffs by 10% on the valid ones until 30.06.2008 Invoices, for the period of consumption from 01.07.2008 to 30.04.2010, with the legal interest from the service of the lawsuit.

On the above lawsuit, the decision No. 3863/2014 of the Athens Multi-Member Court of First Instance was issued, which partially accepted the lawsuit against which an Appeal was filed by PPC (as well as Additional Reasons), which Rejection was rejected under No. 4702/2021 of the decision of the Athens Court of Appeal. The decision recognizes that PPC SA must pay to HELLENIC HALYVOURGIA S.A the amount of € 4.4 million, with legal interest from the service of the lawsuit until the full payment, as compensation for damage that, according to the Decision in question, the other party suffered due to, inter alia, no previous negotiation with the other party of its electricity supply price.

Following this, and given the recognizable character of the decision No. 3863/2014 of the Athens Multi-Member Court of First Instance, which became final, the other party may request to collect the above awarded amount (of € 4.4 million, with legal interest from the service of the lawsuit), if it takes the appropriate actions for its recovery. PPC has filled an appeal against the above decision of the Athens Court of Appeals.

Furthermore, HELLENIC HALYVOURGIA SA submitted "an application for extension of preventive measures to suspend a complaint of essential conventions on the operation of the undertaking referred to in Article 50 par.4 No 4738/2020" before the Athens multimember court during the trial that took place on 12 January 2022, by which it requested within the framework of the already signed from 27.10.2021 Agreement on Resolution and Transfer of part of the assets of the company, which was included in the above petition of its application, to be ordered by the Court "as additional precautionary measures in its favor, the ban on termination of the current electricity supply relationship of HELLENIC HALYVOURGIA SA with PPC as well as the ban on PPC declaration of cessation of representation of the company's load meters, until the issuance of the Court decision on the application for ratification of the Resolution Agreement. The Court accepted this request and granted a temporary injunction until the issuance of its decision on the request for ratification of the Resolution Agreement of HELLENIC HALYVOURGIA SA.

A Decision of the Court was eventually issued which accepted a reduction of 87% of the amounts due to PPC by the said company and following this, the case of the above mutual claims was settled compromisingly for both parties. As a result, PPC proceeded in September 2022 in the write-off of receivables from HELLENIC HALYVOURGIA SA amounting to €71.2 million (Note 21) for which an equal amount of provision for expected credit losses has been established in previous periods and as such there was no negative impact on the Group's and the Parent Company's results.

Finally, in October 2022, a relevant compromise was signed with the conclusion of a new relevant supply contract with the company in question and the case is closed, with the smooth execution of the said compromise.

Pricing of other High Voltage Customers (excluding LARCO)

The supply Contracts signed with High Voltage Customers expired on 31.12.2020. Due to this fact and according to the Provisional Code, PPC sent its proposal to those customers regarding the terms of pricing for year 2021, while the relevant negotiations started. New Electricity Supply Contracts have already been signed with the large High Voltage industrial customers excluding LARCO.

40. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

It is noted, however, that regarding the previous invoicing of Aluminum of Greece SA (now MYTILINEOS SA - GROUP OF COMPANIES), on the one hand, the final decision on 11 December 2019 of the EU Court [C-332/18 P] was issued, which confirmed the legality of Commission Decision 2012/339/EU of 13 July 2011 on State aid SA.26117 - C 2/2010 (ex NN 62/2009), which was implemented by Greece, through PPC, in favor of Aluminum of Greece SA (EU 2012, L 166, p. 83) and ordered the legal recovery of the state aid amounting to € 17.4 million, due to the application of the preferential tariff during the disputed period from 5 January 2007 to 6 March 2008. On the other hand, three cases are pending before the General Court of the EU (T-639/14 RENV, T-352/15 and T-740/17) against (corresponding) decisions of the European Commission, with which it filed (corresponding) complaints of PPC for violation of provisions on state aid against the decision of RAE (346/2012, of May 9 2012) and the Arbitration Court, which set a temporary sale price of electricity of PPC to the then Aluminum S. A., to 42 €/ MWh and the decision of the special Arbitration Court (1/2013, of 31 October 2013), which amended the above decision 346/2012 of RAE reducing the electricity tariff provided to Aluminum S.A. for the period from 1 July 2010 to 31 December 2013 in a gross amount of 40.7 €/MWh, ie a net amount of 36.6 €/MWh.

On 8 October 2020, the above three cases were heard before the General Court of the EU. It is pointed out that Mytilineos had intervened in favor of the Commission. On September 22, 2021, the General Court of the European Union issued its Judgment annulling both the TEN-639/14 RENV and T-352/15 and T-740/17 and ordered the Commission to pay PPC's total legal costs.

The Court accepted, in the grounds of the Decision, that in the present case, *"the Commission, ……. could not, on the one hand, not check whether the arbitral award entailed an advantage;…. and, on the other hand, not to carry out, for this purpose, complex financial estimates, in particular regarding the compatibility of the tariff in question with normal market conditions of the market….. In this case, the particular circumstances which should lead the Commission to make a diligent, adequate and complete examination of the possible award, through the arbitral award, of an advantage to the intervener as well as of complex economic and technical considerations in that regard… [paragraphs 164 and 167]".*

The European Commission then challenged the judgment of the General Court of 22 September 2021 (in Cases T-639/14 RENV, T-352/15 and T-740/17). Similarly, Mytilineos SA challenged this Decision. PPC submitted its Memoranda on the above actions within the prescribed period (Case C-739/21 P and C-701/22).

Finally, the German Republic has requested to the Court for permission to intervene in the above cases in support of the Commission. Following a Letter by the Court dated 26.08.2022, PPC filed an application to participate before the Court at the Oral Hearing in relation to the aforementioned Case C-701/22, in order to have the opportunity to elaborate on its argumentation in relation to certain legal issues of the Case.

Judgement of a tax dispute case for the years 2006-2008

In July 2011, the final audit reports of the Company's tax audit for the years 2006 – 2008, as far as the Income Tax is concerned, were released after a relevant decision of the Ministry of Finance that electricity benefit from the personnel electricity tariff to the Group's employees and pensioners "constitutes the Company's' own discretion and free will and cannot be deducted from its gross revenue". The difference between the tariff for residential use and the personnel tariff to the Group's employees and pensioners for the years 2006-2007-2008 amounted to €107 million that were included in the taxable income of PPC. Given that PPC in the years 2006-2008 had tax losses which were carried forward to year 2009, a Partial Tax Audit Report was issued for the year 2009, as a result of which a tax amount of €26.7 million plus surcharges amounting to €9.1 million (Total amount: €35.8 million) was charged to PPC for the year 2009.

Against the Audit Reports for the years 2006 – 2008, an appeal was brought to the Administrative Court of First Instance of Athens, which was dismissed for formal reasons pursuant to the no.10769/2016 decision. Then, in 2017, a second appeal with the same content was brought again (registration no. ΠΡ10518/2017), which was discussed on 19.10.2022. On this second appeal, published on 16.11.2022, under decision no. 15884/2022, by which the issuance of a final decision is postponed, until the publication of the decision of the Plenary of the Council of State on the referral decision no. 2460/2021 of its 6th Section, which will judge whether the possibility of a second appeal is in accordance with the Constitution. Subsequently, a new trial will be scheduled, at which time the above second appeal of PPC SA will be discussed again.

An appeal was filed against the Partial Tax Audit Report for year 2009 before the Athens Administrative Court of Appeal. With the filing of the appeal, the 50% of the debt was suspended and the Parent Company paid an amount of €17.9 million. The Administrative Court of Appeal accepted the appeal of PPC SA with decision no. 5677/2013. Following this, the Greek State returned to PPC the amount of €17.9 million. Subsequently, the Greek State appealed against the decision of the Athens Administrative Court of Appeal, which was accepted by virtue of decision no. 289/2022 of

the Council of State, which, however, did not examine the stated legal issue as to its essence. As a consequence of this, on 11.11.2022 PPC was once again provided with a partial Tax Audit Report under no. 174/201, where an amount of €47.4 million plus surcharges of €17.8 million, totalling to €65.2 million was marked as certified, which was settled through netting off receivables from the Greek State within 2022 of €56.7 million and within 2023 of €8.5 million.
PPC SA filed before the Administrative Court of First Instance of Athens from 12.12.2022 the suspension against all the cash certificates as well as the contested appeal from 12.12.2022 before the Dispute Resolution Department against the imposition of the additional tax. Both the suspension and the contested appeal are still pending.

Although PPC cannot exercise legal remedies against the decision of the Council of State, it can nevertheless claim the return of the imposed tax differences, in the event that its pending appeal before the Administrative Court of First Instance of Athens is accepted and concerns the years 2006 - 2008. For those tax differences, the Parent Company had established in previous years a provision for this case of €57.1 million and as result current Statement of income was burdened only for the remaining amount of €8.1 million (Note 14).

Lawsuit against the Hellenic Capital Market Commission
The Group (through its subsidiary HEDNO) at each balance sheet date calculates based on an estimation method the Network Usage Fees related to the consumed and unbilled energy for the non-monthly metered connections in the Non-Interconnected Network of Low Voltage. This estimate was invoiced by HEDNO to the electricity providers and in the next period the relevant settlement was carried out. The specific procedure was done on a monthly basis due to the specific obligations of the relevant department based on RAE guidance and the additional role it has in the energy market in non–interconnected islands.

On the contrary, for the non-monthly metered connections of Low Voltage in the Interconnected Network, due to the complexity, the significant number of connections, but also the different obligations of the Company in the Interconnected Network and the way of pricing the relevant Network Usage Fees, HEDNO and as well the Group did not recognise a corresponding provision of accrued income until the year ended 31/12/2019.

During the year ended 31/12/2020, HEDNO re-examined the method of recognizing the revenue from Network Usage Fees in the Interconnected Network, in order to reflect those revenues that correspond to the consumed and unmetered energy and which has not been invoiced for those connections.

Based on the specific estimates (Note 44 of the annual financial statements of PPS as of 31.12.2021), it was concluded that the Group's retain earnings as of December 31, 2019 appear underestimated, as the revenue accrual mentioned above was not recognized. In addition, the Parent Company did not recognize part of the accrued income as the owner of property, plant, equipement of the distribution network sector and respectively the accrued expense for the payment of distribution network usage fees as electricity provider to HEDNO.

In the financial statements of the Group and the Parent Company as of December 31, 2020, there was no restatement of the figures of the comparative period for the above adjustment that took place, as the effect of the non restatement on the financial figures of the Group and the Company was not considered significant and especially on "EBITDA" and "EBITDA Recurring", which are the ratios that have been evaluated by the Group and the Company as the key ones used by the main users of the financial statements to evaluate the financial performance of the Group and the Company.

With the letter dated 1.2.2022, the Hellenic Capital Market Commission requested the Parent Company (PPC SA) to proceed with the restatement of the relevant figures in the financial statements of the Group of December 31, 2021, in accordance with the provisions of IAS 8. The Group and the Parent Company keep their position that their initial judgement is correct, that the effect of the non restatement does not meet the criteria of significance and do not agree with the request by the Hellenic Capital Market Commission toward the Parent Company to restate relevant figures and has already challenged the above act before the competent courts. Exclusively, for the avoidance of imposition of sanctions against them, the Group and the Parent Company proceeded to restate the relevant comparative figures in the financial statements of December 31, 2021, reserving all their rights and especially their right to request the cancellation of the above action.Therefore, and in accordance with the above, the Group and the Parent Company restated the comparative amounts of the previously presented periods in their financial statements of the year ended 31/12/2021, with the earlier of the presented periods, ie 01/01/2020.
The trial of the case was set on 18/11/2022 and was postponed for 28/04/2023.

40. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

PPC's relation to its personnel's Social Security Fund

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.A. has not established a provision for the subject in question.

PPC's audit by the European Commission's Directorate-General for Competition

In February 2017, the European Commission's Directorate-General for Competition conducted a dawn raid audit to PPC in accordance with Article 102 of the Treaty on the Functioning of the European Union Regulation and pursuant to the relevant decision of the Commission dated 01.02.2017, for alleged abuse of a dominant position on the wholesale market for the generation of electricity from 2010 and onwards.

In March 2021, the European Commission announced that it has opened a formal antitrust investigation to assess PPC's activity in the Greek wholesale electricity market. This investigation is in process.

ENVIRONMENTAL OBLIGATIONS

Key uncertainties that may impact the final level of environmental investments, which the Group will be required to undertake, over the forthcoming decade, include:

1. During 2017, the Joint Ministerial Decision ΕΠΟ/2017 regarding the Environmental Terms for HPP Messochora was issued based on which PPC was to complete the hydroelectric project and at the same time to carry out protection projects to preserve part of the Messochora Village (Sector D). While it ceased to be valid after the issuance of the 2230/2020 annulment Decision of the Council of State.
The above decision was issued after an appeal by the association of the Flooded Village of Mesochora "Acheloos" in the Council of State, with its main request to cancel the Decision regarding the Environmental Terms, invoking the historicity of the Village. As it is apparent from the reasoning of the Decision, the contested decision (AEPO) lost its legal basis as it did not grant a reappraisal of the environmental conditions approved by the contested decision as to their compatibility with the approved updates of River Basin Management Plans (RBMP) of Western Central Greece and Thessaly, as well as the forecasts of the Revised Regional Spatial Planning Framework of the Region of Thessaly.
It is noted here that the canceled AEPO had examined and documented the environmental, social and economic feasibility of the project, and justified as well as the inclusion of the project in par. 4 in exceptions to the objectives of Directive 2000/60 EC and the construction of the project as a purely energy project and not related to Acheloos Partial Diversion projects.

PPC initiated procedures for the re-drafting and submission of an Environmental Impact Assessment (EIA) for the issuance of a new AEPO, following the below steps (Actions):

- Actions for the implementation of the process of informing the existence of the project in the existing Spatial Plan of Thessaly (HS), due to the existing reference that is already made in the Map that accompanies the HS for the HP.
- Actions to confirm the agreement of the Project with the River Basin Management Plan (RBMP), 1st revision of the RBMP (2017), as it refers to the fact that the water bodies affected by the Mesochora HPP have been examined and comply with the exemption rules Directive 2000/60 and remain in force.

In relation to the compatibility actions of the project with the existing Spatial Plan of Thessaly, the Central Council of Spatial Issues and Disputes met on 07.05.2021 and unanimously gave the opinion that the Hydroelectric Project (HP) is compatible with the Regional Spatial Planning. The positive opinion of the central council of spatial issues and disputes is a necessary step for the process of issuing the new Decision for the Approval of Environmental Terms (AEPO).

Following the elaboration of the new Environmental Impact Study and its submission for approval to the competent Public Authorities, from April 29, 2021, the new AEPO was issued on 21.12.2021 for the completion of the MESOCHORAS HPP.

40. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

Based on the current progress of the action for the update of the Project Installation Permit and for the competion of the actions by the competent local Agencies and Authorities, regarding the fulfillment by PPC of the Conditions of the AEPO, which are a condition for the Blocking of the Diversion Tunnel, the possibility of blockage and the beginning of fillings the Reservoir, are placed within 2025, with estimated operation of the project in the last quarter of 2026.
However, it should be note that the effort made by PPC S.A continues so that, in cooperation with the State and the competent Agencies and Authorities, the Blockage becomes possible within 2024, with the project operating in the last quarter of 2025.
The total cost for the project as of December 31, 2022 (after impairments of € 8 million) amounted to € 282.2 million, while it is estimated that another € 81.2 million will be required, until the completion of the project, including the required expropriations in the area of the project as well as in the area of the relocation of the new Village.

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.
The duration of TNERP was from 01.01.2016 until 30.06.2020 and the entire period of its validity PPC fully complied with its objectives. With the expiration of TNERP, Units I and II of Ag. Dimitriou were included in a regime of limited operation (from 01.07.2020, 1500 hours per year as a rolling average of five years), while in Units III, IV and V the necessary environmental investments have been completed or are in the final stage of completion to continue their operation.The delay that has occurred in some projects is mainly due to the restrictive measures to deal with the pandemic.
Amyntaio and Kardia substations that had joined the restricted operation regime have already ceased operations permanently.

3. In 2011, 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) began. With the Commission's decision (EU) 2017/1442 on July 31st, 2017, the Conclusions on Best Available Techniques for Large Combustion Plants were determined under Directive 2010/75/EU. The Decision was published in the Official Journal of the European Union on August 17th, 2017.
Then, the decision of January 27, 2021 of the General Court annulled the executive decision (EU) 2017/1442 but temporarily maintained its effects until a new executive decision is issued. After the settlement of the legal challenge to the Decision of the General Court with the Decision of the Court of the EU of 14.7.2022, the new executive decision (EU) 2021/2326 is in force, issued on 20 November 2021. After the issuance of the legally binding conclusions of the revised Manual, the required investments in the thermal plants were examined.
In SES Agios Dimitrios no further environmental investments are planned, apart from the investments that have been completed or are already in progress. In the combined cycle units of Komotini and Lavrio V, small-scale upgrades of the combustion systems are implemented (total budget for both Units amounting to €3.6 million with the environmental part corresponding to the DLN Lavrio V upgrade amounting to € 3 million) to reduce NOx emissions.

To this date, requests for deviation from the emission levels of EA 2017/1442/EU have been submitted based on Article 15.4 of the IED for specific Units taking into account, inter alia, their remaining life. After correspondence with the Ministry of Environment and Energy, the requests were resubmitted with updated information and finally approved by Decision YPEN/DIPA/124145/7794/27.12.2021 (ΑΔΑ: 9ΨΧ04653Π8-ΞΧΩ): "Approval of requests for inclusion of Atherinolakkos (Units I-II), Meliti (Unit I), Megalopolis (Unit IV), Agios Dimitrios (Units I-II, III-IV, V) of PPC S.A. and its subsidiaries in the provisions of articles 12.4 and 27.1 of JM 36060/1155/E.103/2013 (OG B'1450) as in force".
After submission of a request from PPC in November 2022, a modification-update of the aforementioned Decision was approved by Decision YPEN/DIPA/122340/8040/14.12.2022 (ΑΔΑ: 6ΧΘ14653Π8-577), regarding Meliti (Unit I) and Agios Dimitrios (Units III-IV). A corresponding request will be considered if necessary, for the new Ptolemaida V Unit.

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 Plants, regardless of the type of fuel used. Medium Combustion Plants are defined as plants 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 (NO_x) and dust, while rules for monitoring carbon monoxide (CO) are defined.

40. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

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. For the existing units in Small Isolated Systems, the compliance with the new Emission Limit Values will start from January 1st, 2030.

All the Aegean islands, starting from Crete, will be interconnected within the period 2020-2030, in accordance with IPTO's Ten-Year Development Plan 2021-2030 and the National Energy and Climate Plan (NECP), while any remaining electricity generation units will operate as a backup solution only in case of emergency in accordance with the provisions of the Directive for these cases. It should be noted that the interconnection of Syros, Mykonos and Paros has been completed since the first months of 2018.

5. The extent of land contamination is assessed by PPC for its liable facilities, following the provisions of art. 22 of Directive 2010/75/EU and Environmental Terms Approval taking all appropriate precautionary measures.

6. PPC has performed studies on the presence of asbestos-containing materials, at its facilities. 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 facilities 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' facilities is carried out by companies licensed for this purpose.

7. In view of decarbonization and in order to obtain New Terms, an AEPO (Decision Approving Environmental Conditions) Amendment File for the Amyntaio-Lakkia's mine and Updates for the Ptolemaida and Megalopolis' mines Environmental Impact Assessment (EIA) studies have been submitted. Also, an Environmental Impact Assessment (EIA) Amendment File for Kleidi mine is being prepared.

8.At their request before the CoS, two environmental protection bodies (a non-profit company and a public benefit institution) request the cancellation of the failure of the Minister of Environment and Energy to amend, otherwise replace, the decision approving environmental conditions (AEPO) of Unit under construction Ptolemaida V, omission that occurred after the tacit rejection of a corresponding request before the same Minister.

In particular, they argue that AEPO is flawed because the emission limits it sets for some gaseous pollutants do not comply with the limits set by the European Commission Implementing Decision setting out the best available techniques [(EU) 2017/1442], based on of Directive 2010/75/EU on industrial emissions (IED Directive). According to the applicants, "the operation of the Ptolemaida V Unit, as expected and resulting from its technical specifications, will not be able to meet the new emission limits of the gaseous pollutants in question."

9.In addition to the other environmental obligations arising from the approvals of environmental conditions of the Production Stations and Mines, in 2019 PPC voluntarily undertook the obligation to proceed with the dismantling or alternative utilization of the facilities of all Production Stations and Mines and removal of their equipment, when these facilities cease to be more productive, as well as in the restoration of land areas. For this liability, the required provisions amounting to € 477.1 million were recognized on 31 December 2022 (31 December 2021: € 491.0 million) for the Group and the Parent Company (Note 32).

40. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

10.Environmental Management:
During 2022 and towards the improvement of the environmental behavior of the Power Generation Units of General Department of Lignite Production and General Department of Thermoelectric and Hydroelectric Production:
-Environmental Management Systems (EMS) according to ISO 14001:2015 of twenty two (22) PPCs' Steam and Hydro Electric Stations and the Lignite Center of Western Macedonia were re-certificated by independent Certification Bodies, after surveillance audits.
-A new EMS according to ISO 14001:2015 for SES South Rhodes (SES Kattavia) was certificated.
-The process for a new EMS according to ISO 14001:2015 for HPS N. Plastira continued.
-The tender aiming at developing, applying and certificated the Thermal and Hydroelectric Power Plants according to ISO 50001:2018 has been completed.
-Energy Management System according to ISO 50001 of the Lignite Center of Western Macedonia was re-certificated by independent Certification Bodies, after surveillance audit. The Lignite Center was certified according to ISO 50001:2018, for the first time in 2019 and in the year 2022 it successfully carried out the annual surveillance of the Energy Management System (EMS).
-In collaboration with the Recruitment, Development and Training Director of PPC, the following training courses were carried out:
ISO 14001:2015 Environmental Management System Lead Auditor (IRCA Certified)
ISO 14001:2015 Environmental Management System Internal Auditor (IRCA Certified)
-Environmental Management Systems (EMS) according to ISO 14001:2015 of Autonomous Power Stations of Milos, Thira, Lesvos, Paros and Ikaria, was certificated by independent Certification Bodies, after surveillance audits.
-A new environmental policy (88/12.07.2022) has been approved.

INVESTMENTS

Metsovitiko Hydroelectric Power Plant (HPP)
Metsovitiko HPP of an installed capacity of 29 MW is expected to enter commercial operation in the first semester of 2024. Future contracted capital expenditures as of December 31, 2022 amounts to € 11.5 million (31.12.2021: €13.4 million).

A new Steam Electric Unit 660 MW in Ptolemaida
With the agreement Convention 11 09 5052 of Thermal Projects Engineering – Construction Department, that entered into force on 21.03.2013, the execution of the Project: "SES PTOLEMAIDA - Study, supply, transportation, installation and commissioning of a new Unit V of mixed capacity 660 MW, with powder lignite fuel, and ability to generate thermal power 140 MWth for district heating", was assigned to the company TERNA SA for a Contractual Consideration of €1.388 bil. Following the issuance of Supplement No.1 and No.2, No.3 (refers to district heating) the Total Contractual Consideration amounts to €1.394 bil. Future contracted capital expenditures as of December 31, 2022 amounts to €64.3 million (31.12.2021: €106 million).

A new natural gas Unit of 840 MW capacity
PPC S.A. purchased on December 20, 2022 the 51% of the shares of the Company “Power Generation Alexandroupolis Sole Shareholder S.A.” from the company Damco Energy paying an amount of €3.2 million. The remaining shareholders of the company are DEPA supply with 29% and Damco Energy with 20%. The new subsidiary company plans the construction and operation of a new natural gas-fired power plant, with a nominal capacity of 840 MW, in Alexandroupolis. The new unit will be directly connected to Gastrade's under construction Floating Natural Gas Storage and Gasification Unit (FSRU). The equipment that will be installed in the unit will be able to burn hydrogen and will be able to operate with mixed fuel.
The project has received the Decision of Approval of the Environmental Conditions (AEPO) and its construction work started at the end of 2022 with a contracted capital expenditures of €347 million, while it is expected to be completed in 2025.

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-Kimoios-Polyagos, b) Nisyros, c) Lesvos and d) Methana. While maintaining the exclusive Exploration and Management rights, the Company sought a Strategic Partner to co-exploit the geothermal potential of the above areas through an international tender.
In March 2020 the Ministry of Environment and Energy approved the establishment by PPC RENEWABLES of a subsidiary company named “Geothermal Target II S.A.”, which has undertaken the development of geothermal power plants in these areas.

40. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

Subsequently, the BoD of PPC RENEWABLES S.A. decided on 25.06.2020), the announcement of the company HELECTOR SA as the "Preferred Partner" and the approval of the Contractual Texts, namely the Cooperation Agreement, the Shareholder Agreement and the Share Purchase Agreement.

Following the approval of the merger between PPC RENEWABLE and Elector by all competent Competition Committees (Greece, Serbia, Albania and Northern Macedonia) on 15.07.2021, the transaction completion procedure was followed, as provided in the above Agreement.

On 05.11.2021 the contracting parties (PPC RENEWABLES, AEGEAN GEOENERGY and ELECTOR) signed the above Contractual Texts and after all the other conditions that had been set in the Share Purchase Agreement were fulfilled. AEGEAN GEOENERGY entered on 05.11.2021 as a majority shareholder (with 24,480 shares), ie 51% of the share capital in the company GEOTHERMAL TARGET TWO SA.

PPC Renewables in agreement with the associate GEOTHERMAL TARGET TWO S.A., as provided for in the relevant Cooperation Agreement, has proceeded with the development plan foreseen for the years 2021 and 2022, while the corresponding program for the year 2023 was agreed upon in the last quarter of 2022.

Wind Parks
The construction works of the Wind Park at the location of “Aeras” of the Municipality of Mouzaki and “Afentiko” of the Municipality of Argithea, of 27,6 MW, are on a full scale and are expected to be completed by May 2023. Commencement of the semi-commercial operation is planned for the third quarter of 2023.

Construction works for the Doukas Wind Park, by the 100% subsidiary of PPC Renewables, “DOUKAS AIOLIKO PARKO SOLE SHAREHOLDER s.a.”, with a capacity of 26MW, a total budget of €28 million, in the “DOUKAS” location of the St. Anargyroi, Kleisoura and Lehovo locations of the Municipalities of Kastoria and Amyntaio, of the prefectures of Kastoria and Florina in the Region of Western Macedonia, started in September 2022. Construction works are expected to be completed in December 2023.

Construction works for the Koukouli Wind Park, by the 100% subsidiary of PPC Renewables, “KOUKOULI AIOLIKO PARKO SOLE SHAREHOLDER S.A.”, with a capacity of 13.2 MW, a total budget of €14.6 million, in the “Koukouli-Grivas” location in Shiatista of the Municipality of Voi, of the Kozani prefecture in the Region of Western Macedonia, started in September 2022. Construction work is expected to be completed in December 2023.

Small Hydro Plants
The commercial operation of the Small Hydropower Plant Louros (3X2.9 MW) was completed on 09.11.2021 (12-month warranty period). The adjacent Louros Substation final acceptance from HEDNO – IPTO, with power increase at 40/50MVA, and new infrastructure is expected to take place during the first quarter of 2023.

The construction of the Smokovo II SHPP (3.2 MW) is almost complete (project progress 99%) and the Project has already been electrified. The operation of the SHPP depends on the release of sufficient irrigation water. The Civil Works have been completed (building, intake pipe F1800, adjustment hopper, etc.), while the electromechanical equipment of the Project has been fully installed and the Interconnection Network has been completed by HEDNO S.A. The construction of the Makrochori II SHPP (5 MW) is in full progress (project progress 79%). Works for the concreting of the powerhouse, the Forebay Canal and the Tailrace are underway. The project is expected to be electrified in the second quarter of 2023.

Photovoltaic Stations
Construction works from the 100% subsidiary of PPC Renewables “ILIAKA PARKA DYTIKIS MAKEDONIAS ONE SOLE SHAREHOLDER S.A.” for the PV Plant of 14.99 MW capacity, of a total budget of € 9.8 million at “Paliampela” plot, in the regional unit of Kozani have been completed and the PV station was electrified on 03.07.2022.

Construction works from the 100% subsidiary of PPC Renewables “ILIAKA PARKA DYTIKIS MAKEDONIAS TWO SOLE SHAREHOLDER S.A.”, for the PV Plant of 14.99 MW capacity, of a total budget of €11.8 million at “Xiropotamos” plot, in the regional unit of Kozani, have been completed and the PV station was electrified on 31.07.2022.

Construction works from the 100% subsidiary of PPC Renewables “SOLAR ARROW ONE SOLE SHAREHOLDER S.A.”, for the PV Plant of 200 MW capacity, of a total budget of € 100.0 million at the “Lignitiko Kentro Dytikis Makedonias” area, in the regional unit of Kozani, began in June 2021. It is expected that the construction works will have been completed by March 2023.

40. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

Construction works of the PV Plants of 39 MW and 11 MW capacity, from the 100% subsidiaries of PPCR “ARKADIAN SUN I SOLE SHAREHOLDER S.A.” and “ARKADIAN SUN II SOLE SHAREHOLDER S.A.” respectively, with horizontal single-axis trackers, and a 33/150kV Substation, of a total budget of € 23.9 million, at “Megales Lakkes” plot, in the regional unit of Arcadia, began in September 2021. It is expected that the construction works will have been completed within the first trimester 2023.

Construction works of the “Agios Christoforos 1" PV Plant of 64,983 MW capacity with fixed tilt mounting structure and the expansion works of the 150kV “Agios Christoforos” Substation through the addition of a new 33/150kV transformer, of a total budget of €31.8 million at “Agios Christoforos” plot, in the Municipality of Eordea, Kozani Regional Unit, began in May 2022. It is expected that construction works will be completed by July 2023.

Construction works of “Pteleonas 1”, “Pteleonas 2”, “Charavgi 1” and “Charavgi 5” PV Plants of 94.98122 MW capacity, with horizontal single-axis trackers and bifacial PV modules and the extension of the “Charavgy” 150kV substation, of a total budget of € 62.3 million, in the Municipalities of Eordea and Kozani, at Kozani Regional Unit, began in September 2022. It is expected that by November 2023 all works will have been completed.

With respect to the 550MW PV Plant “Mine PPC Ptolemaida”, with horizontal single-axis trackers and bifacial PV modules, and the necessary grid connection works, of an indicative total budget of € 216 million, in the Municipalities of Eordea and Kozani, at Kozani Regional Unit, the tender process has proceeded with 6 participants and the Contractor is to be finalized. The signing of the Contract is expected to take place within the first trimester of 2023.

Moreover, the joint tender process with Parent company PPC S.A. for the joint interconnection substation (SPP Kardia) for PV Plants, Battery Systems and CHP with the 400kV EHV System (Kardia Center) is to be completed within the first trimester of 2023.

International agreements on acquisition of RES projects

As part of the Group's expansion in the Balkan region, PPC Renewables has signed an in-principle agreement with MYTILINEOS in December 2022, for the development, construction and purchase of a solar power portfolio of about 210 MW located in Romania. The portfolio consists of two PV Plants of 130 MW and 80 MW respectively, which are expected to be in commercial operation during 2024. Both projects have been developed by MYTILINEOS, who will also undertake construction scheduled to start within 2023.

(All amounts in thousands of Euro, unless otherwise stated)

41. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

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:

	Carrying amount		Fair value	
Group	**31.12.2022**	**31.12.2021**	**31.12.2022**	**31.12.2021**
Financial Assets				
Trade receivables	1,365,605	1,100,625	1,365,605	1,100,625
Restricted cash	67,847	65,856	67,847	65,856
Cash and cash equivalents	3,159,484	2,832,351	3,159,484	2,832,351
Financial Liabilities				
Long-term borrowings	4,414,801	4,416,270	4,414,801	4,416,270
Long- term financial liabilities from the securitization of trade receivables	350,089	229,475	350,089	229,475
Financial liability from NCI Put option	1,420,017	-	1,420,017	-
Trade payables	1,146,725	970,073	1,146,725	970,073
Short- term financial liabilities from the securitization of trade receivables	8,540	150,620	8,540	150,620
Short-term borrowing	108,333	271,337	108,333	271,337

	Carrying amount		Fair value	
Parent Company	**31.12.2022**	**31.12.2021**	**31.12.2022**	**31.12.2021**
Financial Assets				
Trade receivables	1,200,734	875,909	1,200,734	875,909
Restricted cash	40,012	48,278	40,012	48,278
Cash and cash equivalents	2,760,552	2,512,204	2,760,552	2,512,204
Financial Liabilities				
Long-term borrowings	2,854,171	2,931,005	2,854,171	2,931,005
Long-term financial liabilities from the securitization of trade receivables	350,089	229,475	350,089	229,475
Trade payables	735,889	480,202	735,889	480,202
Short- term financial liabilities from the securitization of trade receivables	8,540	150,620	8,540	150,620
Short-term borrowing	50,000	260,000	50,000	260,000

The fair value of trade receivables and trade payable accounts approximates their carrying amounts.

The fair value of other financial assets and financial liabilities is determined by discounting future cash flows using either directly or indirectly observable inputs and is included in Level 2 of the fair value hierarchy.

As of December 31st, 2022, the Group and the Parent Company held the following financial instruments measured at fair value:

41. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

	Carrying amount		Fair value Hierarchy
Financial Assets	**31.12.2022**	**31.12.2021**	
Group			
Financial Assets at fair value through Other Comprehensive Income	330	327	Level 1
Derivative Financial Instruments – Non current Assets	15,482	-	Level 1
Derivative Financial Instruments – Current Assets	-	76,908	Level 1
Financial Liabilities			
Derivative Financial Instruments – Current Liabilities	11,732	-	Level 1
Parent Company			
Financial Assets at fair value through Other Comprehensive Income	329	325	Level 1
Derivative Financial Instruments	-	76,908	Level 1
Financial Liabilities			
Derivative Financial Instruments – Current Liabilities	11,732	-	Level 1

There were no transfers between Level 1 and 2 of the fair value hierarchy and transfers to / from Level 3 for the calculation of the fair value of financial receivables and liabilities for the year ended 31 December 2022.

Financial Risk Management Policies

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 as these loans are in local currency and mainly of floating interest rate.

For derivative financial instruments, their fair values are confirmed either by financial institutions with which the Group has entered into the relevant contracts or on the basis of their stock market prices of the derivative futures market.

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. The Debt is in Euro.

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) and natural gas. 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.

The following table presents the sensitivity analysis to pre-tax income from reasonable possible interest rate fluctuations with the other variables remaining fixed, through the effect on existing floating rate borrowing (in millions of Euro):

(All amounts in thousands of Euro, unless otherwise stated)

41. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

	Increase / Decrease in basis points (%)	Effect on profit before tax (Group)	Effect on profit before tax (Company)
2022			
Euro	*50*	*(8.7)*	*(8.5)*
Euro	*(50)*	*8.7*	*8.5*
2021			
Euro	*50*	*(8.7)*	*(7.4)*
Euro	*(50)*	*8.7*	*7.4*

Liquidity Risk

The Group and the Parent Company face working capital risk, due to the nature of the energy market (price volatility, customer trading behaviour) which may lead to additional liquidity requirements. The Group and the Parent Company may also face, following decisions by the Regulator, increased working capital requirements in relation to their payments to and from other market operators and increased capital expenditure, that could have a significant effect on their liquidity (eg extraordinary one-off charge on electricity producers).
Moreover, the Group and Parent Company are exposed to the risk that counterparties that owe us financial instruments, energy or other commodities as a result of market transactions, will not fulfil their obligations. The Group and Parent Company also face the risk of potential default or delay by their counterparties, which include their partners, contractors, subcontractors and suppliers.
Furthermore, the Parent Company may experience difficulties or delays in collecting outstanding debt from Low, Medium and High Voltage customers. The inability of customers to pay in full and timely amounts billed in relation to their electricity consumption, the increased availability of competitors' offers, or the outcome of negotiations with Medium and High Voltage industrial customers in key economic sectors in Greece on financial and other terms for extending their contracts, may lead to increase liquidity risk and have an adverse effect on the Group and Parent Company's business, financial condition and results of operations.

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
Overdraft facilities	-	268.24	-	-	-	**268.24**
Short term borrowings	-	-	-	-	-	**-**
Long term borrowings	-	102.96	272.78	3,095.02	1,041.51	**4,512.49**
Year ended 31 December 2021 (Group)	-	**371.21**	**272.78**	**3,095.02**	**1,041.51**	**4,780.73**
Overdraft facilities	103.83	-	-	-	-	**103.83**
Short term borrowings	4.50	-	-	-	-	**4.50**
Long term borrowings	-	95.98	435.54	3,348.62	607.40	**4,487.54**
Year ended 31 December 2022 (Group)	**108.33**	**95.98**	**435.54**	**3,348.62**	**607.40**	**4,595.88**
Overdraft facilities	-	260.00	-	-	-	**260.00**
Short term borrowings	-	-	-	-	-	**-**
Long term borrowings	-	49.78	176.28	2,259.65	537.65	**3,023.38**
Year ended 31 December 2021 (Company)	-	**309.78**	**176.28**	**2,259.65**	**537.65**	**3,283.38**
Overdraft facilities	50.00		-	-	-	**50.00**
Short term borrowings	-	-	-	-	-	**-**
Long term borrowings	-	42.80	334.54	2,520.9	23.33	**2,921.6**
Year ended 31 December 2022 (Company)	**50.00**	**42.80**	**334.54**	**2,520.9**	**23.33**	**2,971.6**

(All amounts in thousands of Euro, unless otherwise stated)

41. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

Future interest payments on loan financial liabilities, excluding accounts receivable are as follows:

	Group (in million €)					
Future interest payments	**On demand**	**3 months**	**3 to 12 months**	**≥1 to 5 years**	**> 5 years**	**Total**
31 December 2021	-	31.91	90.02	319.79	36.98	**478.70**
31 December 2022	-	38.77	124.16	333.08	65.07	**561.08**

	Parent Company- Continued operations (in million €)					
Future interest payments	**On demand**	**3 months**	**3 to 12 months**	**≥1 to 5 Years**	**> 5 years**	**Total**
31 December 2021	-	24.98	69.20	250.32	9.45	**353.95**
31 December 2022	-	31.26	103.00	255.46	9.44	**399.16**

The future interest payments for 2022 and 2021 of the Revolving Bond Loans are based on their balance as of 31.12.2022 and 31.12.2021 respectively.

Market risk

The Group and the Parent Company participate in the Greek wholesale energy market both as a producer and supplier of electricity, which exposes them to market price risk arising from fluctuations in the prices of natural gas, oil and CO2 emission allowances, which are traded in the international markets of energy goods, as well as fluctuations in the price of electricity.
For the period until June 2023, according to Law 4951/2022, the clearing of the wholesale energy market was changed with the establishment of a "Temporary Mechanism for the Return of Part of Producers' Revenues in the Day Ahead Market". Energy producers are compensated at a price that cannot exceed a regulatory cap (regulated price) for each class of power generation units, which is calculated on a monthly basis by the Day Ahead Market Clearing Agency. The regulated price for Large Hydroelectric Power Plants (HPP) and Renewable Energy Sources (RES) Portfolios has been set fixed, while the regulated price for thermal units reflects the variable production cost of these units. For the same period, also in accordance with Law 4951/2022, Suppliers are not allowed to apply clauses linked to the fluctuation of wholesale market sizes and are obliged to announce their energy supply price list on a monthly basis, while at the same time customers have the possibility to freely choose and change free of charge their Supplier and/or the type of supply tariff. As a result, at present the market risk is limited.

Progression of net debt ratio

The Group's net debt/equity ratio is as follows:

	2022	**2021**
Long-term borrowing	3,822,907	4,062,638
Current portion of long-term borrowing	591,894	353,632
Short-term borrowing	108,333	271,337
Cash	(3,159,484)	(2,832,351)
Pledged deposits	(50,843)	(53,323)
Financial assets measured at fair value through other comprehensive income	(330)	(327)
Unamortized portion of loans' issuance fees	75,666	88,166
TOTAL	**1,388,143**	**1,889,772**
Shareholders' equity	**4,679,870**	**5,079,007**
Net debt/equity ratio	**30%**	**37%**

It is noted that the deducted amounts of the pledged deposits in the above table refer only to pledged deposits related to loan agreements.

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, software 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 12 years, (except for the property of the former military camp “Plessas Michael" as below), while time-chartered vessels concern leases with a lease term 6 to 24 months.

On July 3, 2020, PPC S.A. signed the lease agreement of the property of the former military camp “Plessas Michael" which was awarded to the National Defense Fund (NDF) after a public bidding tender. It also undertook the demolition of the existing buildings and construction of new ones, in which the head offices of PPC will be housed.

In particular, the said lease agreement has a duration of 50 years with a right of extension by 10 years and an annual rent of € 2.7 million which will be adjusted every five years based on the consumer price index. Also, due to the substantial costs that will be required for the reconstruction and relocation of the Units of the camp, PPC is given the right not to pay rent in the first year of lease, while for the next four years of lease, it will pay the 50% of the rent of the property.

The new building complex that will be built, will become the property of the lessor after the termination or completion of the lease. The right to use the property due to lease was recognized in the financial statements of the Group and the Parent Company on September 30, 2021, date when the lease was available for use as the relocation of the Camp Units was completed and the leased space was handed over to PPC.

The relevant right of use and the financial liability that were recognized on September 30, 2021 amounted to € 69.0 million taking into account the remaining 49 years of the lease and considering that PPC will exercise the right to extend the lease term by 10 years.

The following table contains the recognition amount of the rights of use of assets and the value of the financial liabilities, as well as their movement during the year ended 31 December 2022 and 31 December 2021:

(All amounts in thousands of Euro, unless otherwise stated)

42.LEASES (CONTINUED)

Group						
ASSETS	**PROPERTY**	**OTHER EQUIPMENT**	**TRANSPORTATION MEANS**	**VESSELS**	**SOFTWARE**	**TOTAL**
31.12.2020	**45,714**	**4,922**	**4,918**	**9,021**	**-**	**64,575**
Additions	83,577	225	8,876	-	1,442	**94,120**
Reductions	(2,052)	(1,761)	(165)	-	-	**(3,978)**
Depreciation expense	(9,982)	(2,074)	(2,185)	(5,700)	(206)	**(20,147)**
31.12.2021	**117,257**	**1,312**	**11,444**	**3,321**	**1,236**	**134,570**
Right of Use Asset from new acquisitions (Note 3)	357	-	-	-	-	**357**
Additions	16,181	36,818	4,879	17,243	55	**75,176**
Reductions	(1,190)	-	(18)	-	-	**(1,208)**
Depreciation expense	(12,353)	(9,241)	(3,776)	(7,208)	(847)	**(33,426)**
31.12.2022	**120,252**	**28,889**	**12,529**	**13,356**	**444**	**175,470**
LIABILITIES						
31.12.2020	**46,789**	**4,968**	**5,105**	**9,128**	**-**	**65,990**
Additions	83,977	225	8,663	-	1,460	**94,326**
Early termination	(2,257)	(1,734)	(182)	-	-	**(4,173)**
Finance cost	3,056	173	167	290	16	**3,702**
Payments	(11,505)	(2,860)	(2,135)	(5,993)	(217)	**(22,711)**
31.12.2021	**120,060**	**772**	**11,618**	**3,424**	**1,259**	**137,133**
Lease liability from new acquisitions (Note 3)	365	-	-	-	-	**365**
Additions	16,181	36,818	4,865	17,243	55	**75,163**
Early termination	(1,282)	-	(6)	-	-	**(1,288)**
Finance cost	5,142	657	527	352	40	**6,719**
Payments	(14,386)	(12,119)	(4,168)	(7,545)	(904)	**(39,122)**
31.12.2022	**126,081**	**26,129**	**12,836**	**13,474**	**450**	**178,970**
LIABILITIES 31.12.2021						
Current	9,767	558	3,093	3,424	830	**17,672**
Non-Current	110,293	214	8,525	-	429	**119,461**
LIABILITIES 31.12.2022						
Current	10,684	12,199	4,071	8,727	450	**36,131**
Non-Current	115,397	13,930	8,764	4,748	-	**142,839**

In the following table, the contractual maturities of the Group's lease liabilities are presented as of December 31st, 2022 and as of December 31st, 2021:

31.12.2021	**PROPERTY**	**OTHER EQUIPMENT**	**TRANSPORTATION MEANS**	**VESSELS**	**SOFTWARE**	**TOTAL**
Up to 12 months	13,228	578	3,524	3,490	869	**21,689**
1 to 5 years	40,892	217	9,139	-	435	**50,683**
More than 5 years	215,040	-	-	-	-	**215,040**

31.12.2022	**PROPERTY**	**OTHER EQUIPMENT**	**TRANSPORTATION MEANS**	**VESSELS**	**SOFTWARE**	**TOTAL**
Up to 12 months	14,148	13,060	4,530	9,126	456	**41,321**
1 to 5 years	44,910	14,220	9,244	4,820	-	**73,193**
More than 5 years	213,722	-	-	-	-	**213,722**

(All amounts in thousands of Euro, unless otherwise stated)

42.LEASES (CONTINUED)

PARENT COMPANY

	PROPERTY	OTHER EQUIPMENT	TRANSPORTATION MEANS	VESSELS	TOTAL
ASSETS					
31.12.2020	**26,874**	**957**	**595**	**9,021**	**37,447**
Additions	79,452	172	1,213	-	**80,838**
Reductions	(1,689)	-	-	-	**(1,689)**
Depreciation expense	(6,463)	(989)	(676)	(5,700)	**(13,827)**
31.12.2021	**98,174**	**141**	**1,133**	**3,321**	**102,768**
Additions	16,048	36,818	690	17,243	**70,799**
Reductions	(807)	-	-	-	**(807)**
Depreciation expense	(8,662)	(8,460)	(708)	(7,208)	**(25,038)**
31.12.2022	**104,753**	**28,499**	**1,115**	**13,356**	**147,723**
LIABILITIES					
31.12.2020	**28,263**	**976**	**604**	**9,128**	**38,971**
Additions	79,452	172	1,213	-	80,838
Reductions	(1,772)	-	-	-	(1,772)
Finance cost	2,065	27	32	290	2,413
Payments	(7,323)	(1,030)	(706)	(5,993)	(15,052)
31.12.2021	**100,686**	**145**	**1,143**	**3,425**	**105,398**
Additions	16,048	36,818	690	17,243	**70,799**
Reductions	(888)	-	-	-	**(888)**
Finance cost	4,341	638	54	352	**5,385**
Payments	(9,828)	(11,687)	(750)	(7,545)	**(29,810)**
31.12.2022	**110,359**	**25,914**	**1,137**	**13,475**	**150,885**
LIABILITIES 31.12.2021					
Current	6,463	145	542	3,424	**10,573**
Non-Current	94,223	-	602	-	**94,825**
LIABILITIES 31.12.2022					
Current	6,995	11,985	575	8,727	**28,282**
Non-Current	103,364	13,929	562	4,748	**122,603**

In the following table, the contractual maturities of the Parent Company's lease liabilities are presented as of December 31st, 2022 and as of December 31st, 2021:

31.12.2021	PROPERTY	OTHER EQUIPMENT	TRANSPORTATION MEANS	VESSELS	TOTAL
Up to 12 months	9,196	146	569	3,490	**13,401**
1 to 5 years	28,789	-	632	-	**29,421**
More than 5 years	205,882	-	-	-	**205,882**

31.12.2022	PROPERTY	OTHER EQUIPMENT	TRANSPORTATION MEANS	VESSELS	TOTAL
Up to 12 months	9,965	12,844	611	9,126	**32,546**
1 to 5 years	36,089	14,220	577	4,820	**55,706**
More than 5 years	206,633	-	-	-	**206,633**

The amounts recorded in the Statement of Income are as follows:

Group	31.12.2022	31.12.2021
Rights in use assets depreciation expense (Note 9)	33,426	20,147
Finance cost (Note 11)	6,719	3,701
Short term lease expenses	16,418	9,310
Low value lease expenses	325	1,354
Total	**56,888**	**34,512**

(All amounts in thousands of Euro, unless otherwise stated)

42.LEASES (CONTINUED)

PARENT COMPANY	31.12.2022	31.12.2021
Rights in use assets depreciation expense (Note 9)	25,038	13,827
Finance cost (Note 11)	5,385	2,413
Short term lease expenses	16,285	8,038
Low value lease expenses	325	154
Total	**47,033**	**24,432**

The Group and the Parent company paid for leases in 2022 a total amount of €55,865 (31.12.2021: €33,375) and €46,420 (31.12.2021: €23,243) respectively.

Lease obligations are secured by the landlord's title deeds. There are contracts that include a term of extension or early termination of the lease and a term of increase of rents based on the consumer price index (variable rents).

The Group and the Parent Company have the right for some leases, to extend the duration of the lease or the option to terminate the contract. The Group and the Parent Company assess whether there is reasonable certainty that the relevant right will be exercised, taking into account all the factors that create financial incentive, to exercise the right of renewal or termination.

The Group and the Parent Company on December 31, 2022 from the evaluation they made, concluded that for all lease agreements that give the right of extension they will exercise this right except for all lease agreements for houses and some specific lease agreements for properties that related to central services, while for all contracts that have the option to terminate the contract, they will not exercise this option.

43. DERIVATIVE FINANCIAL INSTRUMENTS

1. Hedging Transactions

Commodities hedging transactions (energy, natural gas)

In the ordinary course of business, as a vertically integrated electricity company, the Group and the Parent Company participate in the Greek energy wholesale market both as producer and as supplier of electricity, which exposes them to market price risk stemming from commodity price fluctuations. Their generation business is exposed to the fluctuations of natural gas, oil and CO2 emission rights prices which are traded in international commodity markets.

The exposure of the Group and the Parent Company to the risk of the wholesale electricity market is determined by its net exposure, ie the amount of energy required to be purchased from (or sold to) the wholesale market to meet the supply needs (or production respectively) that can not be covered by its own portfolio of production units (or customers respectively). Any change in both the commercial portfolio and the production portfolio of the Group and the Parent Company, leads to fluctuations of the net exposure either to a position of "purchase" or to a position of "sale" of electricity. For either position, the variable wholesale electricity prices may have a material adverse effect on the Group's Parent Company's operating results and financial position.

Due to the application from 08.07.2022 of the Temporary Mechanism for Returning Part of Next Day and Intraday Market Revenues Day (Electricity), the Group and the Parent Company have no longer exposure as an electricity Producers to the price fluctuations due to their participation in the Greek wholesale electricity market for the period that this mechanism is effective i.e. from 08.07.2022 to 01.06.2023 (until 30.06.2023 after amendment of the relevant law in March 2023 - Note 2.1).
The accumulated amounts in the reserve from cash flow hedges until the time of the discontinuation of hedging positions as Producer (08.07.2022), will affect the Group’s and the Parent Company’s results at the time the hedged item will affect the results of the Group and the Parent company.

Therefore, in order to hedge the risk of future fluctuations in natural gas prices, the Group and the Parent Company has entered into futures contracts on the European Energy Exchange until 31 December 2022 with settlement dates from 01.06.2023 to 31.12. 2023 which are analyzed as follows:

Hedging Instruments- future contracts	Position	Nominal quantity (MW/h)	Position’s Nominal value (in thousand euro)	Short Term Asset (in thousand euro)
Futures Gas Commodity as of **31.12.2022**	Buy	719,180	32,586	26,025*
Futures Gas Commodity as of **31.12.2021**	Buy	5,840,660	167,816	227,277

* There are in the cash flow hedging reserve gains of €50,944 from positions for which hedge accounting was discontinued and it will be recognized in the results of 2023 at the time when the hedged item will affect the results of the Group and the Parent company.

(All amounts in thousands of Euro, unless otherwise stated)

43. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

The Group and the Parent Company, in order to hedge the risk of future fluctuations in energy prices, entered until December 31, 2022 and December 31, 2021 in futures contracts on the Hellenic Energy Exchange (Henex) and the European Energy Exchange (EEE) with maturity dates from 01.06.2023 to 31.12.2023 and in 2022 respectively, which are analyzed as below:

Hedging Instruments- future contracts	Position	Nominal quantity (MW/h)	Position's Nominal value (in thousand euro)	Short Term Asset (in thousand euro)
Futures Energy commodity as of **31.12.2022**	Sell	(693,745)	(125,651)	(33,727)*
Futures Energy commodity as of **31.12.2021**	Sell	(1,533,505)	(366,000)	(83,775)

* There are in the cash flow hedging reserve losses of €68,321 from positions for which hedge accounting was discontinued and it will be recognized in the results of 2023 at the time when the hedged item will affect the results of the Group and the Parent company.

As futures contracts are valued and settled on a daily basis through the Energy Exchanges, the valuation of open positions on 31.12.2022 has directly affected the cash and cash equivalence of the Group and the Parent Company.

In order to hedge the risk of future fluctuations in natural gas prices, the Group and the Parent Company had entered into, until December 31, 2021, over the counter gas swap agreements with financial institutions with settlement dates within 2022.

On December 31, 2021, the Group and the Parent Company held the following gas swap contracts:

Hedging Instruments- swap contracts	Position	Nominal quantity (MW/h)	Position's Nominal value (in thousand euro)	Short Term Asset/ Derivative financial instruments (in thousand euro)
Swap Gas Commodity as of **31.12.2022**	-	-	-	-
Swap Gas Commodity as of **31.12.2021**	Buy	1,516,625	53,632	76,908

The hedged items for the natural gas follow the Title Transfer Facility (TTF) index, as well as the hedged instruments and as a result the hedged ratio is 1:1. Hedging items for electricity follow the Day Ahead Market (DAM) of Greece and the European Energy Exchanges. As the characteristics of the hedged instrument and the hedged item are highly correlated, the hedged ratio is 1:1.

On June 30, 2022, gains from hedging transactions against the risk of price fluctuation of natural gas amounting to €37.7 million were transferred to "other (income)/ expenses" as future natural gas contracts were terminated due to the reduction of future needs for the purchase of natural gas (hedged item) for the period August 2022 to December 2022, as a result of the energy efficiency measures implemented in Greece.

All the rest, excluding the above, cash flow hedging transactions for both year 2022 and 2021 are considered to be effective in the future and hedged items are highly probable future transactions.

The valuation of the above swap contracts and futures contracts was carried out based on prices provided by financial institutions with which the Group has concluded the relevant contracts, or based on their prices in the derivative futures market.

Within 2022 from hedging transactions against the risk of price fluctuation in energy and natural gas, losses before tax of € 423.8 million (Note 8), gains before tax of €(623.4) million and gains of €(37.7) million were reclassified from the statement of Comprehensive Income to Energy purchases, Natural gas and Other (income)/expenses of the Income Statement of the Group and the Parent Company, amounting to € (237.3) million in total.

Interest rate swap agreements-Group

To hedge the interest rate risk arising from floating interest rate loan contracts, the Group has entered into over the counter derivative interest rate swap agreements with banks and follows cash flow hedge accounting.
As of December 31, 2022, the nominal value of the contracts amounted to € 20.1 million (expire on 2033) and €6.6 million respectively (expire up to 2040), while their fair value was €3.88 million. The amount of €3.88 million is included in long-term derivative financial instruments, while the Group's cash flow hedging reserve increased by €1.6 million (valuation gain less deferred tax). The nominal value of these contracts changes to follow the capital repayments/phased disbursement plan of each loan contract.
The valuation of the swap contracts was carried out based on prices provided by financial institutions with which the Group has concluded the relevant contracts.

(All amounts in thousands of Euro, unless otherwise stated)

43. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

An analysis of the above open positions in derivative financial instruments for hedging cash flows as of 31.12.2022 based on their maturity date is presented:

Group	31/12/2022	Up to 12 months	>1 έως 5 years	> 5 years	Total	Fair value	Statement of financial position
Gas commodity future contracts	Nominal Quantity (MW/h)	719,180	-	-	**719,180**		Cash / other reserves
	Position's Nominal price in thousand €	32,586	-	-	**32,586**	**26,025**	
Energy commodity future contracts	Nominal Quantity (MW/h)	(693,745)	-	-	**(693,745)**		Cash / other reserves
	Position's Nominal price in thousand €	(125,651)	-	-	**(125,651)**	**(33,727)**	
Interest rate swap agreements	Position's Nominal price in thousand €	-	-	26,698	**26,698**	**3,875**	Financial instruments / other reserves

Company	31/12/2022	Up to 12 months	>1 έως 5 years	> 5 years	Total	Fair value	Statement of financial position
Gas commodity future contracts	Nominal Quantity (MW/h)	719,180	-	-	**719,180**		Cash / other reserves
	Position's Nominal price in thousand €	32,586	-	-	**32,586**	**26,025**	
Energy commodity future contracts	Nominal Quantity (MW/h)	(693,745)	-	-	**(693,745)**		Cash / other reserves
	Position's Nominal price in thousand €	(125,651)	-	-	**(125,651)**	**(33,727)**	

In addition, there are in the reserve from cash flow hedging transctions gains of €50,944 (hedged item natural gas) and losses of €68,321 (hedged item energy) from positions for which hedging accounting was discontinued due to the application of the Temporary Mechanism from 08.07.2022 Return of Part of Next Day and Intraday Markets Revenue and will be recognized in the results of 2023 at the time the hedged item will affect the results of the Group and the Parent company.

An analysis of the above open positions in derivative financial instruments for hedging cash flows as of 31.12.2021 based on their maturity date is presented:

31.12.2021		up to 12 months	>1 to 5 Years	> 5 years	Total	Fair Value	Statement of financial position
Gas commodity swaps	Nominal Quantity (MW/h)	1,516,625	-	-	**1,516,625**		Financial instruments / other reserves
	Position's Nominal price in thousand €	53,632	-	-	**53,632**	**76,908**	
Gas commodity futures	Nominal Quantity (MW/h)	5,052,880	787,780	-	**5,840,660**		Cash / other reserves
	Position's Nominal price in thousand €	147,392	20,424	-	**167,816**	**227,277**	
Energy commodity futures	Nominal Quantity (MW/h)	(1,533,505)	-	-	**(1,533,505)**		Cash / other reserves
	Position's Nominal price in thousand €	(365,568)	-	-	**(365,568)**	**(83,776)**	

43. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

2. Transactions for speculative purposes

The Parent Company, in the context of its business activity as a Special Trader (Market Maker) in the Derivatives Market of the Greek Energy Exchange, which started its operation in 2020, has carried out transactions for trading porpuses. From these transactions, the Group and the Parent Company recorded losses of € 2.2 million (31.12.2021: losses € 3.6 million) and are included in the Income Statement in "Other(income)/Expenses" (Note 13).

On June 30, 2022, gains from hedging transactions against the risk of price fluctuation of natural gas amounting to €37.7 million were transferred to “other (income)/ expenses” (Note 13) as future natural gas contracts were terminated due to the reduction of future needs for the purchase of natural gas (hedged item) for the period August 2022 to December 2022, as a result of the energy efficiency measures implemented in Greece.

Finally, losses of €290.1 million included in the Income Statement under "other (income)/expenses" (Note 13) concern the result of the positions in contracts for the purchase of natural gas and the sale of electricity that arose from the date of discontinuation of cash flow hedging relationship, i.e. from 08.07.2022, when the Temporary Mechanism for Returning Part of Next-Day and Intraday Revenues was implemented (Note 1 above) until 31.12.2022.

As of 31 December 2021, an amount of € 49.7 million was included in the Income Statement in "Other(income)/Expenses“ (Note 13) and related to the gain on energy sell position contracts arising from the discontinuation of the cash flow hedging relationship, due to the activation of the “clause on supply charges” in Low Voltage customers bills.

As of 31 December 2022 and 31 December 2021, the open positions for the Group and the Parent Company in commodities derivative financial instruments for speculative purposes, that mature in the next year were as follows:

Financial Instrument	Position	Nominal quantity (MW/h)	Position’s Nominal value in thousands’ €	Short Term Asset
Energy commodity futures **31.12.2022**	Sell	(84,115)	(21,188)	2,304
Energy Commodity Swaps **31.12.2022**	Buy	89,635	29,799	(11,732)
Energy commodity futures **31.12.2021**	Buy	1,344	242	(14)

On December 31, 2022, the open positions for the Group and the Parent company in derivative financial instruments of commodities which, due to the application of the Temporary Mechanism for the Return of Part of the Next-Day and Intraday Markets (Electricity), are now considered to be positions for speculative purposes and expire up to 31.05.2023, were the following:

Financial Instrument	Position	Nominal quantity (MW/h)	Position’s Nominal value in thousands’ €	Short Term Asset
Energy commodity futures **31.12.2022**	Sell	(122,632)	(40,206)	(6,348)
Gas commodity futures **31.12.2022**	Buy	473,810	59,237	(22,295)

As futures contracts are valued and settled on a daily basis through the Energy Exchanges, the valuation of open positions on 31.12.2022 and 31.12.2021 has directly affected the cash and cash equivalence of the Group and the Parent Company.

The valuation of the swap contracts and futures contracts was carried out based on prices provided by financial institutions with which the Group has concluded the relevant contracts, or based on their prices in the derivative futures market.

Interest rate swap agreements-Group

In order to hedge the interest rate risk arising from the two new floating rate loan agreements (Note 30), the Group entered into over the counter derivative interest rate Cap contracts with each bank. Hedging accounting is not followed for these contracts. As of December 31, 2022, the nominal value of those contracts amounted to € 182 million (expire on 31/12/2024) and € 21 million (expire on 31/12/2036) and their fair value to €11.6 million, having equally increase the long term derivative financial instruments and the financial income (Note 12) of the Group.
The nominal value of these contracts changes in order to follow the capital repayments/ scheduled disbursement plan of each loan agreement.
The valuation of the swap contracts was carried out based on prices provided by financial institutions with which the Group has concluded the relevant contracts.

44. SECURITIZATION OF TRADE RECEIVABLES FROM ELECTRICITY SALES

Securitization of receivables from electricity sales overdue more than 90 days

The Parent Company on April 9, 2021 signed the securitization contracts with a delay of more than 90 days and proceeded until June 30, 2021 to raise funds of € 325,020 maturing in 2026 with an interest rate of 6.8% for an amount of securitized receivables of nominal value 1.645 billion and received bonds of reduced security amounting to € 145.4 million with an interest rate of 8%. The investors are Carval Investors and Deutsche Bank AG and under management of PIMCO. The issuer of the transaction is PPC Zeus DAC and the administrator (Servicer) in the transaction is PPC SA, while Qualco SA. acts as a Sub-Servicer.

This Program is covered by a portfolio of claims from active or non-active low voltage customer contracts, with one or more claims overdue by more than 90 days. The program has a total duration of 5 years and includes a period of 2 years where it operates as a revolving period and a period of 3 years during which the capital will be repaid from the proceeds of the above claims.

The Parent Company has recognized a financial liability to PPC Zeus DAC, which undertook the issuance of bonds of € 325.0 million against the above-mentioned securitized receivables. As at 31 December 2022, the financial liability to PPC Zeus DAC amounts to € 190.9 million (31.12.2021: € 229.2 million) and is included in long-term liabilities.

As at 31 December 2022, the receivables included in the securitization continue to appear in the Statement of Financial Position as the criteria for the derecognition of IFRS 9 are not met and amount to € 1.635 billion nominal value and at € 148.0 million carrying value (after the provision of expected credit losses). Finally, the IFRS requirements for the consolidation of the PPC special purpose company Zeus DAC are not met.

Securitization of trade receivables from electricity sales for current accounts and accounts overdue up to 60 days

On August 6, 2020, the Parent Company signed a securitization agreement for the sale of PCs for current PC accounts and PC accounts with a delay of up to 60 days and on November 24, 2020 proceeded with the initial withdrawal of € 150.0 million with interest rate 3.5% for an amount of securitized receivables with a nominal value of € 206.8 million with investor JP Morgan Chase Bank and issuer PPC Energy Finance DAC and received Bonds of reduced security amounting to € 55.7 million.

On June 30, 2021, the Parent Company raised the remaining amount of € 50 million from the securitization contract for up to 60 days, resulting in the total financial liability amounting to € 200.0 million.

Servicer in the transaction is the Parent Company that has assigned specific services for the management of securitized trade receivables to Qualco SA. (Sub-Servicer). This line of finance is revolving, allowing the Parent Company to make future disbursements and has a duration of 3 years.

On June 29, 2022, the Parent Company came to an agreement with JP Morgan and certain other parties of the transaction to amend the terms of the transaction in connection with, among other things, (i) an increase in the available commitment amount from €200 million to €300 million and on June 30, 2022, it drew down an amount of €30 million (ii) the reduction of the interest rate on drawn capital to 3% and (iii) the extension of the expiration date of the transaction from August 2023 to June 2025.

As at 31 December 2022, the financial liabilities from the securitization of trade receivables for current energy bills and energy bills with a delay of up to 60 days amounted to € 167.6 million out of which €8.5 million are included in current liabilities (31.12.2021: €150.6 million) and €159.1 million are included in non-current liabilities, for securitized trade receivables with a nominal value of €279.9 million (31.12.2021: € 274.6 million) while subordinated bonds amounted to €48.5 million (31.12.2021: €73.3 million). Finally, current receivables and overdue receivables of up to 60 days from Low Voltage customers (after provisions for expected credit loss) amount to to €299.8 million as at December 31, 2022 (31.12.2021: € 289.6 million).
Finally, there are two (2) pledge agreements on the Parent's accounts, held by National Bank of Greece, ALPHA BANK, ATTICA BANK, Piraeus Bank and EUROBANK in favor of CITIBANK NA, LONDON BRANCH and JP Morgan Chase Bank, as part of the above securitizations.

45. SUBSEQUENT EVENTS

In addition to those presented in other notes, the following events occurred from December 31st, 2022 until the date of approval of the Financial Statements:

Loan Issuance- Repayment of Loans

During the period 1.1.2023- 23.3.2023, the Group and the Parent Company repaid arrears of €70.87 million and €39.05 million, respectively.

The Parent Company taking advantage of the high available funds and given the difference between interest rates on deposits and borrowing, in the context of active management of its financial costs, on 16 January 2023 repurchased the same bonds of € 500 million, i.e. a) € 200 million of the 12.8.2021 Joint Bond Loan (L.4548/2018), amounting to €300 million with Alpha Bank and Eurobank and b) €300 million of the Joint Bond Loan from 15.12.2021 (L.4548/2018), amounting to €300 million with the National and Piraeus Banks, for which it redistributed to the Bondholders on 14 March 2023.

The subsidiary company SOLAR ARROW ENA Sole Shareholder S.A. is developing a 200MW photovoltaic plant at the "Lignite Center of Western Macedonia" location in the Prefecture of Kozani. To finance the project, a joint bond loan of €102.4 million was signed from 21/12/2022 between ILIAKO VELOS ENA Sole Shareholder S.A. as the issuer and the banks Eurobank S.A., National Bank of Greece S.A. and European Investment Bank, as Bondholders. The first disbursement of the loan of €66.9 million took place on 1/3/2023.

Shareholders' agreement with Motor oil

On July 7, 2022, PPC signed a Shareholders' Agreement and on 23 January 2023 the new associate company "Hellenic Hydrogen S.A." was established, in which Motor Oil's stake is 51% of its share capital and PPC 49% of it, paying the amount of €6.5 million.

The new company will aim at the development of green hydrogen generation and storage projects in the country, thus facilitating Greece's energy transition to Net Zero CO2 emissions.

Singing of a binding agreement for the acquisition of ENEL operations in Romania

With the announcement on March 9, 2023, the Parent Company disclosed that it has entered into a binding agreement with Enel S.p.A. ("Enel") to acquire all of the equity interests held by Enel and its subsidiaries in Romania for a total consideration of approximately €1,260 million (based on a total enterprise value of approximately €1,900 million). The final consideration is subject to customary adjustments based on a future value uplift for the retail business in Romania.

The closing of the acquisition is expected to occur by the third quarter of 2023 and will be subject to certain conditions precedent (customary for this kind of transaction), including, among others, clearance from the relevant antitrust authorities.

PPC intends to finance the acquisition with a combination of debt and equity, out of which an amount of €800 million will be from committed debt financing in the form of a €485 million 5-year term loan facility through Greek banks and a €315 million bridge facility through international banks.

The acquisition represents a transformational event for PPC's growth strategy with the acquisition of a significant renewables portfolio (both operating and pipeline), leading electricity distribution and supply businesses. The acquisition is PPC's first material expansion abroad.

E. APPENDIX I -UNBUNDLED FINANCIAL STATEMENTS

Under the provisions of L.4001/2011
and the approved methodology of
the Regulatory Authority for Energy

APPENDIX I- UNBUNDLED FINANCIAL STATEMENTS

PUBLIC POWER CORPORATION S.A.
SYSTEM INTEGRATION UNBUNDLED BALANCE SHEETS
DECEMBER 2022

AMOUNTS IN MILLIONS OF EURO

	ADMINISTRATION		MINES		GENERATION		ELECTRICITY SUPPLY		NATURAL GAS SUPPLY		OTHER		ELIMINATIONS		TOTAL PPC	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
ASSETS																
NON-CURRENT ASSETS																
Tangible Assets	159.3	155.1	211.1	202.0	4,816.7	4,678.9	16.0	16.1			19.0	1.6	(11.6)	65.3	5,210.4	5,118.9
Right of use assets			9.1	6.2	129.4	87.6	9.3	9.0					0.0		147.7	102.8
Intangible Assets	6.4	7.7	0.4	0.5	510.1	324.7	1.1	0.8					(0.0)		518.1	333.8
Investments in subsidiaries	511.7	211.3	39.9	236.0	476.3	3,862.7	(7.9)	8.3					(0.6)	(3,076.7)	1,019.5	1,241.5
Investments in associates	0.0												0.5		0.5	
Available for sale financial assets	0.3	0.3											0.1	0.1	0.3	0.3
Other non-current assets	(17.4)	(1.8)	1.3	1.3	102.5	102.5	(2.5)	(1.3)					(72.1)	(87.1)	11.8	13.7
Deferred tax assets	67.3	67.3	42.5	53.7	67.7	304.1	602.8	603.7					(19.6)	(297.0)	760.9	731.8
Administration non-current assets	(727.7)	(440.0)	78.7	66.3	639.3	376.7	19.9	17.7			0.0		(10.2)	(20.8)		
TOTAL NON-CURRENT ASSETS		**(0.0)**	**383.0**	**566.0**	**6,742.1**	**9,737.2**	**638.8**	**654.3**			**19.0**	**1.6**	**(113.5)**	**(3,416.2)**	**7,669.3**	**7,542.9**
CURRENT ASSETS																
Materials, spare parts and supplies, net	7.9	8.9	28.6	(326.1)	578.1	1,825.8	0.0	0.5			1.9	1.2	0.1	(1,080.1)	616.7	430.1
Trade receivables, net	(1,302.5)	(641.0)	43.5	35.2	133.4	524.4	4,562.9	2,038.5	1.1	0.3	4.2	0.6	(2,241.9)	(1,082.0)	1,200.7	875.9
Contract assets							870.0	992.6					(1.3)	(332.3)	868.7	660.3
Derivative Financial instruments	(76.9)						76.9	76.9								76.9
Other receivables, net	62.4	127.9	7.9	(1.3)	116.7	40.8	1,123.5	117.3	1.5		(0.0)		(44.0)	835.3	1,268.0	1,120.0
Cash and cash equivalents			36.3	16.4	465.5	2,564.8	2,825.5	494.6					(526.7)	(515.2)	2,800.6	2,560.5
Assets held for sale													20.6		20.6	
Administration current assets	1,309.0	504.2	(12.8)	(6.4)	(586.5)	(134.5)	(876.9)	(504.9)			(1.1)		168.2	141.5		
TOTAL CURRENT ASSETS		**(0.0)**	**103.4**	**(282.2)**	**707.3**	**4,821.2**	**8,581.9**	**3,215.6**	**2.5**	**0.3**	**5.1**	**1.8**	**(2,625.0)**	**(2,032.9)**	**6,775.3**	**5,723.8**
TOTAL ASSETS		**0.0**	**486.4**	**283.8**	**7,449.4**	**14,558.4**	**9,220.7**	**3,869.7**	**2.5**	**0.3**	**24.1**	**3.4**	**(2,738.5)**	**(5,449.1)**	**14,444.6**	**13,266.6**
EQUITY AND LIABILITIES																
EQUITY																
Share Capital	553.2	553.2	76.7	76.7	296.2	296.2	21.2	21.2					(0.0)		947.4	947.4
Share Pemium	946.8	946.8	14.7	14.7	56.8	56.8	0.4	0.4					(0.0)		1,018.7	1,018.8
Legal reserve	22.7	22.7	18.7	18.7	86.3	86.3	0.6	0.6					8.3		136.6	128.3
Fixed assets' statutory revaluation surplus included in share capital	0.0		(171.2)	(171.2)	(770.8)	(770.8)	(5.3)	(5.3)					0.0		(947.3)	(947.3)
Revaluation surplus	158.3	159.3	405.9	279.3	2,432.4	2,483.5	28.9	28.9			0.0		39.2	49.6	3,064.6	3,000.6
Other Reserves	9.0	229.4	25.6	18.5	29.9	41.9	5.0	3.1					(30.2)	(29.5)	39.2	263.3
Treasury shares	(40.7)												0.0		(40.7)	
Retained earnings	2.354.9	2,363.1	(2,065.1)	(2,242.1)	(1,766.7)	(123.8)	1,818.3	1,360.1	(11.7)	(1.3)	(7.1)	(1.9)	689.0	(1,105.0)	1,011.6	249.0
Administration equity	(4.004.3)	(4,274.6)	402.1	428.5	3,561.6	3,803.6	31.1	33.1			0.0		9.4	9.4		
TOTAL EQUITY		**(0.0)**	**(1,292.6)**	**(1,576.9)**	**3,925.7**	**5,873.7**	**1,900.2**	**1,442.0**	**(11.7)**	**(1.3)**	**(7.1)**	**(1.9)**	**715.7**	**(1,075.6)**	**5,230.1**	**4,660.0**
NON-CURRENT LIABILITIES																
Interest bearing loans and borrowings	0.0		127.8	176.5	2,413.9	3,291.5	9.1	13.0					(54.3)	(757.1)	2,496.5	2,724.0
Post retirement benefits	84.1	84.1	(7.7)	16.4	(3.9)	12.6	3.5	6.5			0.0		(0.0)		76.0	119.6
Provisions	143.4	135.7	343.9	326.5	243.7	275.3	151.1	151.3					(80.1)	(78.8)	802.0	810.0
Deferred tax liability	(100.0)	(100.0)	112.0	144.5	734.9	698.7	10.8	10.8			0.0		(757.8)	(754.1)		
Financial lease liability													122.6	94.8	122.6	94.8
Deferred customers' contributions and subsidies	0.1	1,894.5	(0.1)	(0.1)	94.1	100.9	(0.1)	(0.1)					430.8	(1,461.3)	524.9	533.9
Long term financial liability from the securitization of receivables													350.1	229.5	350.1	229.5
Other non-current liabilities	82.5	87.2	2.0	(0.5)	28.2	2.2	4,413.7	2,319.9	0.4	0.3	0.0		(4,526.3)	(2,409.1)	0.5	
Administration non-current liabilities	(210.1)	(2,101.5)	(81.9)	41.2	341.4	2,099.6	(49.4)	(39.4)			0.0		0.0			
TOTAL NON-CURRENT LIABILITIES	**0.0**	**(0.0)**	**496.0**	**704.6**	**3,852.4**	**6,480.8**	**4,538.8**	**2,462.1**	**0.4**	**0.3**	**0.0**		**(4,515.0)**	**(5,136.0)**	**4,372.6**	**4,511.8**
CURRENT LIABILITIES																
Trade and other payables	(318.3)	(33.1)	189.7	192.2	431.3	(26.9)	865.0	965.6	0.0		10.1	2.5	(433.4)	(469.4)	744.4	630.8
Short – term borrowings			5.4	8.6	44.3	141.4	0.4	0.6					(0.0)	109.4	50.0	260.0
Current portion of interest bearing loans and borrowings			14.5	19.1	390.1	390.9	1.1	1.4					(19.7)	(193.8)	385.9	217.6
Dividends payable																
Income taxes payable	(42.3)	6.3	21.5	21.5	30.5	30.5	5.5	5.5					0.0		15.2	63.8
Accrued and other current liabilities	308.7	(25.0)	6.4	(3.8)	1,545.7	1.480.4	194.8	191.3			0.0	0.1	(58.0)	69.5	1,997.7	1,712.4
Current portion of post-retirement benefits			16.0		44.7		4.1						0.0		64.8	
Short term part of forecasting the dismantling and removal o facilities / equipment of Production Units, Mines and Wind Parks and rehabilitation of Mining areas													82.0	80.6	82.0	80.6
Contract Liabilities													1.490.1	1,129.6	1,490.1	1,129.6
Derivative Financial instruments							11.7						(0.0)		11.7	
Total Current Liabilities from discontinued operations																
Administration current liabilities	51.9	51.9	(2.0)	(1.4)	14.1	(15.2)	(63.6)	(34.9)			(0.2)		(0.2)	(0.4)		
TOTAL CURRENT LIABILITIES		**0.0**	**251.5**	**236.1**	**2,500.6**	**2,001.2**	**1,018.9**	**1,129.5**	**0.0**		**9.9**	**2.6**	**1,060.8**	**725.4**	**4,841.8**	**4,094.8**
Other movements between activities	(0.0)		1,031.5	920.0	(2,829.3)	202.8	1,762.8	(1,163.9)	13.8	1.2	21.2	2.8	0.0	37.2		
TOTAL LIABILITIES AND EQUITY	**(0.0)**	**0.0**	**486.4**	**283.8**	**7,449.4**	**14,558.4**	**9,220.7**	**3,869.7**	**2.5**	**0.3**	**24.1**	**3.4**	**(2,738.5)**	**(5,449.1)**	**14,444.6**	**13,266.6**

*Any differences are due to decimal roundings

APPENDIX I- UNBUNDLED FINANCIAL STATEMENTS

PUBLIC POWER CORPORATION S.A.
INTERCONNECTED SYSTEM UNBUNDLED BALANCE SHEET
DECEMBER 2022

AMOUNTS IN MILLIONS OF EURO

	MINES		GENERATION		ELECTRICITY SUPPLY		NATURAL GAS SUPPLY		OTHER		TOTAL	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
ASSETS												
NON-CURRENT ASSETS												
Tangible Assets	211.1	234.2	3,619.2	3,521.5	14.4	14.5			19.0	1.6	3,863.6	3,771.8
Right of use assets	9.1	6.2	95.4	61.4	8.8	8.6					113.2	76.2
Intangible Assets	0.4	0.5	505.7	320.3	0.1	(0.2)					506.2	320.6
Investments in subsidiaries	39.9	236.0	387.8	2,878.5	(7.1)	7.6					420.6	3,122.0
Investments in associates												
Available for sale financial assets	0.0		0.0								0.0	
Other non-current assets	1.3	1.3	102.0	102.0	(2.3)	(1.2)					101.0	102.1
Deferred tax assets	42.5	53.7	57.0	231.0	516.9	517.7					616.4	802.4
Administration non-current assets	78.7	66.3	473.9	280.5	16.0	13.9			0.0		568.6	360.8
TOTAL NON-CURRENT ASSETS	**383.0**	**598.3**	**5,240.9**	**7,395.2**	**546.9**	**560.9**			**19.0**	**1.6**	**6,189.8**	**8,555.9**
CURRENT ASSETS												
Materials, spare parts and supplies, net	28.6	(326.1)	103.8	1,077.2	(0.1)	0.3			1.9	1.2	134.3	752.6
Trade receivables, net	43.5	35.2	136.9	411.5	4,367.4	1,876.5	1.1	0.3	3.0	0.6	4,551.9	2,324.1
Contract assets					771.3	884.3					771.3	884.3
Derivative Financial instruments					76.9	76.9					76.9	76.9
Other receivables, net	7.9	(1.3)	132.6	75.2	1,011.2	104.5	1.5		0.0		1,153.1	178.3
Cash and cash equivalents	36.3	16.4	226.6	2,256.4	2,530.7	438.5					2,793.6	2,711.2
Administration current assets	(12.8)	(6.4)	(380.4)	(74.7)	(743.8)	(433.6)			0.0		(1,137.1)	(514.7)
TOTAL CURRENT ASSETS	**103.4**	**(282.2)**	**219.4**	**3,745.4**	**8,013.7**	**2,947.5**	**2.5**	**0.3**	**4.9**	**1.8**	**8,344.0**	**6,412.8**
TOTAL ASSETS	**486.4**	**316.0**	**5,460.3**	**11,140.6**	**8,560.6**	**3,508.4**	**2.5**	**0.3**	**23.9**	**3.4**	**14,533.7**	**14,968.8**
EQUITY AND LIABILITIES												
EQUITY												
Share Capital	76.7	76.7	228.6	228.6	18.5	18.5					323.8	323.8
Share Pemium	14.7	14.7	43.8	43.8	0.4	0.4					58.9	58.9
Legal reserve	18.7	18.7	65.1	65.1	0.5	0.5					84.3	84.3
Fixed assets' statutory revaluation surplus included in share capital	(171.2)	(171.2)	(581.6)	(581.6)	(5.0)	(5.0)					(757.7)	(757.7)
Revaluation surplus	405.9	279.3	1,757.6	1,811.3	26.6	26.6			0.0		2,190.1	2,117.2
Other Reserves	25.6	18.5	15.3	30.7	4.5	2.8					45.3	52.0
Retained earnings	(2,065.1)	(2.246.9)	(1,688.0)	(451.1)	1,189.5	433.2	(11.7)	(1.3)	(6.9)	(1.9)	(2,582.2)	(2,268.1)
Administration equity	402.1	428.5	2,585.4	2,761.3	28.8	30.6					3,016.4	3,220.4
TOTAL EQUITY	**(1,292.6)**	**(1,581.7)**	**2,426.4**	**3,908.2**	**1,263.8**	**507.6**	**(11.7)**	**(1.3)**	**(6.9)**	**(1.9)**	**2,379.0**	**2,830.9**
NON-CURRENT LIABILITIES												
Interest bearing loans and borrowings	127.8	176.5	1,964.7	2,527.3	8.5	12.1					2,101.1	2,716.0
Post retirement benefits	(7.7)	16.4	11.0	17.2	1.5	4.4					4.8	38.0
Provisions	343.9	326.5	204.7	236.4	142.3	142.5					690.9	705.3
Deferred tax liability	112.0	144.5	560.9	524.7	9.9	9.9			(0.0)		682.8	679.2
Financial lease liability												
Deferred customers' contributions and subsidies	(0.1)	(0.1)	94.1	100.9	(0.1)	(0.1)					94.0	100.7
Long term financial liability from the securitization of receivables												
Other non-current liabilities	2.0	(0.5)	101.0	76.9	3,890.7	1,953.5	0.4	0.3	0.0		3,994.1	2,030.3
Administration non-current liabilities	(81.9)	41.2	206.3	1,484.4	(38.3)	(29.2)					86.1	1,496.5
TOTAL NON-CURRENT LIABILITIES	**496.0**	**704.6**	**3,142.7**	**4,967.8**	**4,014.7**	**2,093.2**	**0.4**	**0.3**	**0.0**		**7,653.8**	**7,765.9**
CURRENT LIABILITIES												
Trade and other payables	189.7	192.2	369.0	(69.8)	546.1	582.3	0.0		9.6	2.5	1,114.4	707.1
Short – term borrowings	5.4	8.6	33.0	104.3	0.3	0.6					38.7	113.5
Current portion of interest bearing loans and borrowings	14.5	19.1	332.5	308.2	1.0	1.3					348.0	328.6
Dividends payable					0.0						0.0	
Income taxes payable	21.5	21.5	23.9	23.9	29.7	29.7					75.1	75.1
Accrued and other current liabilities	6.4	(3.8)	1,416.2	1,415.4	154.3	153.8			0.0	0.1	1,576.9	1,565.4
Current portion of post-retirement benefits	16.0		32.5		3.8						52.4	
Short term part of forecasting the dismantling and removal o facilities / equipment of Production Units, Mines and Wind Parks and rehabilitation of Mining areas												
Derivative Financial instruments					11.7						11.7	
Administration current liabilities	(2.0)	(1.4)	7.6	(14.9)	(85.9)	(61.7)			0.0		(80.2)	(78.0)
TOTAL CURRENT LIABILITIES	**251.5**	**236.1**	**2,214.7**	**1,767.1**	**661.2**	**706.1**	**0.0**		**9.6**	**2.6**	**3,137.0**	**2,711.8**
Other movements between activities	1,031.5	957.1	(2,323.4)	497.5	2,621.0	201.5	13.8	1.2	21.1	2.8	1,364.0	1,660.1
TOTAL LIABILITIES AND EQUITY	**486.4**	**316.0**	**5,460.3**	**11,140.6**	**8,560.6**	**3,508.4**	**2.5**	**0.3**	**23.9**	**3.4**	**14,533.7**	**14,968.8**

*Any differences are due to decimal roundings

APPENDIX I- UNBUNDLED FINANCIAL STATEMENTS

PUBLIC POWER CORPORATION S.A.
CRETE UNBUNDLED BALANCE SHEET
DECEMBER 2022

AMOUNTS IN MILLIONS OF EURO

	GENERATION		ELECTRICITY SUPPLY		TOTAL	
	2022	2021	2022	2021	2022	2021
ASSETS						
NON-CURRENT ASSETS						
Tangible Assets	472.1	472.0	0.3	0.3	472.4	472.3
Right of use assets	16.8	13.2	0.2	0.2	17.0	13.4
Intangible Assets	(4.8)	(4.8)	0.5	0.5	(4.3)	(4.3)
Investments in subsidiaries	46.6	412.3	(0.4)	(0.4)	46.2	411.9
Investments in associates						
Available for sale financial assets	(0.0)				(0.0)	
Other non-current assets	0.2	0.2	(0.0)		0.2	0.2
Deferred tax assets	5.4	30.8	35.5	35.5	40.9	66.3
Administration non-current assets	71.0	42.8	1.7	1.7	72.7	44.5
TOTAL NON-CURRENT ASSETS	**607.2**	**966.5**	**37.7**	**37.8**	**644.9**	**1,004.3**
CURRENT ASSETS						
Materials, spare parts and supplies, net	255.5	426.3	0.0	0.1	255.5	426.4
Trade receivables, net	14.7	62.5	12.3	47.0	27.0	109.4
Contract assets			53.7	59.9	53.7	59.9
Derivative Financial instruments						
Other receivables, net	33.8	36.9	69.8	6.3	103.6	43.1
Cash and cash equivalents	117.2	112.6	162.5	55.9	279.6	168.4
Administration current assets	(104.9)	(31.7)	(80.6)	(43.4)	(185.4)	(75.1)
TOTAL CURRENT ASSETS	**316.3**	**606.5**	**217.8**	**125.7**	**534.1**	**732.1**
TOTAL ASSETS	**923.5**	**1,573.0**	**255.5**	**163.5**	**1,179.0**	**1,736.5**
EQUITY AND LIABILITIES						
EQUITY						
Share Capital	26.0	26.0	1.3	1.3	27.4	27.4
Share Pemium	5.0	5.0	0.0		5.0	5.0
Legal reserve	9.3	9.3	0.0		9.3	9.3
Fixed assets' statutory revaluation surplus included in share capital	(82.8)	(82.8)	(0.1)	(0.1)	(82.9)	(82.9)
Revaluation surplus	348.5	346.7	1.3	1.3	349.8	348.0
Other Reserves	5.3	3.8	0.3	0.2	5.7	4.0
Retained earnings	(138.5)	244.9	(3.6)	408.8	(142.1)	653.7
Administration equity	497.5	531.7	1.4	1.5	498.9	533.2
TOTAL EQUITY	**670.3**	**1,084.6**	**0.7**	**413.0**	**671.0**	**1,497.7**
NON-CURRENT LIABILITIES						
Interest bearing loans and borrowings	196.7	323.0	(0.1)		196.6	323.0
Post retirement benefits	(7.2)	(1.4)	0.9	1.1	(6.2)	(0.3)
Provisions	17.3	17.1	5.0	5.0	22.3	22.1
Deferred tax liability	89.2	89.2	0.6	0.6	89.8	89.8
Financial lease liability						
Deferred customers' contributions and subsidies	0.0		(0.0)		0.0	
Long term financial liability from the securitization of receivables						
Other non-current liabilities	(40.9)	(42.0)	310.7	209.1	269.9	167.1
Administration non-current liabilities	56.2	251.4	(1.7)	(1.7)	54.5	249.7
TOTAL NON-CURRENT LIABILITIES	**311.4**	**637.3**	**315.4**	**214.1**	**626.8**	**851.3**
CURRENT LIABILITIES						
Trade and other payables	10.0	11.0	186.5	221.7	196.6	232.7
Short – term borrowings	5.6	15.7	(0.0)		5.6	15.7
Current portion of interest bearing loans and borrowings	24.7	34.9	(0.0)		24.7	34.9
Dividends payable			(0.0)		(0.0)	
Income taxes payable	2.2	2.2	(7.8)	(7.8)	(5.6)	(5.6)
Accrued and other current liabilities	73.6	38.2	1.5	4.5	75.1	42.7
Current portion of post-retirement benefits	6.6		0.2		6.8	
Short term part of forecasting the dismantling and removal o facilities / equipment of Production Units, Mines and Wind Parks and rehabilitation of Mining areas						
Contract Liabilities						
Derivative Financial instruments						
Administration current liabilities	3.6	(0.2)	1.4	3.9	5.0	3.7
TOTAL CURRENT LIABILITIES	**126.2**	**101.8**	**181.9**	**222.3**	**308.1**	**324.1**
Other movements between activities	(184.4)	(250.8)	(242.5)	(686.0)	(426.9)	(936.8)
TOTAL LIABILITIES AND EQUITY	**923.5**	**1,573.0**	**255.5**	**163.5**	**1,179.0**	**1,736.5**

*Any differences are due to decimal roundings

APPENDIX I- UNBUNDLED FINANCIAL STATEMENTS

PUBLIC POWER CORPORATION S.A.
OTHER NON INTERCONNECTED ISLANDS
UNBUNDLED BALANCE SHEET (INCL. RHODES)
DECEMBER 2022

AMOUNTS IN MILLIONS OF EURO

	GENERATION		ELECTRICITY SUPPLY		TOTAL	
	2022	2021	2022	2021	2022	2021
ASSETS						
NON-CURRENT ASSETS						
Tangible Assets	725,4	685,4	1,3	1,3	726,7	686,7
Right of use assets	17,3	12,9	0,2	0,2	17,5	13,1
Intangible Assets	9,2	9,2	0,5	0,5	9,8	9,8
Investments in subsidiaries	42,0	571,9	(0,4)	1,0	41,6	573,0
Investments in associates						
Available for sale financial assets						
Other non-current assets	0,4	0,4	(0,2)	(0,1)	0,2	0,3
Deferred tax assets	5,4	42,3	50,4	50,4	55,8	92,8
Administration non-current assets	94,4	53,3	2,2	2,1	96,6	55,4
TOTAL NON-CURRENT ASSETS	**894,0**	**1.375,5**	**54,2**	**55,5**	**948,1**	**1.431,1**
CURRENT ASSETS						
Materials, spare parts and supplies, net	218,9	322,3	0,0	0,1	218,9	322,3
Trade receivables, net	(18,2)	50,5	183,2	115,0	165,0	165,5
Contract assets			44,9	48,4	44,9	48,4
Derivative Financial instruments			0,0		0,0	
Other receivables, net	(49,6)	(71,2)	42,5	6,6	(7,2)	(64,6)
Cash and cash equivalents	121,7	195,8	132,3	0,2	254,1	196,0
Administration current assets	(101,2)	(28,1)	(52,5)	(27,8)	(153,7)	(55,9)
TOTAL CURRENT ASSETS	**171,6**	**469,3**	**350,5**	**142,4**	**522,0**	**611,7**
TOTAL ASSETS	**1.065,6**	**1.844,8**	**404,6**	**197,9**	**1.470,2**	**2.042,7**
EQUITY AND LIABILITIES						
EQUITY						
Share Capital	41,6	41,6	1,4	1,4	42,9	42,9
Share Pemium	8,0	8,0	0,0		8,0	8,0
Legal reserve	11,9	11,9	0,0		12,0	11,9
Fixed assets' statutory revaluation surplus included in share capital	(106,4)	(106,4)	(0,3)	(0,3)	(106,7)	(106,7)
Revaluation surplus	326,2	325,5	1,0	1,0	327,2	326,5
Other Reserves	9,3	7,3	0,2	0,1	9,5	7,4
Retained earnings	59,7	82,3	632,5	518,2	692,2	600,5
Administration equity	478,8	510,7	0,9	0,9	479,6	511,6
TOTAL EQUITY	**829,0**	**880,8**	**635,7**	**521,3**	**1.464,6**	**1.402,1**
NON-CURRENT LIABILITIES						
Interest bearing loans and borrowings	252,5	441,2	0,6	0,9	253,2	442,1
Post retirement benefits	(7,8)	(3,2)	1,1	1,1	(6,7)	(2,1)
Provisions	21,7	21,8	3,8	3,8	25,5	25,7
Deferred tax liability	84,8	84,8	0,3	0,3	85,1	85,1
Financial lease liability						
Deferred customers' contributions and subsidies	(0,0)		(0,0)		(0,0)	
Long term financial liability from the securitization of receivables						
Other non-current liabilities	(31,9)	(32,7)	212,3	157,2	180,4	124,5
Administration non-current liabilities	79,0	363,8	(9,4)	(8,5)	69,5	355,3
TOTAL NON-CURRENT LIABILITIES	**398,3**	**875,7**	**208,7**	**154,9**	**607,0**	**1.030,6**
CURRENT LIABILITIES						
Trade and other payables	52,3	32,0	132,4	161,6	184,7	193,6
Short – term borrowings	5,7	21,4	0,0		5,8	21,4
Current portion of interest bearing loans and borrowings	32,9	47,7	0,1	0,1	33,0	47,8
Dividends payable			(0,0)		(0,0)	
Income taxes payable	4,4	4,4	(16,5)	(16,5)	(12,1)	(12,1)
Accrued and other current liabilities	56,0	26,8	39,0	33,0	95,0	59,8
Current portion of post-retirement benefits	5,6		0,1		5,7	
Short term part of forecasting the dismantling and removal facilities / equipment of Production Units, Mines and Wind Parks and rehabilitation of Mining areas						
Contract Liabilities						
Administration current liabilities	2,8	(0,1)	20,9	22,9	23,7	22,9
TOTAL CURRENT LIABILITIES	**159,7**	**132,2**	**175,9**	**201,2**	**335,6**	**333,4**
Other movements between activities	(321,5)	(43,8)	(615,7)	(679,5)	(937,1)	(723,4)
TOTAL LIABILITIES AND EQUITY	**1.065,6**	**1.844,8**	**404,6**	**197,9**	**1.470,2**	**2.042,7**

*Any differences are due to decimal roundings

APPENDIX I- UNBUNDLED FINANCIAL STATEMENTS

PUBLIC POWER CORPORATION S.A.
SYSTEM INTEGRATION UNBUNDLED INCOME STATEMENT
DECEMBER 2022

AMOUNTS IN MILLIONS OF EURO

	MINES		GENERATION		DISTRIBUTION NETWORK		ELECTRICITY SUPPLY		NATURAL GAS SUPPLY		OTHER		ELIMINATIONS		TOTAL PPC	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
REVENUES																
Revenues from 3rd Parties																
Energy sales to customers							10,317.8	4,618.4					377.0	368.7	10,694.9	4,987.1
Natural gas sales to customers									4.9	1.2			(0.0)		4.9	1.2
PSO's revenues from customers							335.9	361.6					(335.9)	(361.6)		
Energy exports							41.2	7.1					(41.2)	(7.1)		
Energy sales to wholesale market			5,348.0	3,590.4			62.4	42.5					(5,410.4)	(3,632.9)		
Sales from Lignite	2.4	1.8		1.1									(2.4)	(2.9)		
Network rentals						238.7								(238.7)		
Customer's contribution			0.2	0.2		83.6							(0.2)	(83.9)		
ETMEAR's revenues							361.2	400.1					(361.2)	(400.1)		
PSO's revenues from Administrators							202.9	341.5					(202.9)	(341.5)		
Other Sales	0.3	3.0	7.5	16.1		14.9	24.2	24.1	0.0		0.3	0.8	115.0	352.4	147.3	411.2
Allocated Administration Revenues	7.5	4.5	15.1	7.6			7.0	3.1					(29.7)	(15.2)		
Interdepartmental Revenues																
Lignite yard & ash revenue	13.7	6.9											(13.7)	(6.9)		
Energy							211.0	74.3					(211.0)	(74.3)		
Lignite	224.3	169.5											(224.3)	(169.5)		
REVENUES	**248.2**	**185.6**	**5,370.9**	**3,615.5**		**337.2**	**11,563.6**	**5,872.7**	**5.0**	**1.2**	**0.3**	**0.8**	**(6,340.9)**	**(4,613.5)**	**10,847.1**	**5,399.5**
Expenses (3rd Parties)																
Payroll Cost	125.8	110.1	232.5	191.9			48.1	45.3			2.1	0.9	72.2	63.9	480.8	412.1
Own production lignite			159.8	179.6									(145.1)	(158.2)	14.7	21.3
Third party lignite - Hard coal			14.0	1.2									(14.0)	(1.2)		
Natural Gas			1,742.8	908.0					15.3	2.0			(0.0)		1,758.2	910.1
Liquid fuel		(0.1)	850.1	535.7									(0.0)	(4.8)	850.1	530.8
Materials & Consumables	21.5	15.6	70.2	55.1			0.1	0.6			0.0		0.3	0.3	92.2	71.7
Depreciations	50.0	67.4	243.7	259.2		1.0	2.7	2.7			0.5		9.3	16.5	306.1	346.9
Energy Purchases from third party			12.1	4.8			501.7	610.4					(513.8)	(615.3)		
Energy imports							2.4	54.9					(2.4)	(54.9)		
Energy Purchases to wholesale market			665.3	161.3			8,876.6	3,990.3					(4,658.1)	(2,664.0)	4,883.8	1,487.6
Return of receivable ETMEAR to Administrators							363.1	401.3					(363.1)	(401.3)		
Return of receivable PSO to Administrators							341.8	362.6					(341.8)	(362.6)		
Transmission Network Fees							143.3	129.3					0.0	(0.0)	143.3	129.3
Distribution Network Fees							429.6	459.3					(0.0)	(238.7)	429.6	220.6
Utilities & Maintenance	51.1	50.7	47.2	34.9			19.3	18.9			0.4	0.2	17.9	4.8	135.9	109.7
Third party fees	1.5	4.6	12.6	9.7			52.6	43.7		0.1	1.8	1.1	47.6	29.8	116.2	89.0
Taxes and duties	0.3	1.0	10.7	9.1			2.9	2.9			0.0		(13.8)	(13.0)		
CO2 emissions rights			963.8	573.8									0.0		963.9	573.8
Provisions	(2.8)	5.0	(34.6)	(16.4)		(0.4)	199.6	(128.2)					6.5	160.7	168.6	20.8
Financial expenses	25.1	19.9	140.2	66.2		100.8	118.6	63.6			0.0		0.0	1.4	283.9	252.0
Financial income	(2.1)	(0.7)	(42.4)	(6.5)		(11.4)	(41.6)	(46.6)	(0.0)				0.0		(86.0)	(65.2)
Other (income)/ expense, net	(6.4)	33.1	255.3	14.2		(6.9)	(1.4)	19.1		0.2	(0.3)	0.3	53.1	(52.7)	300.3	7.3
Devaluation of fixed assets _lignite	4.6	1.0	(37.2)	78.1				9.0					32.6			88.0
Devaluation of fixed assets	2.9	54.2	(178.7)	(20.2)		0.9	0.0						(24.2)	43.8	(200.0)	78.7
Extraordinary contribution on electricity generators			245.3										(0.0)		245.3	
Income from the spin-off the Distribution Network	(32.7)	(3.4)	(754.1)	(48.7)			(3.2)	(0.2)					(0.0)		(790.0)	(52.3)
Foreign currency gains/ (losses), net	0.1		7.3	1.0		0.1	0.0						0.0		7.3	1.1
Allocated Administration Expenses	31.6	64.1	133.8	147.2			46.2	61.1			0.0		(211.7)	(272.4)		
Interdepartmental Expenses																
Lignite yard & ash expenses			13.7	6.9									(13.7)	(6.9)		
Change in stock	36.9	28.4		3.6									(36.9)	(32.0)		
Energy	79.6	34.7	131.4	39.6									(211.0)	(74.3)		
PROFIT (LOSS) BEFORE TAX	**(138.9)**	**(299.8)**	**466.0**	**426.1**		**253.2**	**461.3**	**(227.6)**	**(10.4)**	**(1.2)**	**(4.3)**	**(1.8)**	**(30.9)**	**17.5**	**742.9**	**166.4**

* Any differences are due to decimal roundings.

APPENDIX I- UNBUNDLED FINANCIAL STATEMENTS

PUBLIC POWER CORPORATION S.A.
INTERCONNECTED SYSTEM UNBUNDLED INCOME STATEMENT
DECEMBER 2022

AMOUNTS IN MILLIONS OF EURO

	MINES		GENERATION		DISTRIBUTION NETWORK		ELECTRICITY SUPPLY		NATURAL GAS SUPPLY		OTHER		TOTAL	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
REVENUES														
Revenues from 3rd Parties														
Energy sales to customers	(0.0)		(0.0)		(0.0)		9,493.6	4,097.9	(0.0)		(0.0)		9,493.6	4,097.9
Natural gas sales to customers	(0.0)		(0.0)		(0.0)		(0.0)		4.9	1.2	(0.0)		4.9	1.2
PSO's revenues from customers	(0.0)		(0.0)		(0.0)		286.4	312.6	(0.0)		(0.0)		286.4	312.6
Energy exports	(0.0)		(0.0)		(0.0)		41.2	7.1	(0.0)		(0.0)		41.2	7.1
Energy sales to wholesale market	(0.0)		4,059.2	2,712.6	(0.0)		62.4	42.5	(0.0)		(0.0)		4,121.6	2,755.0
Sales from Lignite	2.4	1.8	(0.0)	1.1	(0.0)		(0.0)		(0.0)		(0.0)		2.4	2.9
Network rentals	(0.0)		(0.0)		(0.0)	209.5	(0.0)		(0.0)		(0.0)		(0.0)	209.5
Customer's contribution	(0.0)		0.2	0.2	(0.0)	70.9	(0.0)		(0.0)		(0.0)		0.2	71.2
ETMEAR's revenues	(0.0)		(0.0)		(0.0)		314.3	352.4	(0.0)		(0.0)		314.3	352.4
PSO's revenues from Administrators	(0.0)		(0.0)		(0.0)		71.3	69.4	(0.0)		(0.0)		71.3	69.4
Other Sales	0.3	3.0	7.1	13.6	(0.0)	6.0	20.1	19.8	0.0		0.3	0.8	27.8	43.1
Allocated Administration Revenues	7.5	4.5	10.0	4.9	(0.0)		6.3	2.8	(0.0)		(0.0)		23.8	12.2
Interdepartmental Revenues														
Lignite yard & ash revenue	13.7	6.9	(0.0)		(0.0)		(0.0)		(0.0)		(0.0)		13.7	6.9
Energy	(0.0)		(0.0)		(0.0)		205.6	70.9	(0.0)		(0.0)		205.6	70.9
Lignite	224.3	169.5	(0.0)		(0.0)		(0.0)		(0.0)		(0.0)		224.3	169.5
REVENUES	**248.2**	**185.6**	**4,076.5**	**2,732.5**	**(0.0)**	**286.4**	**10,501.1**	**4,975.4**	**5.0**	**1.2**	**0.3**	**0.8**	**14,831.1**	**8,181.9**
Expenses (3rd Parties)														
Payroll Cost	125.8	110.1	154.9	123.5	0.0		43.2	41.1	0.0		2.1	0.9	326.1	275.6
Own production lignite	0.0		159.8	179.6	0.0		0.0		0.0		0.0		159.8	179.6
Third party lignite - Hard coal	0.0		14.0	1.2	0.0		0.0		0.0		0.0		14.0	1.2
Natural Gas	0.0		1,742.8	908.0	0.0		0.0		15.3	2.0	0.0		1,758.2	910.1
Liquid fuel	0.0	(0.1)	86.0	12.1	0.0		0.0		0.0		0.0		86.0	12.1
Materials & Consumables	21.5	15.6	37.9	32.7	0.0		0.1	0.5	0.0		0.0		59.5	48.8
Depreciations	50.0	67.4	154.2	179.4	0.0	(0.1)	2.5	2.6	0.0		0.5	0.0	207.2	249.2
Energy Purchases from third party	0.0		0.0		0.0		2.6		0.0		0.0		2.6	
Energy imports	0.0		0.0		0.0		2.4	54.9	0.0		0.0		2.4	54.9
Energy Purchases to wholesale market	0.0		665.3	161.3	0.0		7,712.8	3,916.9	0.0		0.0		8,378.1	4,078.2
Return of receivable ETMEAR to Administrators	0.0		0.0		0.0		338.0	358.3	0.0		0.0		338.0	358.3
Return of receivable PSO to Administrators	0.0		0.0		0.0		292.3	313.1	0.0		0.0		292.3	313.1
Transmission Network Fees	0.0		0.0		0.0		143.3	129.3	0.0		0.0		143.3	129.3
Distribution Network Fees	0.0		0.0		0.0		401.4	400.8	0.0		0.0		401.4	400.8
Utilities & Maintenance	51.1	50.7	23.9	23.7	0.0		17.2	17.0	0.0		0.4	0.2	92.7	91.7
Third party fees	1.5	4.6	8.4	5.8	0.0		46.3	38.2	0.0	0.1	1.8	1.1	58.1	49.9
Taxes and duties	0.3	1.0	9.2	8.1	0.0		2.6	2.7	0.0		0.0		12.1	11.8
CO2 emissions rights	0.0		761.6	452.7	0.0		0.0		0.0		0.0		761.6	452.7
Provisions	(2.8)	5.0	(14.6)	4.0	0.0	(0.4)	185.5	(106.0)	0.0		0.0		168.1	(97.4)
Financial expenses	25.1	19.9	106.4	55.0	0.0	86.4	110.1	58.0	0.0		0.0		241.7	219.3
Financial income	(2.1)	(0.7)	(31.2)	(4.5)	0.0	(9.7)	(36.5)	(42.7)	(0.0)		0.0		(69.7)	(57.7)
Other (income)/ expense, net	(6.4)	33.1	260.5	13.5	0.0	(3.5)	440.8	27.9	0.0	0.2	(0.3)	0.3	694.5	71.5
Devaluation of fixed assets _lignite	4.6	1.0	(37.2)	49.4	0.0		0.0	8.6	0.0		0.0		(32.6)	59.0
Devaluation of fixed assets	2.9	54.2	(115.8)	(20.2)	0.0	0.5	0.0		0.0		0.0		(112.9)	34.5
Extraordinary contribution on electricity generators	0.0		245.3		0.0		0.0		0.0		0.0		245.3	
Income from the spin-off the Distribution Network	(32.7)	(3.4)	(578.6)	(39.5)	0.0		(3.0)	(0.2)	0.0		0.0		(614.3)	(43.1)
Foreign currency gains/ (losses), net	0.1		1.4	(0.2)	0.0		0.0		0.0		0.0		1.5	(0.2)
Allocated Administration Expenses	31.6	64.1	86.0	97.8	0.0		41.1	55.1	0.0		0.0		158.6	217.0
Interdepartmental Expenses														
Lignite yard & ash expenses	0.0		13.7	6.9	0.0		0.0		0.0		0.0		13.7	6.9
Change in stock	36.9	28.4	0.0	3.6	0.0		0.0		0.0		0.0		36.9	32.0
Energy	79.6	34.7	126.0	36.3	0.0		0.0		0.0		0.0		205.6	70.9
PROFIT (LOSS) BEFORE TAX	**(138.9)**	**(299.8)**	**196.5**	**442.2**	**(0.0)**	**213.2**	**758.3**	**(300.7)**	**(10.4)**	**(1.2)**	**(4.3)**	**(1.8)**	**801.3**	**51.9**

* Any differences are due to decimal roundings.

APPENDIX I- UNBUNDLED FINANCIAL STATEMENTS

PUBLIC POWER CORPORATION S.A.
CRETE UNBUNDLED INCOME STATEMENT
DECEMBER 2022

AMOUNTS IN MILLIONS OF EURO

	GENERATION		DISTRIBUTION NETWORK		ELECTRICITY SUPPLY		TOTAL	
	2022	2021	2022	2021	2022	2021	2022	2021
REVENUES								
Revenues from 3rd Parties								
Energy sales to customers					462.7	292.6	462.7	292.6
PSO's revenues from customers					26.2	26.8	26.2	26.8
Energy sales to wholesale market	630.8	465.0					630.8	465.0
Other Services to wholesale market								
Network rentals				16.0				16.0
Customer's contribution				6.4				6.4
ETMEAR's revenues					25.8	26.7	25.8	26.7
PSO's revenues from Administrators					45.7	157.6	45.7	157.6
Other Sales	0.1	1.3		8.0	2.4	2.4	2.5	11.8
Allocated Administration Revenues	1.4	1.1			0.5	0.2	1.9	1.3
Interdepartmental Revenues								
Lignite yard & ash revenue								
Energy					3.3	1.8	3.3	1.8
Lignite								
REVENUES	**632.4**	**467.4**		**30.4**	**566.6**	**508.1**	**1,198.9**	**1,006.0**
Expenses (3rd Parties)								
Payroll Cost	32.6	33.1			3.1	2.7	35.8	35.8
Own production lignite								
Third party lignite - Hard coal								
Natural Gas								
Liquid fuel	417.9	308.4					417.9	308.4
Materials & Consumables	9.2	6.4			0.0		9.2	6.4
Depreciations	44.8	41.1		1.1	0.1	0.1	44.9	42.3
Energy Purchases from third party	2.7	3.5			20.0	310.1	22.7	313.6
Energy imports								
Energy Purchases to wholesale market					1,163.8	73.3	1,163.8	73.3
Return of receivable ETMEAR to Administrators					1.3	22.3	1.3	22.3
Return of receivable PSO to Administrators					23.1	27.4	23.1	27.4
Transmission Network Fees								
Distribution Network Fees					0.3	29.6	0.3	29.6
Utilities & Maintenance	1.7	2.1			1.2	1.0	2.9	3.1
Third party fees	0.9	0.9			3.7	2.9	4.6	3.7
Taxes and duties	0.7	0.4			0.1	0.1	0.8	0.5
CO2 emissions rights	106.1	66.6					106.1	66.6
Provisions	(8.7)	(4.5)			7.8	(12.8)	(0.9)	(17.3)
Financial expenses	13.3	5.4		7.3	0.0	0.9	13.3	13.5
Financial income	(4.7)	(1.0)		(0.9)	(2.9)	(2.2)	(7.7)	(4.1)
Other (income)/ expense, net	(4.4)	(1.1)		0.1	(246.2)	(5.3)	(250.7)	(6.2)
Devaluation of fixed assets _lignite		15.8				0.2		16.0
Devaluation of fixed assets	(19.5)			0.3			(19.5)	0.3
Impairment loss of marketable securities								
Income from the spin-off the Distribution Network	(74.2)	(4.8)					(74.2)	(4.8)
Foreign currency gains/ (losses), net	0.0	(0.2)					0.0	(0.2)
Allocated Administration Expenses	15.4	20.8			3.2	3.3	18.6	24.1
Interdepartmental Expenses								
Lignite yard & ash expenses								
Change in stock								
Energy	3.3	1.8					3.3	1.8
PROFIT (LOSS) BEFORE TAX	**95.3**	**(27.2)**		**22.4**	**(412.1)**	**54.5**	**(316.8)**	**49.7**

* Any differences are due to decimal roundings.

APPENDIX I- UNBUNDLED FINANCIAL STATEMENTS

PUBLIC POWER CORPORATION S.A.
OTHER NON INTERCONNECTED ISLANDS
UNBUNDLED INCOME STATEMENT (INCL. RHODES)
DECEMBER 2022

AMOUNTS IN MILLIONS OF EURO

	GENERATION		DISTRIBUTION NETWORK		ELECTRICITY SUPPLY		TOTAL	
	2022	2021	2022	2021	2022	2021	2022	2021
REVENUES								
Revenues from 3rd Parties								
Energy sales to customers					361.6	227.8	361.6	227.8
PSO's revenues from customers					23.2	22.2	23.2	22.2
Energy sales to wholesale market	658.0	412.8					658.0	412.8
Network rentals				13.2				13.2
Customer's contribution				6.2				6.2
ETMEAR's revenues					21.2	21.0	21.2	21.0
PSO's revenues from Administrators					85.9	114.6	85.9	114.6
Other Sales	0.3	1.2		0.8	1.7	1.9	2.0	3.9
Allocated Administration Revenues	3.7	1.7			0.3	0.1	4.0	1.8
Interdepartmental Revenues								
Lignite yard & ash revenue								
Energy					2.1	1.5	2.1	1.5
Lignite								
REVENUES	**662.0**	**415.6**		**20.3**	**495.9**	**389.1**	**1,157.9**	**825.0**
Expenses (3rd Parties)								
Payroll Cost	44.9	35.3			1.8	1.5	46.7	36.8
Own production lignite								
Third party lignite - Hard coal								
Natural Gas								
Liquid fuel	346.2	215.2					346.2	215.2
Materials & Consumables	23.1	16.1			0.0		23.2	16.1
Depreciations	44.6	38.7		0.0	0.1	0.1	44.7	38.8
Energy Purchases from third party	9.4	1.4			479.1	300.3	488.5	301.7
Energy imports								
Energy Purchases to wholesale market					0.0	0.1	0.0	0.1
Return of receivable ETMEAR to Administrators					23.8	20.8	23.8	20.8
Return of receivable PSO to Administrators					26.3	22.1	26.3	22.1
Transmission Network Fees								
Distribution Network Fees					27.9	28.9	27.9	28.9
Utilities & Maintenance	21.6	9.1			0.9	0.9	22.5	10.0
Third party fees	3.3	3.0			2.6	2.7	5.8	5.6
Taxes and duties	0.8	0.6			0.1	0.1	0.9	0.7
CO2 emissions rights	96.1	54.5					96.1	54.5
Provisions	(11.3)	(15.9)			6.2	(9.4)	(5.1)	(25.3)
Financial expenses	20.4	5.9		7.1	8.5	4.7	28.9	17.7
Financial income	(6.5)	(0.9)		(0.9)	(2.2)	(1.6)	(8.7)	(3.4)
Other (income)/ expense, net	(0.7)	1.8		(3.5)	(196.0)	(3.5)	(196.6)	(5.2)
Devaluation of fixed assets _lignite		12.8				0.1		12.9
Devaluation of fixed assets	(43.4)				0.0		(43.4)	
Impairment loss of marketable securities								
Income from the spin-off the Distribution Network	(101.3)	(4.4)			(0.2)		(101.5)	(4.4)
Foreign currency gains/ (losses), net	5.8	1.4			0.0		5.8	1.4
Allocated Administration Expenses	32.4	28.6			2.0	2.7	34.5	31.3
Interdepartmental Expenses								
Lignite yard & ash expenses								
Change in stock								
Energy	2.1	1.5					2.1	1.5
PROFIT (LOSS) BEFORE TAX	**174.2**	**11.1**		**17.5**	**115.1**	**18.7**	**289.3**	**47.3**

* Any differences are due to decimal roundings.

APPENDIX I- UNBUNDLED FINANCIAL STATEMENTS

PUBLIC POWER CORPORATION S.A.
CONSOLIDATED AND SEPARATE BALANCE SHEET AS OF DECEMBER 2022

AMOUNTS IN MILLIONS OF EURO

	COMPANY		HEDNO		OTHER COMPANIES		ELIMINATIONS		GROUP	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021	31/12/2022	31/12/2021	31/12/2022	31/12/2021	31/12/2022	31/12/2021
ASSETS										
Non – Current Assets										
Tangible assets	5.210,4	5.118,9	4.889,0	4.882,2	497,6	304,1	(46,2)	(39,5)	10.550,8	10.265,7
Intangible assets, net	518,1	333,8	3,6	4,4	86,0	13,2	6,2	8,6	613,9	360,0
Right of use assets	147,7	102,8	-	-	-	-	27,7	31,8	175,5	134,6
Investments in subsidiaries	1.019,5	1.241,5	-	-	(0,0)	(0,0)	(1.019,5)	(1.241,5)	-	-
Investments in associates	0,5	0,0	-	-	59,6	38,8	(0,0)	(0,0)	60,1	38,8
Available for sale financial assets	0,3	0,3	-	-	0,0	0,0	(0,0)	(0,0)	0,3	0,3
Deferred tax assets	760,9	731,8	(304,7)	(328,6)	(22,5)	(13,6)	(7,2)	(7,2)	426,4	382,5
Derivative Financial instruments	-	-	-	-	-	-	15,5	-	15,5	-
Other non- current assets	11,8	13,7	11,6	0,0	18,1	11,6	(17,4)	(21,4)	24,2	3,9
Total non-current assets	**7.669,3**	**7.542,9**	**4.599,5**	**4.558,0**	**638,8**	**354,2**	**(1.040,9)**	**(1.269,2)**	**11.866,7**	**11.185,9**
Current Assets										
Materials, spare parts and supplies, net	616,7	430,1	239,9	174,0	0,7	23,1	(17,2)	(17,4)	840,2	609,9
Trade receivables, net	1.200,7	875,9	181,4	283,3	24,7	25,8	(41,2)	(84,3)	1.365,6	1.100,6
Contract assets	868,7	660,3	-	-	-	-	-	-	868,7	660,3
Other receivables, net	1.268,0	1.120,0	9,9	2,2	39,1	23,3	13,7	97,1	1.330,7	1.242,5
Derivative Financial instruments	-	76,9	-	-	-	-	-	-	-	76,9
Income tax receivable	-	-	-	-	0,1	0,1	7,4	4,7	7,4	4,8
Other current assets	-	-	226,1	228,0	10,4	15,9	(236,6)	(243,9)	-	-
Cash and cash equivalents	2.760,6	2.512,2	187,4	172,7	211,5	147,5	0,0	(0,0)	3.159,5	2.832,4
Restricted Cash	40,0	48,3	-	-	-	-	27,8	17,6	67,8	65,9
Assets held for sale	20,6	-	-	-	-	-	-	-	20,6	-
Total Current Assets	**6.775,3**	**5.723,8**	**844,8**	**860,2**	**286,5**	**235,6**	**(246,0)**	**(226,2)**	**7.660,5**	**6.593,3**
Total Assets	**14.444,6**	**13.266,7**	**5.444,3**	**5.418,2**	**925,3**	**589,8**	**(1.287,0)**	**(1.495,4)**	**19.527,2**	**17.779,2**
EQUITY AND LIABILITIES										
Equity										
Share capital	947,4	947,4	991,2	991,2	406,0	199,8	(1.397,2)	(1.191,0)	947,4	947,4
Share premium	1.018,7	1.018,8	-	-	53,4	69,1	(53,4)	(69,1)	1.018,7	1.018,8
Legal reserve	136,6	128,3	6,5	6,1	4,6	4,2	(11,2)	(10,3)	136,6	128,3
Fixed assets' statutory revaluation surplus included in share capital	(947,3)	(947,3)	-	-	-	-	-	-	(947,3)	(947,3)
Revaluation surplus	3.064,6	3.000,6	36,9	39,2	27,1	319,0	2.021,8	1.684,6	5.150,3	5.043,4
Other Reserves	39,2	263,3	125,1	125,1	9,6	91,9	(1.495,7)	(174,0)	(1.321,8)	306,4
Treasury shares	(40,7)	-	-	-	-	-	-	-	(40,7)	-
Retained earnings	1.011,6	249,0	79,6	135,2	113,4	(389,2)	(2.073,9)	(1.413,2)	(869,3)	(1.418,2)
Total Equity attributable to owners of the Parent	**5.230,1**	**4.660,0**	**1.239,4**	**1.296,9**	**614,1**	**294,8**	**(3.009,7)**	**(1.173,0)**	**4.073,9**	**5.078,7**
NON-CONTROLLING INTEREST	-	-	-	-	-	-	606,0	0,3	606,0	0,3
Total Equity	**5.230,1**	**4.660,0**	**1.239,4**	**1.296,9**	**614,1**	**294,8**	**(2.403,7)**	**(1.172,7)**	**4.679,9**	**5.079,0**
Non-Current Liabilities										
Interest bearing loans and borrowings	2.496,5	2.724,0	1.259,3	1.229,3	67,1	109,4	(0,0)	(0,0)	3.822,9	4.062,6
Post retirement benefits	76,0	119,6	61,4	75,4	0,0	14,3	0,0	0,0	137,4	209,4
Provisions	802,0	810,0	40,4	47,8	6,2	7,0	(44,5)	(29,6)	804,0	835,3
Deferred tax liabilities	-	-	-	-	-	-	-	-	-	-
Financial lease liability	122,6	94,8	-	-	-	-	20,2	24,6	142,8	119,5
Deferred customers' contributions and subsidies	524,9	533,9	2.039,9	1.945,5	2,7	7,2	0,0	(0,0)	2.567,6	2.486,6
Long-term financial liability from the securitization of receivables	350,1	229,5	-	-	-	-	-	-	350,1	229,5
Financial liability from NCI Put option	-	-	-	-	-	-	1.420,0	-	1.420,0	-
Other non-current liabilities	0,5	0,0	56,8	59,1	15,1	9,9	(36,9)	(33,6)	35,5	35,6
Total Non-Current Liabilities	**4.372,6**	**4.511,8**	**3.457,8**	**3.357,2**	**91,2**	**147,9**	**1.358,8**	**(38,5)**	**9.280,4**	**7.978,4**
Current Liabilities										
Trade and other payables	735,9	480,2	414,7	468,0	103,1	99,2	(107,0)	(77,4)	1.146,7	970,1
Short term financial liability from the securitization of receivables	8,5	150,6	-	-	-	-	-	-	8,5	150,6
Short-term borrowings	50,0	260,0	45,0	-	13,7	16,4	(0,3)	(5,0)	108,3	271,3
Current portion of long-term borrowings	357,7	207,1	-	-	-	-	234,2	146,6	591,9	353,6
Short-term financial lease liability	28,3	10,6	140,9	190,0	94,1	0,7	(227,1)	(183,6)	36,1	17,7
Dividends payable	-	-	-	-	-	-	-	-	-	-
Income tax payable	15,2	63,8	26,4	5,8	1,5	0,9	(0,1)	(0,1)	43,0	70,5
Accrued and other current liabilities	1.997,7	1.712,4	120,1	100,4	7,7	29,9	(141,8)	(164,8)	1.983,8	1.677,8
Derivative Financial instruments	11,7	-	-	-	-	-	-	-	11,7	-
Short term part of forecasting the dismantling and removal of facilities / equipment of Production Units, Mines and Wind Parks and rehabilitation of Mining areas	82,0	80,6	-	-	-	-	-	-	82,0	80,6
Current portion of post-retirement benefits	64,8	-	-	-	-	-	-	-	64,8	-
Contract Liabilities	1.490,1	1.129,6	-	-	-	-	-	-	1.490,1	1.129,6
Liabilities held for sale	-	-	-	-	-	-	-	-	-	-
Total Current Liabilities	**4.841,8**	**4.094,8**	**747,1**	**764,2**	**220,1**	**147,1**	**(242,1)**	**(284,3)**	**5.566,9**	**4.721,8**
Total Liabilities and Equity	**14.444,6**	**13.266,7**	**5.444,3**	**5.418,2**	**925,3**	**589,8**	**(1.287,0)**	**(1.495,4)**	**19.527,2**	**17.779,2**

PUBLIC POWER CORPORATION S.A. AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2022

APPENDIX I- UNBUNDLED FINANCIAL STATEMENTS

PUBLIC POWER CORPORATION S.A.
CONSOLIDATED AND SEPARATE STATEMENT OF INCOME
FOR THE YEAR ENDED DECEMBER 2022

AMOUNTS IN MILLIONS OF EURO

	COMPANY		HEDNO		OTHER COMPANIES		ELIMINATIONS		GROUP	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021	31/12/2022	31/12/2021	31/12/2022	31/12/2021	31/12/2022	31/12/2021
REVENUES										
Revenue from energy sales	10.694,9	4.987,1	854,1	955,2	317,6	385,4	(1.153,9)	(1.312,0)	10.712,7	5.015,7
Revenue from natural gas	4,9	1,2	-	-	-	-	(0,0)	-	4,9	1,2
Other sales	147,3	411,2	1.457,7	1.792,2	0,5	7,5	(1.070,0)	(1.521,4)	535,5	689,6
	10.847,1	5.399,5	2.311,8	2.747,4	318,1	392,9	(2.223,9)	(2.833,4)	11.253,1	5.706,4
EXPENSES										
Payroll cost	480,8	412,1	263,2	294,7	26,9	65,5	(2,3)	(42,0)	768,6	730,4
Lignite	14,7	21,3	-	-	1,6	19,8	0,0	(0,0)	16,2	41,1
Liquid Fuel	850,1	530,8	-	-	3,1	6,2	(0,0)	(0,0)	853,2	537,0
Natural Gas	1.758,2	910,1	-	-	-	-	-	-	1.758,2	910,1
Depreciation and Amortization	306,1	346,9	313,8	45,6	23,8	41,6	(3,4)	232,2	640,4	666,2
Energy purchases	4.883,8	1.487,6	1.425,8	1.566,0	126,1	157,8	(1.715,4)	(1.924,6)	4.720,2	1.286,7
Materials and consumables	92,2	71,7	26,5	101,3	2,9	7,3	(0,0)	(58,6)	121,5	121,6
Transmission system usage	143,3	129,3	-	-	-	-	-	-	143,3	129,3
Distribution system usage	429,6	220,6	-	-	0,0	-	(429,6)	(220,6)	-	-
Utilities and maintenance	135,9	109,7	129,9	621,5	15,1	20,5	(69,9)	(571,5)	210,9	180,2
Third party fees	116,2	89,0	70,5	61,3	8,0	10,6	(10,3)	(19,2)	184,4	141,8
CO2 emission rights	963,9	573,8	-	-	73,7	125,4	0,0	(0,0)	1.037,5	699,2
Provision for Land restoration	-	-	-	-	-	-	-	-	-	-
Provision for risks	5,8	105,4	(7,5)	3,0	-	4,1	(15,0)	(23,7)	(16,7)	88,8
Provision for slow – moving materials	1,2	24,3	(8,2)	0,9	0,2	0,6	0,0	0,0	(6,8)	25,8
Allowance for doubtful balances	161,7	(108,9)	(0,6)	2,7	0,2	11,5	46,3	35,0	207,5	(59,7)
Loss (Gain) from fi nancial derivatives of commodities	-	-	-	-	-	-	-	-	-	-
Financial expenses	283,9	252,0	47,1	6,4	5,5	2,5	7,9	(1,3)	344,5	259,5
Financial income	(86,0)	(65,2)	(12,3)	(0,3)	(1,1)	(0,5)	43,9	6,7	(55,5)	(59,3)
Devaluation of fi xed assets _lignite	-	88,0	-	-	-	-	-	(88,0)	-	-
Devaluation of fi xed assets	(200,0)	78,7	-	-	2,3	6,2	0,0	22,7	(197,7)	107,6
Extraordinary contribution on electricity generators	245,3	-	-	-	-	-	-	-	245,3	-
Provisions from Devaluation of fi xed assets	-	-	-	-	-	-	-	-	-	-
Other (income) expenses, net	300,3	7,3	38,1	25,1	9,8	3,1	10,1	17,6	358,3	53,1
Loss / (Gain) of associates and joint ventures net	-	-	-	-	(61,7)	(4,3)	0,0	(0,0)	(61,7)	(4,4)
Income from the spin-off the Distribution Network	(790,0)	(52,3)	-	-	-	-	790,0	52,3	-	-
Impairment loss of marketable securities	-	-	-	-	-	-	-	-	-	-
Foreign currency (gain)/loss, net	7,3	1,1	-	-	(0,1)	0,0	0,0	(0,0)	7,3	1,2
	10.104,2	5.233,1	2.286,3	2.728,3	236,3	477,8	(1.347,7)	(2.583,0)	11.279,1	5.856,2
PROFIT / (LOSS) BEFORE TAX	742,9	166,4	25,5	19,1	81,8	(84,9)	(876,2)	(250,4)	(26,0)	(149,8)

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 Law 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 and 162/2019 Decisions of the Regulatory Authority for Energy. Additionally, 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, Supply of Electricity, Supply of Natural Gas, Other (Electromobility and Telecommunications) and Corporate.

On a second level, these activities are presented as follows:

- **Interconnected System**
    - Mines
    - Generation
    - Supply of Electricity
    - Supply of Natural Gas
    - Other

- **System of Crete**
    - Generation
    - Supply of Electricity

- **System of other Non-Interconnected Islands**
    - Generation
    - Supply of Electricity

Mines
Mines include the lignite extraction activity carried out in the Lignite Center 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.

Supply of Electricity
Supply reflects the Company's activity which monitors relationships with final customers of electricity in the Interconnected System, the System of Crete and the System of Non-Interconnected Islands.

Supply of Natural Gas
Supply reflects the Company's activity which monitors relationships with final customers of natural gas in the Interconnected System.

Other
Other include the Electromobility and Telecommunications in the Interconnected System.

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.

<u>Preparation of unbundled trial balances</u>

In the Company's accounting system, each the cost center and the profit center represent 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 center 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.

<u>Preparation of unbundled balance sheets</u>

At the end of each financial year, balance sheets are prepared for each of the four activities, Mines, Generation, Supply of Electricity and Supply of Natural Gas in the Interconnected System as well as balance sheet for Other Activities. In the Crete System and in the Non – Interconnected Islands System the balance sheet includes only the activities of Generation and Supply of Electricity.

The balance sheet for each activity is prepared under the principle of independent accounting.

The accounts of each balance sheet are as follows:

APPENDIX I- UNBUNDLED FINANCIAL STATEMENTS

- 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.

Additionally, 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, Supply of Electricity, Supply of Natural Gas as well as income statement for Other Activities.

Income statements are prepared separately for the Interconnected System, Crete System and Non – Interconnected Islands System. Additionally, the Income Statements of PPC's subsidiaries are depicted separately. Mines, Supply of Natural Gas and Other activities are included only in the Interconnected System.

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.

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.

APPENDIX I- UNBUNDLED FINANCIAL STATEMENTS

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.

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ANALYSIS OF REVENUES – EXPENSES FROM GENERATION AND SUPPLY

	GENERATION		SUPPLY	
	2022	2021	2022	2021
	in millions of €	in millions of €	in millions of €	in millions of €
INCOME				
Energy sales			**11.014,5**	**5.380,0**
Competative charges			7.227,5	3.169,5
Revenue from low voltage sales			*4.768,0*	*2.247,2*
Revenue from medium voltage sales			*1.803,4*	*514,3*
Revenue from high voltage sales			*656,0*	*408,0*
Transmission system usage			150,7	141,7
Revenue from low voltage sales			*116,2*	*112,1*
Revenue from medium voltage sales			*19,4*	*13,7*
*Revenue from high voltage sales**			*15,2*	*15,9*
Distribution system usage			429,6	458,2
Revenue from low voltage sales			*403,1*	*433,4*
Revenue from medium voltage sales			*26,5*	*24,7*
Revenue from other charges			1,1	1,8
Revenue from low voltage sales			*0,9*	*1,5*
Revenue from medium voltage sales			*0,2*	*0,3*
Unbilled revenue and discounts *			2.508,5	847,1
Revenue from PSO			335,9	361,6
Revenue from low voltage sales			*267,8*	*292,8*
Revenue from medium voltage sales			*56,7*	*59,2*
Revenue from high voltage sales			*11,4*	*9,7*
Revenue from the special fee for the reduction of CO2 emissions			361,2	400,1
Revenue from low voltage sales			*321,2*	*349,0*
Revenue from medium voltage sales			*38,7*	*37,1*
Revenue from high voltage sales			*1,5*	*9,1*
Provisions			*(0,1)*	*4,8*
Exports of Energy			***41,2***	***7,1***
Wholesale energy sales	**5.348,0**	**3.590,4**	**62,4**	**42,5**
Sales of energy to wholesale market	*4.662,7*	*2.794,6*		
Sales of energy to HEDNO	*685,3*	*795,8*		
Revenue from covering the generation variable cost recovery				
Transitional Flexibility Assurance Mechanism				
Ancillary services				
Lignite sales		*1,1*		
GREENPASS sales			***0,4***	***0,1***
FIXIT sales			***0,1***	
Gas sales			***4,9***	***1,2***
Other sales			**24,2**	**24,1**
Revenue from reconnection fees			1,7	1,3
Other income from consummers			1,1	1,1
Commission from Municipal Levy and tax			21,4	21,7
EXPENSES			**9.743,8**	**5.056,9**
Purchases of energy- Interconnected System			**8.876,6**	**3.990,3**
Purchases of energy by wholesale market			*8.902,4*	*4.130,1*
Transitional Flexibility Assurance Mechanism				
Coverage of the generation variable cost recovery				*(0,1)*
Charge according to the thermal units' variable cost				*0,2*
Ancillary services				*(0,1)*
Settlement of losses - clearances				*(0,1)*
Non-compliance charges			*0,0*	*0,1*
Fees to EXE			*6,6*	*4,3*
Hedging			*0,4*	*(138,3)*
Hedging other expenses			*0,6*	*1,0*
Charge of electricity suppliers for RES account L.4759/2020				
Other expenses			*(33,4)*	*(6,9)*
Energy imports			**2,4**	**54,9**
Energy purchases from non interconnected islands			**452,8**	**511,9**
Energy purchases from RES			**48,9**	**98,5**
Special fee for the reduction of CO2 emissions			**363,1**	**401,3**
Revenue from the special fee for the reduction of CO2 emissions from interconnected system			*338,0*	*358,3*
Revenue from the special fee for the reduction of CO2 emissions from non interconnected islands			*25,1*	*43,0*

* For the revenue resulting from unbilled and discounts of low voltage, there is no breakdonwn in competative - monopoly charges to customers

F. REPORT ON THE USE OF PROCEEDS

Report on the Use of the Funds raised from the Share Capital Increase for the period 01.01.2022 – 31.12.2022

Pursuant to the provisions of par. 4.1.2 of the Athens Stock Exchange Regulation, the 25/17.7.2008 and the 06.12.2017 decisions of the BOD of the Athens Stock Exchange and the Decision 8/754/14.4.2016 of the Capital Market Commission's BOD, it is disclosed that from the share capital increase of "Public Power Corporation S.A." (the Company) by payment in cash, according to the 19.10.2021 decision of the Extraordinary Shareholders Meeting and with the decision no. 1/934/01.11.2021 of the Board of Directors of the Hellenic Capital Markets Commission regarding the approval of the content of the Prospectus, the total amount of €1,350,000,000 was raised. Issuance costs amounted to €65,926 thousand and decreased the total funds raised. From the Share Capital Increase new common registered shares of 150,000,000 were issued with a subscription value of €9,00 each and of a nominal value of €2.48 each, which were listed for trading in the main market of the Athens Stock Exchange on 16.11.2021. The Board of Directors held a meeting on 11.11.2021 and certified the timely and full receipt of the funds raised from the Share Capital Increase.

As of 31.12.2022, the funds raised were allocated according to the use of proceeds as descripted in the Prospectus as follows:

TABLE OF ALLOCATION OF FUNDS RAISED FROM THE SHARE CAPITAL INCREASE (Amounts in '000€)

A/A	Allocation of Raised funds Based on the Purposes of the Prospectus (Section 16.2. Reasons for the Share Capital Increase and use of proceeds of the Prospectus)	Raised Funds according to the Prospectus	Allocated funds for the period 16.11.2021 and up to 31.12.2021	Allocated funds for the period 01.01.2022 and up to 31.12.2022	Total allocated funds for the period 16.11.2021 up to 31.12.2022	Unallocated funds as of 31.12.2022
1	Allocation of up to €1,284,000 of approximately €3,200,000 that the Company has budgeted for capital expenditures on renewable energy projects through 2024, including hydroelectric power generation and projects in adjacent markets, aiming to reach an installed RES capacity of 7.2 GW by 2024	-	-	85,356	85,356	-
2	Allocation of up to €1,284,000 of approximately €1,700,000 the Company has budgeted for capital expenditures through 2024 on conventional power generation, supply business unit, the construction of a waste-to-energy plant, digitalization, telecommunications, electric vehicle charge-points.	-	-	158,467	158,467	-
3	Allocation for other general corporate and other investment purposes of amounts that are not material for the Group's financial conditions and to the extent reasonably necessary.	-	-	-	-	-
	Total	**1,284,074**	**-**	**243,823**	**242,923**	**1,040,251**
	Plus: Issuance costs	65,926	65,926	-	65,926	-
	Grand Total	**1,350,000**	**65,926**	**243,823**	**308,849**	**1,040,251**

According to the provisions of the decision no. 25 of the Management Committee of the Athens Exchange, the funds used by the Company during the period 01.01.2022 – 31.12.2022 per investment category with Serial Number: 1-3 as depicted in the above table, correspond to cash outflows and not expense accounting entries.

Regarding the investment No 1 of the table, it is noted that the Company proceeded to a capital increase of the 100% subsidiary “PPC Renewables S.A.” of an amount of €300,000, with issuance costs amounting to €1,800 “PPC Renewables S.A.” manages the Renewable Energy Sources portfolio of PPC Group (excluding large Hydropower Plants). Further, "PPC Renewables S.A." entered into an agreement to purchase 100% of the shares of subsidiary companies of Volterra (100% subsidiary of AVAX). More specifically, "PPC Renewables S.A." acquired 55% of the shares of "Volterra K-R SA" and "Volterra LYKOVOUNI SA", in which it was already a 45% shareholder in each company since 2019. "Volterra K-R SA" and "Volterra LYKOVOUNI SA" have in operation wind farms with a total capacity of 69.7 MW in Aitoloakarnania and Boeotia. Also, "PPC Renewables S.A." acquired 100% of " Heliofaneia SA" which owns an operational photovoltaic park of a capacity of 2.7 MW in Viotia, as well as the companies "Volterra DOUKAS SA" and "Volterra KOUKOULI SA" which hold licenses to install wind farms of a total capacity of 39.5 MW, whose construction is going to start immediately in Western Macedonia The total price paid for the acquisition of the five (5) companies amounted to €59,670. Finally, the Parent Company during 2022 proceeded to investments relating to hydropower electricity production for an amount of €3,864.

Regarding the investment No 2 of the table, it is noted that the Company proceeded to investments relating to: a) electricity production from lignite fired plants (mainly for the new Ptolemaida V unit) amounting to €111,083, b) electricity production through conventional means in the Non Interconnected Islands amounting to €26,664 and c) improvements to existing gas-fired electricity production plants and various reconstructions of plant buildings amounting to €10,274 d) supply activity and electromobility amounting to €6.709. Also, PPC proceeded within 2022 in acquisitions of subsidiaries and paid the amount of € 3,739 and specifically of " Alexandroupolis Electricity Production Sole Shareholder S.A." and "NVISIONIST S.A.". The new subsidiary Alexandroupolis Electricity Production Sole Shareholder S.A. is planning the construction and operation of a new natural gas-fired power plant, with a nominal capacity of 840 MW, in Alexandroupoli, while NVISIONIST S.A. specializes in software systems serving RES companies.

It is clarified that the temporarily unused funds are kept at bank accounts in the name of the Company and its subsidiary companies.

Athens, March 23 2023

CHAIRMAN AND CHIEF EXECUTIVE OFFICER	VICE CHAIRMAN	CHIEF FINANCIAL OFFICER	ACCOUNTING DEPARTMENT DIRECTOR
GEORGIOS I. STASSIS	PYRROS D. PAPADIMITRIOU	KONSTANTINOS A. ALEXANDRIDIS	STERGIOS A. TSIFOTOUDIS