June ’19

annual report

POWER PUBLIC CORPORATION S.A.

01.01.18 - 31.12.18

annual report

POWER PUBLIC CORPORATION S.A.

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annual report


IKARIA HYBRID ENERGY PROJECT “NAERAS”

1
Selected Financial Data

Summary financials (€ mil.)

	GROUP from continuing operations			PARENT COMPANY from continuing operations		
	2018	**2017**	**Δ%**	**2018**	**2017**	**Δ%**
Total Revenues	4,741.6	4,943.9	-4.1%	4,593.2	4,846.6	-5.2%
EBITDA	216.5	828.8	-73.9%	219.3	769.4	-71.5%
EBITDA margin	4.6%	16.8%		4.8%	15.9%	
Profit/(Loss) Before Taxes and Fin. Expenses (EBIT)	(431.6)	236.9		(412.3)	196.5	
EBIT margin	-9.1%	4.8%		-9.0%	4.1%	
Net Income / (loss)	(542.0)	127.6		(529.0)	297.6	
EPS/(loss) (in €)	(2.34)	0.55		(2.28)	1.28	
Number of shares (mil.)	232	232		232	232	

Summary Balance Sheet and Capex (€ mil.)

	GROUP			PARENT COMPANY		
	2018	**2017**	**Δ%**	**2018**	**2017**	**Δ%**
Total Assets	14,112.7	15,358.3	-8.1%	13,482.4	14,740.9	-8.5%
Net Debt	3,744.8	3,957.2	-5.4%	3,814.7	4,046.2	-5.7%
Total Equity	3,943.1	5,610.5	-29.7%	3,825.0	5,477.9	-30.2%
Capital Expenditure	746.7	410.7	81.8%	687.7	406.1	69.3%

The years 2017 and 2018 do not include IPTO figures (whose full ownership unbundling from PPC was completed in 2017) and the income from its sale as well as the figures of “Lignitiki Melitis S.A.” and "Lignitiki Megalopolis S.A.".

KOMOTINI THERMAL POWER PLANT

2 Company Information

2.1 GENERAL INFORMATION

PPC was incorporated as a Societe Anonyme on January 1st 2001, under the Liberalisation Law (2773/1999). Until January 2001, PPC was wholly owned by the Hellenic Republic.
The corporate seat is in the Municipality of Athens, Greece. PPC's executive offices are at 30, Chalkokondyli Street, 104 32 Athens, Greece.
In accordance with article 3 of the Articles of Incorporation, as in effect on 31.12.2018, the objective of the Company is:

a. The engagement in commercial and industrial activities in the energy sector, in Greece and abroad. These activities shall include, but not be limited to:

- the engagement in commercial and industrial activities in the electricity sector, in Greece and abroad,
- the design, supervision, construction, exploitation, maintenance and operation of power plants,
- the supply and sale of electricity as well as of energy products and services,
- the extraction, production, supply and sale of energy raw materials,
- the assignment to third parties, by virtue of contract, of any activity similar to those set forth herein above,
- the operation or management of privately-owned vessels or vessels owned by third parties, under Greek or foreign flag having as sole objective the transportation of liquid fuels.

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

c. The establishment of companies, the participation in joint ventures, as well as the acquisition of shares of other companies, Greek or foreign, and, in general, the participation in enterprises pursuing aims similar to those under a) and b) of the present paragraph or the activities of which (enterprises) are directly or indirectly related to the objective of the company or whose objective is the profitable use of the movable or immovable assets of the company and the development of its resources, including the participation in public tendering procedures of Contracts for Public - Private Partnerships (PPPs), as well as the establishment or participation in the share capital of Special Purpose Companies within the framework and in execution of PPPs.

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

The company may engage in any other action or activity in order to fulfill its objectives within the scope of the Articles of Incorporation and of the standing provisions, in any commercial or other activity and perform any material or legal act, directly or indirectly connected with its objectives.

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

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

BRANCH OF ECONOMIC ACTIVITY (STAKOD 08)	TOTAL REVENUES 01.01.2018 - 31.12.2018 (from continuing operations)
«Generation, transmission and distribution of electricity», 35.1	€ 4,741.6 mil.

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

2.2 HISTORICAL BACKGROUND

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

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

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

By virtue of Law 2773/1999 concerning the liberalization of the electricity market and pursuant to the Presidential Decree 333/2000, PPC, as of January 1st 2001, was converted into a societe anonyme wholly owned by the Greek State having as main purpose the generation and supply of electricity.
In December 2001, following an increase of share capital and an offering of existing shares held by the Hellenic Republic, PPC's shares were listed on the Athens Stock Exchange. In parallel, Global Depository Receipts (GDRs) were admitted to London Stock Exchange. As of November 29, 2017, at the request of the Parent Company, GDRs were deleted and their trading on the London Stock Exchange ceased.
The Hellenic Republic further reduced its stake in PPC through secondary offerings in December 2002 and October 2003.

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

After the spin-off of the Transmission and the Distribution segments, two 100% subsidiaries of PPC were created, namely IPTO S.A. (Independent Power Transmission Operator S.A.) and HEDNO S.A. (Hellenic Electricity Distribution Network Operator S.A.). IPTO S.A. is responsible for the management, operation, maintenance and development of the Hellenic Electricity Transmission System and its interconnections, while HEDNO S.A. is responsible for the management, operation, development and maintenance of the Hellenic Electricity Distribution Network.

On June 20th 2017, the full ownership unbundling of IPTO SA was completed as provided for in articles 142 et seq. of Law 4389/2016.

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

2.3 OVERVIEW OF COMPANY'S ACTIVITIES

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

PPC holds assets in lignite mines, power generation and distribution. The installed capacity of its power plants is 11.3 GW and accounts for approximately 54.3% of the installed capacity of power stations in Greece (excluding 930 MW of its two lignite subsidiaries to be divested Lignitiki Melitis S.A. and Lignitiki Megalopolis S.A.). Its power portfolio consists of conventional thermal plants (lignite, gas and oil fired), and hydroelectric power plants, as well as Renewable Energy Sources (RES) installations. PPC is the owner of the Distribution Network (Medium and Low voltage of approximately 240,000 km and High Voltage of approximately 1,000 km) which is operated by its 100% subsidiary, the Hellenic Distribution Network Operator S.A. (HEDNO S.A.).

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

The Hellenic Electricity Transmission System, often referred to as the "Interconnected System", spreads over the mainland of Greece. The Ionian islands, along with certain Aegean islands, are also included in the Interconnected System, to which they are connected through submarine cables.
In the Interconnected System, approximately one third of the generation capacity is located in northwestern Greece, in close proximity to the lignite mines, which are the primary fuel source. In the last few years, two new, state of the art gas-fired plants were constructed, namely Aliveri V and Megalopolis V, in the southern part of the Interconnected System as well as the new hydroelectric power plant of Ilarion.
All remaining islands, which are referred to as the"Non-Interconnected Islands", are served by autonomous oil-fired power plants. In most of the islands, demand is also covered by RES. The largest power plants in the Non-Interconnected Islands are located in Crete and Rhodes (with total thermal capacity exceeding 1,150 MW).

In 2018, PPC's generation of 27.4 TWh coupled with the 2.4 TWh that it imported, covered 47.9% of total demand. PPC's energy mix comprised of generation from lignite (40.6%), oil (16.8%), natural gas (23.2%), hydroelectric (18.5%) and renewable energy sources (0.9%).
The nearly 6.9 mil. customers of PPC, consumed 81.9% of the total electricity supplied to end-customers in Greece in 2018.

PPC remains by far the largest private investor in the country with total investments exceeding EUR 3.4 billion during the last five years, which contribute to the renewal of its generation potential and are expected to improve significantly the financial results of the company in the coming years.

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

Within this framework, it is building strategic partnerships in Greece and abroad, investing in state of the art environmentally friendly units, with the focus being on Renewables. Until 2030 the strategic plans of the company will involve the construction and acquisition of RES with a capacity of at least 2 GW, which is translated into an increase of the respective current capacity fifteen times. In order to fulfil this goal, PPC proceeds to broad organizational changes for the dynamic development of its portfolio in RES projects. Moreover, PPC is focused on investments on Distribution Network projects given their stable return. Furthermore, it aims at being active in new products and services and in particular in Natural Gas.

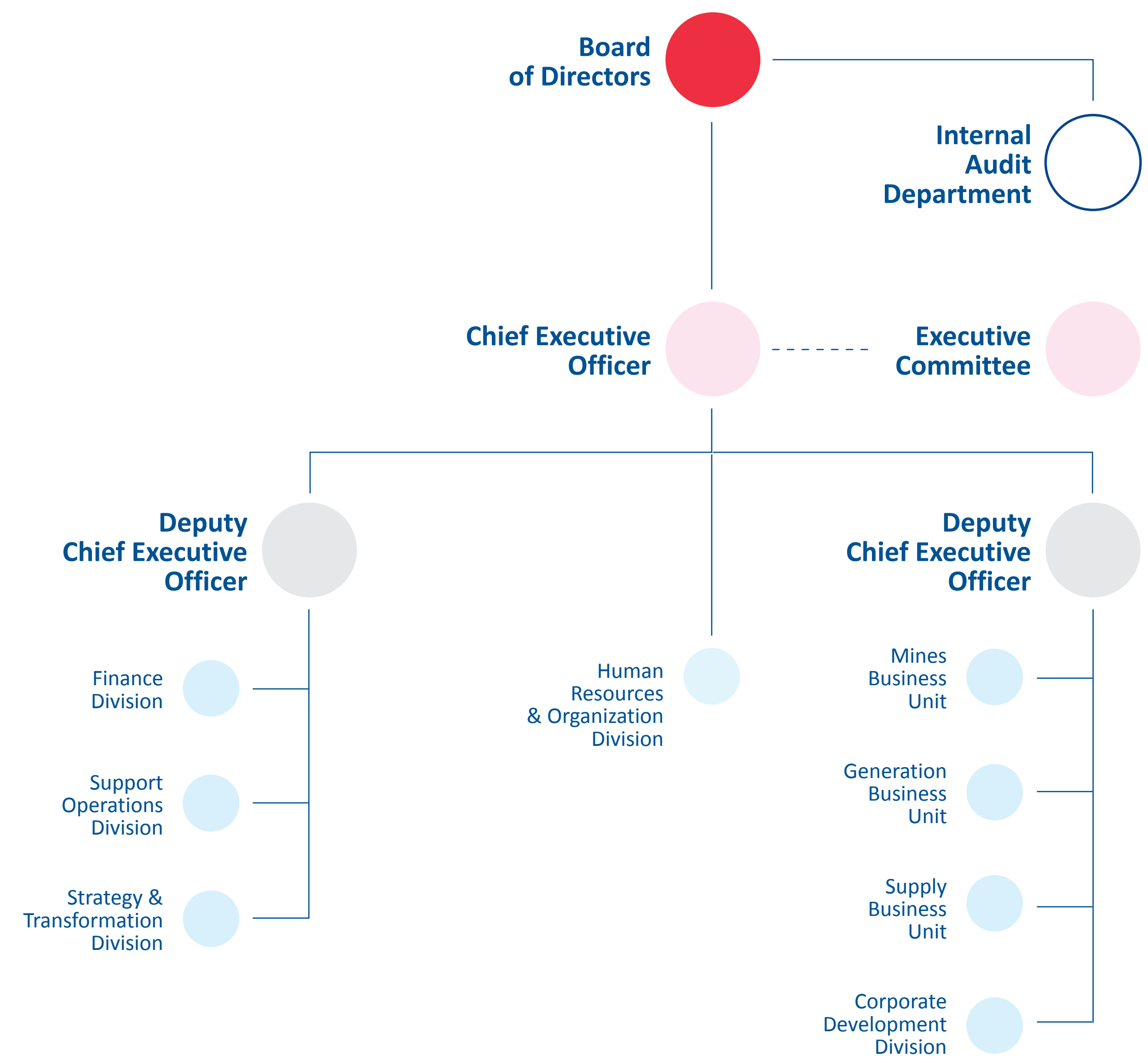
The following table shows selected PPC's operating data for the years 2016, 2017 and 2018:

YEAR ENDED 31st DECEMBER	2018[1],[2]	2017[1]	2016
Installed Capacity (GW)	11.3	12.1	12.1
Percentage of Total Installed Capacity in Greece[3]	54.3%	59.5%	60.3%
Net Generation (TWh)[4]	27.4	32.6	30.3
Generation Market Share[5] (average annual)	53.8%	63.0%	62.7%
Electricity sold to end customers (TWh)[6]	40.9	43.8	45.6
Supply market share[7] (average annual)	81.9%	86.7%	91.8%
Customers (in mil.)	6.9	7.2	7.3
Number of employees on payroll	15,526	17,519	18,902

(1) The years 2017 and 2018 do not include figures for IPTO (whose full ownership unbundling from PPC was completed in 2017).
(2) 2018 does not include the figures for "Lignitiki Melitis S.A." and "Lignitiki Megalopolis S.A."
(3) Installed capacity of PVs household installations is included in the relevant figures.
(4) Net electricity generation equals gross generation of electricity less energy consumed internally in the generating process.
(5) Generation market share is defined as the percentage of the electricity generated by PPC over the total electricity generated in Greece each year.
(6) Including domestic sales and exports.
(7) Supply market share is defined as the percentage of the electricity supplied by PPC to end-customers in Greece over the total electricity supplied to end-customers in Greece each year.

3
Organizational structure, Management - Corporate Governance, Employees

3.1 ORGANIZATIONAL STRUCTURE (on 31.12.2018)



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

3.2 MANAGEMENT - CORPORATE GOVERNANCE

The corporate governance is a system of principles, based on which the optimum organization, administration and operation of the société anonyme, as well as the transparency in its relations with the shareholders and in general the safeguarding of the corporate interest are pursued.

The observance of the principles of corporate governance constitutes an essential commitment and priority of PPC SA, in view of its important role in the Greek economy.

PPC has drawn up and implements of its own free will its Code of Corporate Governance. Said Code was updated in February 2018.The main parts of the Code of Corporate Governance applicable to PPC are the following:

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

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

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

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

The Board of Directors on 31.12.2018 consisted of:

Name	Position
Panagiotakis Emmanouil	Chairman BoD-CEO/Executive Member
Andriotis George	Vice Chairman BoD/Independent-Non Executive Member
Members	
Tzanninis Dimitri	Executive Member
Vassilakis Dementrios	Independent-Non Executive Member
Venieris Georgios	Independent-Non Executive Member
Karaleftheris Pantelis	Non Executive Member/Representative Of Employees
Papageorgiou Christos	Independent-Non Executive Member
Stathakis Lazaros	Non Executive Member
Topalis Frangiskos	Independent-Non Executive Member
Founti Maria	Independent-Non Executive Member
Fotopoulos Nikolaos	Non Executive Member/Representative Of Employees

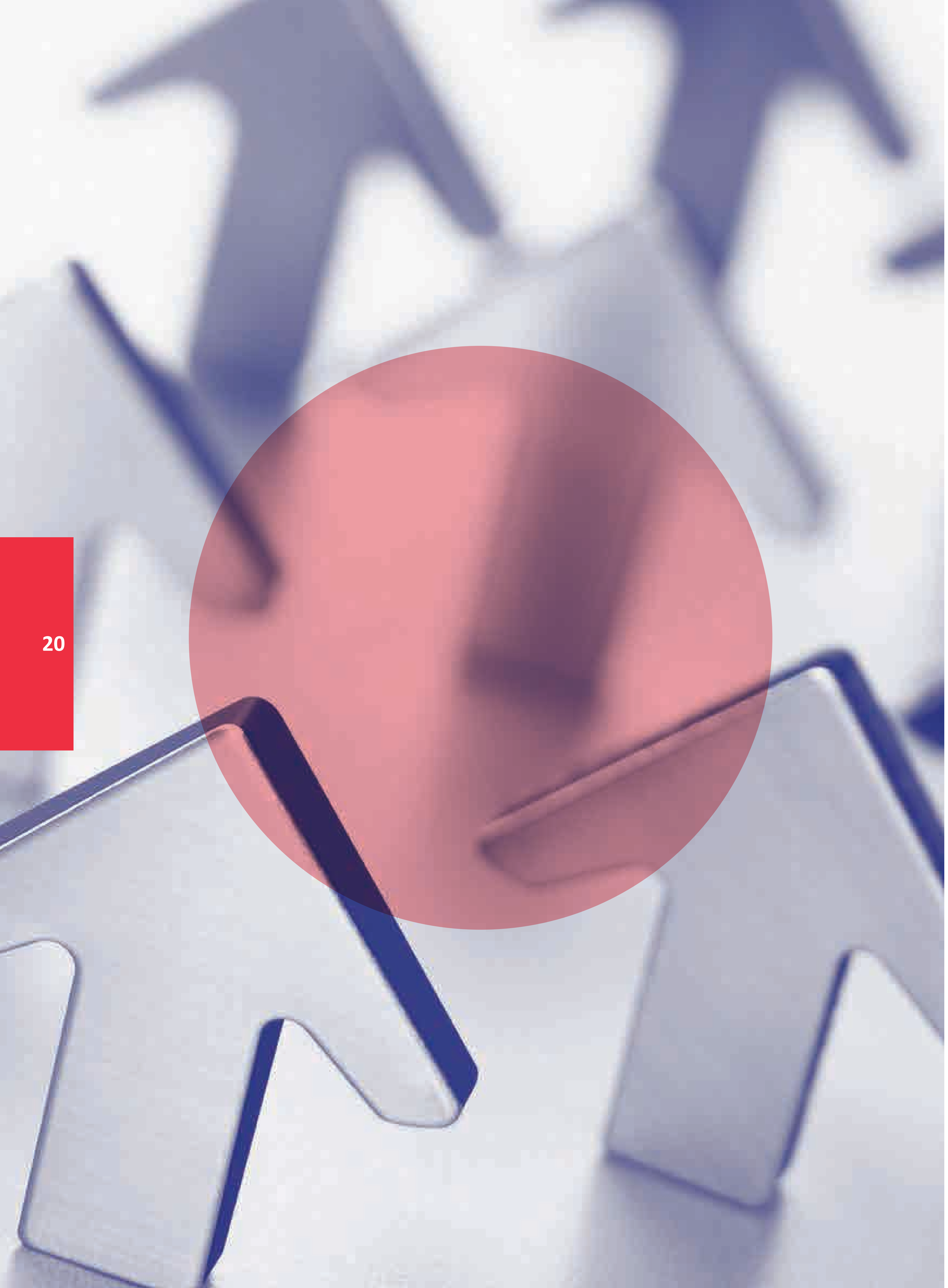
PPC S.A.'s updated Board of Directors composition is posted on the company's website:
Home Page/PPC/Investor Relations/Company Organization/PPC S.A. Board of Directors

3.3 EMPLOYEES

PPC's Group full time employees on the 31st of December of the years 2018 and 2017, are presented by company and activity on the following table:

	2018	2017
PPC S.A.		
Mines	2,569	3,445
Generation	3,961	4,731
Supply	975	968
Administration	1,512	1,513
TOTAL on December 31st	**9,017**	**10,657**
HEDNO S.A.	6,445	6,795
PPC RENEWABLES S.A.	64	67
LIGNITIKI MELITIS S.A.(1)	225	-
LIGNITIKI MEGALOPOLIS S.A.(1)	996	-
TOTAL on December 31st (GROUP)	**16,747**	**17,519**

(1) The personnel that for 2018 is allocated to Lignitiki Melitis S.A. and Lignitiki Megalopolis S.A., for 2017 is included in the activities of Mines, Generation and Administration.



4
Share Capital - Dividend

4.1 SHARE CAPITAL

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

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

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

4.2 SHAREHOLDING STRUCTURE

The Company's shareholding structure as of the 31st of December 2018 was as follows:

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

(1) On April 8, 2014, the Greek Biministerial committee for restructurings and privatizations decided the transfer, without consideration, of 39,440,000 ordinary shares with voting rights corresponding to 17% of the existing share capital of PPC S.A, by the Hellenic Republic to the HRADF, pursuant to the provisions of Law 3986/2011. On April 9, 2014, the transfer of said shares by the Hellenic Republic to the HRADF was effected, following execution of an over-the-counter transaction and was announced on 11.4.2014. A transfer of 79,165,114 PPC shares (namely 34.123%) by the Greek State to the HCAP was completed on March 20, 2018, by law and without consideration, according to para. 20, article 380 of L. 4512/2018, as amended para. 1 of article 197 of L. 4389/2016. Consequently, HCAP participates directly with 34.123% in PPC's share capital and indirectly with 17% through the HRADF, which is a subsidiary of HCAP. The total voting rights of HCAP amount to 51.123%. The Greek State owns 100% of voting rights in HCAP. Based on the above, the total percentage of the Hellenic Republic remains indirectly at 51.123%.
(2) On 06.03.2018 the transfer of shares of the integrated insurance agencies to the Greek Single Social Security Institution (EFKA) was completed.
(3) Including the total holdings of the company Silchester International Investors LLP which according to its statement of December 8, 2011, amounted to 32,024,558 shares or 13.8% of PPC's voting rights, in its capacity as investment manager for its following clients:
- Silchester International Investors International Value Equity Trust,
- Silchester International Investors International Value Equity Taxable Trust,
- Silchester International Investors International Value Equity Group Trust,
- Silchester International Investors Tobacco Free International Value Equity Trust,
- The Calleva Trust.

REGULATING RESERVOIR, STRATOS HYDROELECTRIC POWER PLANT

On 31.12.2018, the Company was not aware of any shareholders, other than the HCAP, HRADF, the Silchester International Investors LLP, the Horizon Growth Fund N.V. and jointly EFKA and TAYTEKO / TEAPAP - PPC (PPC's Pension Funds), which held directly an amount greater than or equal to 3% of its share capital.

On 31.12.2018 the Members of the Board did not hold PPC shares.

4.3 DIVIDEND

Taking into account that the Company recorded losses for the financial year 2018, the BoD will propose to the Annual General Meeting of the Shareholders of PPC not to distribute a dividend for 2018.

5
Subsidiaries and Associates

The following table presents the participation of PPC S.A. in other companies as of 31.12.2018:

PPC S.A.	Ownership 31.12.2018
HEDNO S.A.	100%
PPC RENEWABLES S.A.	100%
PPC FINANCE PLC	100%
PPC BULGARIA JSCo	85%
PPC ELEKTRIK TEDARIC VE TICARET A.S.	100%
PPC ALBANIA Sh.A.	100%
EDS DOO SKOPJE	100%
LIGNITIKI MELITIS S.A.	100%
LIGNITIKI MEGALOPOLIS S.A.	100%
WASTE SYCLO S.A.	49%
PPC SOLAR SOLUTIONS S.A.	49%
PPC RENEWABLES S.A.	**Ownership 31.12.2018**
ARKADIKOS ILIOS ENA S.A.	100%
ARKADIKOS ILIOS DIO S.A.	100%
ILIAKO VELOS ENA S.A.	100%
AMALTHIA ENERGIAKI S.A.	100%
SOLARLAB S.A.	100%
ILIAKA PARKA DITIKIS MAKEDONIAS ENA S.A.	100%
ILIAKA PARKA DITIKIS MAKEDONIAS DIO S.A.	100%
PHOEBE ENERGY PHOTOVOLTAICS S.A	100%
GEOTHERMIKOS STOCHOS S.A.	100%
WINDARROW MOUZAKI ENERGY S.A.	100%
PPC RENEWABLES ROKAS S.A.	49%
PPC RENEWABLES TERNA ENERGIAKI S.A.	49%
PPC RENEWABLES NANKO ENERGY–MYHE GITANI S.A.	49%
PPC RENEWABLES MEK ENERGIAKI S.A.	49%
PPC RENEWABLES ELTEV AIFOROS S.A	49%
PPC RENEWABLES EDF EN GREECE S.A.	49%
EEN VOIOTIA S.A.	46.6%
AIOLIKO PARKO LOYKO S.A.	49%
AIOLIKO PARKO BAMBO VIGLIES S.A.	49%
AIOLIKO PARKO KILIZA S.A.	49%
AIOLIKO PARKO LEFKIVARI S.A.	49%
AIOLIKO PARKO AGIOS ONOUFRIOS S.A.	49%
RENEWABLE ENERGY APPLICATIONS LTD	49%
OROS ENERGIAKI S.A.	49%
ATTICA GREENESCO ENERGIAKI S.A.	49%
EDS DOO SKOPJE	**Ownership 31.12.2018**
EDS DOO BELGRADE	100%
EDS INTERNATIONAL SK SRO	100%
EDS INTERNATIONAL KS LLC	100%

B’

part B’

Financial Report

1
Financial Report

January 1st 2018 - December 31st 2018

The attached Financial Report of the fiscal year 2018, has been established **according to article 4 of Law 3556/2007 and the executive Decisions of the Board of the Hellenic Capital Market Commission**, has been approved by the Board of Directors of "Public Power Corporation S.A." on April 23rd 2019, and is available for the investors, on the internet, at the web site address www.dei.gr.

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

A
Statement of Members of the Board of Directors

Statement of Members of the Board of Directors

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

1. Emmanouil Panagiotakis, Chairman and C.E.O. of P.P.C. S.A.
2. Georgios Venieris, Member of the Board of Directors,
3. Christos Papageorgiou, Member of the Board of Directors,

hereby

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 2018, which were prepared according to the International Accounting Standards – currently in effect- as adopted by the European Union, are truthfully depicting 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 that they have to deal with.

Athens, April 23rd 2019

Chairman and C.E.O.
Emmanouil Panagiotakis

Member of the Board
Georgios Venieris

Member of the Board
Christos Papageorgiou

B
Executive Summary of the Board of Directors

Executive Summary of the Board of Directors for the Fiscal Year 2018

Dear Shareholders,

Following the end of the Public Power Corporation's seventeenth 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 2018, as well as, our comments on the respective statements. Furthermore, we submit for approval the unbundled financial statements for the year 2018 (Appendix I of the Annual Financial Statements) according to the provisions of L. 4001/2011 art. 141 and the approved by the Regulatory Authority of Energy, methodology of accounting unbundling.

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

Based on L. 4548/2018, as applies, PPC S.A. prepared the financial statements for the year ended December 31st 2018 (seventeenth 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 2018, 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 2018.
All detailed amendments in the current legal framework are presented in Note 2 to the Financial Statements.

PPC Group 2018 financial results
For comparability reasons, commenting on figures refers to continuing operations, that is not including IPTO figures and the income from its sale for 2017 and the figures of "Melitis Lignite S.A." and "Megalopolis Lignite S.A." for 2017 and 2018.

(in € m)	**2018**	**2017**	**Δ (%)**
Turnover (1)	4,741.6	4,943.4	-4.1%
Operating expenses (2)			
Fuel, CO_2 emissions rights and energy purchases expenses	3,129.2	3,013.5	3.8%
Payroll expenses	722.5	743.9	-2.9%
Provisions and Other expenses	629.8	717.0	-12.2%
EBITDA (excluding one - offs) (3)=(1)-(2)	260.1	469.0	-44.5%
EBITDA margin (4)=(3)/(1)	5.5%	9.5%	
One offs (5)			
Provision for personnel's severance payment	(148.8)	-	
Settlement of the Renewables levy (ETMEAR) for the years 2012, 2013 and 2016	105.2	-	
Revenue from PSOs for the years 2012-2016	-	359.8	
EBITDA (6)=(3)+(5)	216,5	828.8	-73.9%
EBITDA margin (7)=(6)/(1)	4.6%	16.8%	
Depreciation, total net financial expenses, share of profit/(losses) in associated companies (8)	725.6	683.5	
Pre-tax profits / (Losses) excluding one – offs (9) = (3) - (8)	(465.5)	(214.5)	
Pre-tax profits / (Losses) (10) = (6) - (8)	(509.1)	145.3	
Net income / (Loss) (11)	(542.0)	127.6	

For further information regarding definitions of ratios included in abovementioned figures, please refer to the Financial Report for the twelve - month period ended December 31, 2018 (Report of the Board of Directors – Appendix)
The operational profitability of 2018 has been positively impacted by the significant improvement of € 198.6 m due to reversal of bad debt provisions for electricity customers (reversal by € 169.7 m in 2018 compared to provisions of € 28.9 m in 2017) and the decrease in payroll by € 21.4 m. Furthermore, profitability was positively impacted by a € 157.2 m reduction of the electricity suppliers' charge for the Special Account for Renewables compared to 2017. This charge was abolished as of 1.1.2019.
A rebate for PPC, which is estimated to be in the order of € 100 m., is expected from the surplus of the Special Account for Renewables, that had been created at the end of 2018. Finally, there was a positive effect from the decrease of net financial expenses by € 16.8 m. due to the reduction of gross debt.
On the other hand, there was a negative impact from turnover reduction by € 201.8 m or 4.1% due to market share loss and the reduction in domestic electricity demand. Furthermore, there was a significant negative impact from exogenous factors and specifically from the higher expenditure for CO_2 emission rights (by € 137.9 m.) as well as from the notably higher net impact from "NOME" auctions (by € 151.6 m.), with the impact from both these factors intensifying in the second half of 2018.
Results for 2018 were negatively impacted by an additional provision of € 109.5 m, for overdue interest that IPTO claims from PPC due to its participation in the wholesale electricity market, out of which € 78.7 m through an extrajudicial document and € 30.8 m. through lawsuits. The respective amount in 2017 was € 32.7 m.
The above factors led to the reduction of EBITDA to € 260.1 m in 2018 compared to € 469 m in 2017, that is a reduction by 44.5% or € 208.9 m.

On top of the above, the Group's results for 2018 have been impacted from the following one-offs:
- the provision for personnel's severance payment amounting to € 148.8 m which corresponds to the present value of the obligation undertaken by PPC and its subsidiary HEDNO due to the abolition since April 2018 (L. 4533/2018) of the offsetting of employees' severance payment amounting to € 15,000 in case of termination of their contract with the one–off allowance to which employees are entitled to by the relevant insurance organization (negative impact)
- the final settlement of the Renewables levy (ETMEAR) for the years 2012, 2013 and 2016, amounting to € 105.2 m. (positive impact)

Regarding 2017 results, these have been positively impacted by the one off revenue of € 359.8 m. for PSOs for the years 2012-2016.
Including the above mentioned one-offs, 2018 EBITDA amounted to € 216.5 m. compared to € 828.8 m in 2017.
Pre - tax losses, excluding the above mentioned one-offs, amounted to € 465.5 m compared to € 214.5 m in 2017. Including one-offs, pre - tax losses, amounted to 509.1 m. compared to net income of € 145.3 in 2017, while net loss amounted to € 542 m. compared to net income € 127.6 m., respectively.

ANALYSIS OF REVENUES – OPERATIONAL EXPENSES

Revenues

In 2018, turnover decreased by € 201.8 m. or 4.1% due to lower revenues from electricity sales by € 335.4 m or 7.3%, as a result of market share loss and the reduction in domestic electricity demand.
Domestic electricity demand decreased by 1.2% to 57,122 GWh compared to 57,845 GWh in 2017. However, total electricity demand (including pumping and exports) marked an increase in 2018 by 2.2% due to increased exports from third parties by 75.2% through interconnections in northern Greece. This increase in exports is mainly attributed to the export of quantities acquired by third parties through "NOME".

PPC's average retail market share in the country, declined to 81.9% in 2018, compared to 86.7% in 2017. In particular, the average retail market share in the Interconnected System was contained to 80.3% in December 2018 from 85.4% in December 2017, while PPC's average market share, per voltage, was 97.6% in High Voltage, 68% in Medium Voltage and 82.1% in Low Voltage compared to 97.3%, 71.5% and 88.5% in December 2017, respectively.
As a result of the reduction of market share and lower demand, PPC electricity sales decreased by 6.6% in 2018.

Operating Expenses

Operating expenses before depreciation excluding for 2018 the one – off impact from the provision for the personnel's severance payment as well as the final settlement of the Renewables levy (ETMEAR) and for 2017 the revenue from PSOs for previous years (2012-2016), marked a slight increase by € 7.1 m. as presented below.

Operating data (generation – imports)

PPC's electricity generation and imports covered 47.9% of total demand in 2018 (44.3% in the Interconnected System), while the corresponding percentage in 2017 was 49.4% (45.6% in the Interconnected System). PPC's market share in electricity generation, as a percentage of the total load of the Interconnected System was 40.1% in 2018 compared to 42.2% in 2017.

Specifically, PPC's electricity generation decreased by 779 GWh (2.8%), which was mainly attributed to the decreased natural gas fired units' generation by 16.9% (1,294 GWh) as well as lignite fired units' generation by 7% (840 GWh) unlike hydro generation which in 2018 increased by 46.2% (1,595 GWh) compared to 2017, due to higher hydro inflows in the Reservoirs of Hydro Power Plants.

Electricity imports in the country increased by 23.6% or by 2,143 GWh, out of which 506 GWh by PPC (21.4% market share) and 1,637 GWh by Third Parties (78.6% market share).

Energy mix expenditure

Expenditure for liquid fuel, natural gas, third parties fossil fuel, CO_2 energy purchases and for the Special Lignite Levy increased by € 115.7 m. (3.8%) compared to 2017.

In detail:

- Liquid fuel expense marginally increased by € 8.6 m. (1.3%), from € 650.9 m. in 2017 to € 659.5 m. in 2018 since despite decreased consumption of liquid fuel in the Non Interconnected Islands due to the Cyclades interconnection, both heavy fuel oil and diesel prices were increased by 19.5% and 10.4% respectively. It is noted that the relevant expense in 2017 was negatively impacted by an amount of approximately € 30 m. due to the operation of the natural gas fired units of Komotini and Lavrio IV with oil, in order to address the energy crisis in the winter period of 2017, a cost for which PPC has not been compensated yet.

- Natural gas expense, despite the increase of its price by 9.3%, decreased by 6.2% to € 383.6 m. from € 409.1 m. in 2017 mainly due to the decrease of natural gas electricity generation.

- Energy purchases expense from the System (mainland) and the Network (non-interconnected islands) decreased by only € 13.1 m. to € 1,711.9 m. because despite the lower volume of energy purchases by 14.8% and the lower expense from the additional charge of electricity suppliers for the Special Account for Renewables (which amounted to € 196.3 m. in 2018 compared to € 353.5 m. in 2017), there was an increase in the System Marginal Price (SMP) (from € 54.7/MWh to € 60.4/MWh) as well as a higher negative impact from "NOME" auctions. Specifically, this negative impact amounted to € 223.8 m. for 2018, an increase of € 151.6 m. compared to 2017. The negative effect from "NOME" intensified in the second half of 2018 with the impact amounting to € 178.1 m. compared to € 45.7 m. in the first half, while it is worth noting that in several cases the "NOME" quantities exceeded the sum of PPC's lignite and hydro generation, something which is expected to be the case also in 2019.

- Expenditure for CO_2 emission rights increased to € 279.5 m. compared to € 141.6 m. in 2017 due to the increase in the CO_2 emission rights' average price from € 5.71/tn to € 11.93/tn, despite lower emissions (23.4 m. tones compared to 24.8 m. tones). It is noted that for 2018, as a result of the acquisition in advance of certain CO_2 emission rights, the average price was contained to a lower level compared to the average spot price (€ 15.89/tn).

Payroll cost

Total payroll cost including capitalized expense decreased by € 23.6 m. to € 790.5 m. in 2018 from € 814.1 m. in 2017, as a result of natural attrition.

Provisions

In 2018 the Company's actions for the improvement of collection led to the decrease of overdue receivables and the reversal of bad debt provisions for electricity customers by € 169.7 m., whereas in 2017 bad debt provisions stood at € 28.9 m. Such development had a positive impact of € 198.6 m. on 2018 results.
Provisions for litigation and slow moving materials, amounted to € 114.3 m. compared to € 50.3 m. in 2017, due to the € 109.5 m. provision, for overdue interest that IPTO claims from PPC.

Financial expenses

In 2018, net financial expenses decreased by € 16.8 m. and settled at € 79.3 m., due to the reduction of gross debt from € 4,304.5 m. on December 31st 2017 to € 4,023.7 m. on December 31st 2018.

CAPEX

Capital expenditure, amounted to € 746.7 m. in 2018 compared to € 410.7 m. in 2017. This increase is mainly attributed to increased Generation capex for the construction of the "Ptolemais V" unit (by € 280 m. approximately), the increase in RES capex amounting to € 50 m. as well as the increased capex in the Distribution Network.
Distribution Network capex also includes investments financed by consumers for their connection to the network, which for 2018 amounted to € 61.9 m. compared to € 55.6 m. in 2017.

The composition of main capex is as follows:

(in € m)	2018	2017	Δ
Mining projects	67.8	83.8	(16.0)
Conventional Generation	450.4	176.7	273.7
RES projects	52.5	1.5	51.0
Distribution network	168.6	141	27.6

NET DEBT

Net debt stood at € 3,744.8 m. on December 31st 2018, a reduction of € 212.3 m. compared to December 31st 2017. PPC is currently exploring its opportunities to access the international debt capital markets, all subject to prevailing market conditions.

Net Debt evolution

(in € m)	31.12.2018	31.12.2017
Gross Debt (1)	4,023.7	4,304.5
Cash and cash equivalents / Restricted cash(*) / Other financial assets (2)	278.9	347.3
Net Debt (3) = (1) - (2)	3,744.8	3,957.2

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

Capital Expenditure Program of Business Units.

Total capital expenditure for the Parent Company amounted to € 688 mil. and was allocated as follows: € 67.8 mil to Mines, € 450.4 mil to Generation, € 165.3 mil to the Distribution Network, € 1.6 mil. to the Supply Division and € 2.4 mil. to activities of the Administrative Divisions. Capital expenditure for the Parent Company for the year 2018 has increased by € 281.7 mil., compared to 2017, representing an increase of 69%.

It is noted that the investments of the year 2018 were mainly affected by the significant progress in the construction of the Ptolemaida V project.

Total Capital expenditure of the Group for 2018 amounted to € 746.7 mil. and includes besides Parent Company' capital expenditures, also those of PPC RENEWABLES S.A. amounting to € 52.5 mil., HEDNO S.A. amounting to € 3.2 mil and the two spined-off Lignite subsidiaries amounting to € 3.2 mil. Capital expenditure of the Group for the year 2018 increased by € 336.1 mil., compared to 2017, representing an increase of 82%

Mines Business Unit

Capital expenditure of the Mines Business Unit for 2018 amounted to approximately €67.8 mil.
In the first half of 2018 about €1.8 mil. was spent in the Lignite Mine of Megalopolis, out of which €1.2 mil. was spent on belt conveyor´s extensions and retrofitting installations, and the rest mainly on technical projects.

An amount of € 63.1 mil. was spent in the Mine of Western Macedonia, out of which €6.5 mil. was spent on belt conveyor's extension and constructions, €6.5 mil. on equipment upgrades, €20.1 mil. on land expropriations (PONTOKOMI €18.9 mil.), €2.7 mil. on archaeological excavations costs, €3.7 mil. on other technical projects (civil engineering projects, berm floor construction, road asphalting), €18.3 mil. on pre-operational expenses and earthworks. An additional € 4.8 mil. was spent on the construction of the lignite belt conveyor system that will interconnect Main Field Mine and Kardia Field Mine.

Also, €2.9 mil. was spent on the purchase of auxiliary equipment. The remaining expenses relate to smaller projects.

Total excavations in the Mine of Western Macedonia amounted to 166.0 mil. cubic meters and lignite production to 27.2 mil. tones.

In the Mine of Megalopolis during the first half of 2018 3.2 mil tones of lignite were produced, by excavating 9.8 mil. cubic meters.

The continuation of the structural and electromechanical works for the operation of the new conveyors' belt distribution point took place in the South Field Mine of the West Macedonia Lignite Center. Four excavators and three spreaders have already been connected with it.

Generation Business Unit

Exploitation:

- During 2018 the total net production of the Generation Business Unit's (GBU) power stations (excluding the subsidiary companies Lignitiki Megalopolis S.A., Lignitiki Melitis S.A. for 2017-2018 and PPC Renewables) amounted to 27.11 TWh, decreased by 2.8% compared to 2017 (27.89 TWh). PPC's share of production dropped slightly from 53.9% to 53.3% from 2017 to 2018.
- Compared to 2017, the most notable change is the significant increase of hydroelectric generation by 1.59 TWh (46%) due to the adverse weather conditions in Spring 2018 and the compulsory use of hydroelectric production for safeguarding the reservoirs from flooding. Compared to 2017, lignite-based generation (excluding generation from Lignitiki Megalopolis S.A. and Lignitiki Melitis S.A.) was decreased by 7% (11.11 TWh in 2018 as opposed to 11.95 TWh in 2017). The availability factor of lignite fueled power stations was increased by 10.41 percentage units reaching 76.43% and the utilization factor dropped by 13.10 percentage units to 55.45%. The gross capacity factor was also reduced by 2.87 percentage units reaching 42.37%. The generation from natural gas fueled power stations was reduced by 17% (6.36 TWh in 2018 as opposed to 7.66 TWh in 2017) with the concurrent reduction of their availability factor by 10.06 percentage units reaching

70.15%, dropping the utilization factor by 2.08 percentage units reaching 39.43% and reduction of the gross capacity factor by 5.63 percentage units reaching 27.66%.

- In order for the increased summer electricity demand of 2018, additional, non-permanent, power of 35 MW was used in Rhodes, 12 MW in Crete (Atherinolakos) and 8 MW in the other Non-Interconnected Islands (NII).

Investments:

Total Investments during 2018 amounted to 450.4 million €.

In the context of PPC S.A.'s Strategic Priorities Plan, GBU has 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 2018 it is noted that:

• Thermal Units:

- Megalopoli Natural Gas Combined Cycle Unit No V, of 811 MW net capacity at reference conditions: The Unit was put into commercial operation on January 27th 2016. Performance tests of the Unit have already been executed and the relative evaluation report was submitted by the Third Party to PPC. Moreover, the Unit's compliance tests with the Management Code of the Independent Power Transmission Operator (IPTO) have been completed. The Unit's Temporary Acceptance Protocol has been approved and it has been included in IPTO's Register.
- Steam Electric Unit V, of Ptolemaida Station, of 660 MW (+ 140 MWth for District Heating) installed capacity, using pulverized lignite fuel: The Installation License of the Project was issued, by the Ministry of Reconstruction of Production Environment and Energy, on April 24th 2015 while the Building Permit was issued on July 1st 2015. PPC, in accordance with the contractual provisions, has already paid to the Contractor two advance payments, of approximately € 198 mil., each, against relevant Letters of Guarantee of Advance Payment, of approximately € 227 mil., each respectively. Currently, the submission to PPC for review of studies and drawings, for the procurement of Project's equipment as well as for the construction of civil engineer and electromechanical works, continues. At the same time all Project buildings and facilities are been constructed. The arrival on site of equipment is in progress along with their gradual industrial operational setting up. For the fiscal year 2018 expenditure for the project amounted to 383.3 million €.

• Hydroelectric Units:

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

The Environmental Terms Ministerial Decision has been issued providing that PPC will undertake ground support and stabilization measures for the preservation of a section of the Messochora village. The procedure for the expropriation of estates in the wider area has been initiated starting with the estates that will be inundated by the reservoir and have not been already expropriated, as well as with those of the Sectors A, B and C of the Messochora village. Along with this, procedures for meeting the provisions introduced by the said Ministerial Decision as well as those for the preparation of Tender Call documents for the remaining construction works are under way. The operation of the Power Plant is estimated to begin in the year 2022.

- Ilarionas HEP (153 + 4,2 MW): The Units' operation tests have been completed and the procedure for registering them in the IPTO Units Registry was completed in February, 2018.
- Metsovitiko HEP (29 MW): Civil works construction is in progress as well as studies for electromechanical equipment. The procurement, installation and operation of Electromechanical Equipment is now in progress. The operation of the Project is estimated to begin within the first half of 2021. For the fiscal year 2018 expenditure for the project amounted approximately to 5.81 million €.

• Non-Interconnected Islands (Crete, Rhodes, Other):

- New South Rhodes Station, of 115.4 MW net capacity, consisting of seven similar Generating Sets (G/S) with four – stroke Diesel engines: Civil engineering and electromechanical equipment installation works had been completed. Commissioning of all Units has been completed and gradually during the year they were put into Commercial Operation. A part of the required Performance Testing is still pending for complying with the Commercial Operation Acceptance Protocol terms. It is expected that within 2019 the Commercial Operation phase will be completed and the Contractor will submit a request for the Project's Temporary Acceptance. For the fiscal year 2018 expenditure for the project amounted approximately to 25.7 million €.
- Other NII
- The upgrade of one (1) available Generation Set (G/S) of nominal power 2.5MW at the Local Power Station (LPS) of Ikaria has been completed. A contract has been signed for the procurement of 2+1 G/S each of nominal power 3.5MW and the modification of 2 G/S of nominal power 1.3 MW each.
- The following G/S have been installed and are in operation: 0.18 MW in Ereikousa LPS, 1.8 MW in Skyros Autonomous Power Station (APS), 2×0.25 MW in Othoni LPS, 1.3 MW in Sifnos LPS, 0.18 MW in Donoussa LPS, and 0.25 MW in Megisti LPS. The total investment expenditure for the NII for fiscal year 2018 amounted to 6.68 million €.

Environmental Management / Health and Security:

- With regard to the improvement of GBU's power generation units environmental behavior, during 2018:
- The transition to the new version of ISO 14001:2015 and the re-certification for twenty (20) PPCs' Steam and Hydro Electric Stations (SES and HES) has been successfully completed, following auditing by Independent Certification Bodies.
- An initial ISO 14001: 2015 Certification for HES Hilarion (which is a member of Aliakmonas River Group of HES) has been successfully completed. The Certification has been included in the ISO 14001: 2015 Certificate of Aliakmonas Group of HES.
- A new ISO 14001: 2015 Certificate for SES Soroni – Rhodes has been successfully obtained.
- Environmental Management Systems (EMS) according to ISO 14001:2015 have been developed and are being implemented for APS of Kos, Karpathos, Samos and Lemnos.

- Within the context of lignite Power Stations environmental adaptation according to the provisions of the above mentioned Directive 2010/75/EU as well as the compliance with the targets set in the Transitional National Emissions Reduction Plan (TNERP) set in JMD 34062/957/E1032017/2015 the following are noted:
- Project: "Upgrading Boiler of Unit V of Aghios Dimitrios SES to Reduce NOx Emissions by Primary Measures" (Contract DMKTH – 11 13 5251) (where DMKTH stands for Thermal Projects Engineering – Construction Department): The Unit, after the completion of the upgrading works, was put into commercial operation on December 19th 2016. Performance Tests of the Project have already been executed and the procedure for the Project's Temporary Acceptance was completed in November 6th 2018.
- Project "Upgrading Boilers of Units I and II of Aghios Dimitrios SES to Reduce NOx Emissions by Primary Measures" (Contract DMKTH – 11 14 5202): The implementation of the Contract is in progress. Project's works for Unit I commenced on October 10th 2018 and are expected to be completed by April 2019. Subsequently, work on Unit II will start, which is expected to be completed by October 2019.
- Project "Upgrading Boilers of Units III and IV of Aghios Dimitrios SES τo Reduce NOx Emissions by Primary Measures", (Contract DMKTH – 11 14 5203): The Contract's implementation is in progress. Equipment installation work has been completed and Units III and IV are in the commissioning phase.
- Project "Aghios Dimitrios SES Unit V "Procurement and Installation of Desulfurization Plant" (Contract DMKTH - 11 15 5251): Contract was signed on June 30th 2017. Project's licensing has been completed. (Building Permit no. 49/14.12.2018).
- Project "Aghios Dimitrios SES Unit III and IV "Procurement and Installation of Desulfurization Plant" (Contract DMKTH - 11 18 5201): A call for tenders was issued on 16.05.2018 for the project of procuring and installing a wet desulfurization system at Units III and IV. Tenders have been submitted on September 25th 2018 and currently we are in the process of evaluating them.

- With regard to Health and Safety, during 2018: Recertification of Health and Safety Management Systems, by Independent Certification Bodies and according to OHSAS 18001:2007, was successfully completed for all Thermoelectric Power Plants.

Supply Business Unit

The investments of the Supply Division amounted to 1.6 million euros for 2018 mainly concern Branch configurations according to the united visual identity in order to convey a uniform image, which corresponds to the contemporary perception of the company with a customer oriented orientation, in a pleasant and modern environment.

The actions of the General Directorate on trade policy and debt management focus on the following:

- Revision of the Settlement Regulation as of May 1st 2018 in the direction of tailor-made arrangements, according to each consumer's behavior and the number of outstanding accounts, so as to limit the creation of new bad debts.
- Since December 2017, a specialized support service company was hired, aiming at more efficient management of the clientele, with emphasis on overdue debts. The company proposes new strategies for the management of overdue debts and has designed a framework for their implementation.
- Since March 2018, the handling of a selected customer segment with overdue debts was commenced, through debtor information and legal offices, and since June 2018, those actions have been systematically organized.
- There have been intensified actions in PPC's Sales Stores for the collection of debts (telephone notices to debtors, sending letters of formal notice via the PPC Law Office, etc.).
- Throughout the year a 15% consistency discount for professionals, businesses and households was offered.
- By means of communication actions, the efforts to guide customers to select the e-bill option are also intensified. Incentives are offered until December 31st 2019 to customers selecting only electronic statements, refunding them 1 € in each statement. As a disincentive, it was decided that by December 1st 2018 all paper statements will be charged € 1.
- In order to better serve the customers and to reduce operating costs, a computerized application of electronic storage of the contract and the related documents submitted by the customer in pdf format is deployed and operated in the PPC information system. It is noted that from September 1st 2018 all customer Shops are included.
- As part of the process of streamlining the electricity billing and promoting the electronic payments service, the new RF Code of Payments is introduced, as adopted by the European Banking Sector, as part of the SEPA payment standardization process. RF offers ease of payment to the customer on all Recovery Networks (Banks, Payment Service Providers, etc.) and PPC's Recovery Centers, while at the same time reducing the cost of managing unclear receipts.
- All procedures involving customers' data are aligned to the new Privacy Policy.
- Finally, in the context of enhancing the energy footprint, LED lamps are provided for upgrading home lighting in Kastelorizo, as well as in three other border areas of Florina, Orestiada and Didimoticho.

Support Operations General Division

During 2018 investments of the Support Operations Division are summarized in the following categories:

• Legal and Regulatory Compliance Activities

- PPC strategy study for GDPR.
- Upgrading the operation of the port reception and handling of liquid fuel loads in the Keratea - Lavrion Thermoelectric Power Plant, through the development of a port management system in accordance with MTMSA / OCIMF.

• Activities to reduce costs and / or increase revenue

- Optimization of the cost of supplying gas through a gas supply contract with an alternative supplier, operating in parallel with the basic conjugate contract with DEPA.
- Preparation and Submission of a Folder to the Ministry of Environment & Energy for the certification of liquid fuel tanks at Komotini, Melitis, Megalopolis and Mykonos for the storage of emergency stocks.
- Energy upgrading of a building on 54 Pratinou Street in order to provide energy services to third parties.

The challenges for 2019 include:

• Legal and Regulatory Compliance Activities

- Actions for GDPR Compliance and Data Governance.
- Complete implementation of the management system of the port facility of Keratea - Lavrion according to MTMSA / OCIMF and upgrading of the fleet management for the timesharing of tankers.

• Activities to reduce costs and / or increase revenue

- Update of the REAL ESTATE study for the exploitation of real estate.
- Launch of a new activity for the exploitation of PPC's time-chartered tankers through "sub-acquisitions".
- Upgrading of IT infrastructure and extension of electronic competitions to all Units.

HEDNO S.A.

Development & Operation of Networks

In 2018, the length of distribution lines increased by 331 km in the medium voltage grids, by 546 km in the low-voltage grids, while an additional 653 Low/Medium transformers were installed and 2,271 commutations were made.

Therefore, the Medium Voltage network extends to 112,196 km and the Low Voltage network extends to 126,923 km while transformers stand at 164,421.

Active users of the Distribution network totaled 7,515,689 of which 11,656 in the medium voltage.

The total investments in the Distribution Network, relating to projects completed in 2018 and invoiced by the Network Operator, HEDNO SA, to the Parent Company amounted to € 155.5 million. Of these, € 32.5 million related to significant branded projects.

The most important branded project that was completed in 2018 was the Electricity Distribution Center in the city of Rhodes.

From IPTO, investment projects were implemented in the Network, costing in 2018 € 9.2 million.

Turnaround Times of New Connections

In 2018, the average time for the design and construction of basic power supplies was 34 days, while for supplies requiring network construction it was 72 days and 56 days for commutation requests.

Environmental Issues

1,359km of twisted cables have been installed at the Low Voltage network under the generalized use in place of stripline, with positive effects on the environment.

PPC RENEWABLES

Generation

Electricity generation in the year 2018 was 258,798 MWh compared to 257,505 MWh in 2017. The average capacity factor of the Company in 2018 was 23% and per technology: 20% for the wind parks 29% of the Small Hydroelectric Stations (SHS) and 21% of Photovoltaics.

Investment activity

In 2018:

- The Wind Park of the Hydra Project of Ikaria was put into trial operation. In April 2019, the trial operation of the two Upper and Lower Predesperus SHSs is completed.
- All old W/Ps were demolished in order to complete their reconstruction.

- The implementation of a Contract for the Study, Supply, Transportation, Installation and Operation of Ten (10) Wind Parks in the Aegean Sea, with a total power of 19,80 MW and a total budget of 28,1 million Euros, has begun. These are the W/Ps: Sigri of Lesbos, Ag. Ioannis Karpathou, Vigla of Lemnos, Potamia of Chios, Prophet Elias Psara, Melanias of Chios, Pythagorio of Samos, Perdiki of Ikaria, Marmari of Evia and Tigani of Mykonos. Also, the contract for the Study and Construction of Infrastructure Projects of the same Wind Parks with a total budget of 5.9 mil.
- The competition was completed and the contracts for the W/P at Toplou Crete Monastery, totaling 6 MW, were signed at Palaiopyrgos - Perdika Monastery of Toplou Sitia, Crete.
- The competition was completed and the Contract on the Study, Supply, Transportation, Installation and Operation of the Wind Park of Karditsa and the High Voltage Center of the Municipality of Mouzaki, Karditsa. The project has a total capacity of 27.6 MW and its construction started in early 2019.

Acquisition of Energy Delivery Solutions DOO (EDS)

The Board of Directors of PPC SA following the completion of all required financial and legal actions, approved at its meeting on April 13th 2018 the acquisition of the Energy Delivery Solutions DOO (EDS), a power generation and distribution company based in the Republic of Northern Macedonia. The acquisition price amounts to Euro 4.8 million. The Share Purchase Agreement was signed on April 25th 2018 in Skopje, while the Share Transfer Agreement was signed on June 13th 2018.
This acquisition is part of the internationalization strategy of PPC's business activities, especially in the Balkans, where it seeks to become a leading force in view of the forthcoming integration of the energy markets promoted by the European Union.

Significant events for the period January 1st 2018 – December 31st 2018
Significant events for the year 2018 are presented in detail in Note 42 of the Financial Statements.

MAJOR RISKS - UNCERTAINTIES

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

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

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

- Difficulties in payment by customers who continue to fail to meet their obligations.
- A sizeable number mainly of small and medium sized companies that cease their operations due to the economic conjecture, leaving their electricity bills unpaid.
- The prospective increase of the Social Residential Tariff (SRT) beneficiaries, due to the protracted recession, along with the increased difficulty that these customers face in paying their electricity bills.
- The inability (following RAE's Decision) to transfer debts of the same customer between their various electricity bills for household use, which accounts for 70% of the customers.
- Incidents where customers (both household and commercial) with debts due to electricity consumption or electricity theft, attempt to change their electricity supplier under a different name (or a different Tax Identification Number) in order to avoid restrictions that the Electricity Code imposes.
- The fact that some customers under the pretext of the current economic downturn do not fulfill their obligations or delay their payments, despite the fact that they afford to do so.
- Some (Medium and High Voltage) industrial customers do not fully pay their electricity bills, mainly claiming lack of liquidity due to the unfavorable economic climate.
- In addition, some of these industrial customers have questioned charges relating to HV tariffs. It can not be guaranteed with certainty that these customers will pay for invoiced amounts related to electricity consumption.

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

In December 2017, after a competition, the project of debts management was assigned to a specialized Agency. The project is in full swing with satisfactory results. A plan of actions to be implemented with scaling, consistency and continuity has been proposed in order to ensure the effectiveness of the actions to reduce outstanding debts. However, credit risk persists, due to the financial difficulty of some of the customers to timely repay their obligations, and ultimately will adversely affect the Parent Company's operations, operating results, financial position and cash flows.

Liquidity Risk
The macroeconomic and financial environment in Greece remains volatile and that may have a considerable adverse effect on the Group's and the Parent Company's business activities, financial position and prospects. In addition, access to foreign financial markets is affected. Liquidity risk is connected with the need to ensure adequate cash flows to finance the Group's and the Parent Company's operations, including working capital needs, capital expenditure, as well as servicing their debt.

The Group's and the Parent Company's working capital needs may increase due to a number of factors, including:
- The increased delays in the payment or even non-payment of electricity bills, especially among customers whith ceased power supply.
- The obligation to pay Renewables levy (ETMEAR), Special Consumption Tax on electricity as well as VAT when due, irrespective of whether relevant amounts have been collected from the Group's and the Parent Company's customers.
- The burden associated with the collection of taxes and levies that are not related to the sale of electricity, such as municipal taxes and levies that are currently collected through electricity bills and the inability to pay for the electricity consumption amounts without paying in the same time amounts due to third parties.
- The continuous increase in the number of disadvantaged citizens included in the register of vulnerable customers that based on decisions of the State enjoy special privileges regarding (a) a longer period for paying their bills (40 days from the date of issue). b) the settlement of their debts in many installments and free of interest; c) limited penalties in the case of non-payment of bills and installments, since the supply of electricity cannot be disconnected due to debt, in their residence, almost throughout the year.

- Regulatory measures on the operation of the wholesale market, which burden the cost of purchasing electricity for PPC as a Supplier.
- The potential increase of commercial losses (non-technical losses), due to the non-suppression of incidents of electricity theft and arbitrary reconnection of electricity supply in cases of electricity disconnection due to debt.

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

Risk from exposure to the Banking Sector

The Group and the Parent Company may be exposed to risks arising for the Greek banking sector (for example limitations effected by the Single Supervising Mechanism (SSM) of the ECB on loans for Public Entities).
It should be noted that as of December 31st 2018 the Group’s and the Parent Company’s debt obligations towards the Greek banking sector amounted to 34.1% of its total loan liabilities.

Interest rate risk and foreign currency risk

The Group’s and the Parent Company’s debt liabilities consist of bank loans, bonds and overdrafts. It is the Group’s and the Parent Company’s policy to have a balanced distribution in their loan portfolio between fixed and variable interest rates according to the prevailing conditions and to hedge on a case by case basis through derivatives, solely to mitigate risk, against the fluctuation of floating interest rates and/or foreign currency exchange rates affecting their debt portfolio. As of December 31 st 2018 no derivative transactions exist for loans or debt hedging.

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

Credit Rating Risk

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

In the event that the Group’s and the Parent Company’s credit or debt ratings are not sustained or are lowered by the rating agencies, the Group and the Parent Company may not be able to raise additional capital on terms similar to their existing loan liabilities or at all, and their ability to access credit and bond markets as well as other forms of financing (or refinancing) could be limited or impossible.

Commodity price risk and risk from the Electricity Market

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

In terms of the risk arising from increased electricity purchase prices, exposure is hedged less and less by the Parent Company’s vertical integration (internal hedge), since PPC’s average share in the wholesale market as of December 31st 2018 amounted to 50.8%, while at the same period, PPC Supply’s average share in the retail market amounted to 80.4%.

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

CO_2 Emission Rights

The Group’s and Parent Company’s generation business is subject to EU Directives 2003/87/EC and 2009/29/EC, which established the European Emissions Trading System (EU ETS). In order to operate its bound thermal power plants, PPC is required to acquire and deliver CO_2 emission rights under the EU ETS (the “EU Allowances” or “EUAs”) to cover CO_2 emissions.

At European Union (EU) level, the reformation of the European Emissions Trading Scheme (EU ETS) has now been completed in its next phase (2021-2030).
The results of this review, as well as the already adopted regulatory changes in the second phase (2013-2020) of EU ETS (ie the backloading of a specific amount of CO_2 allowances at the beginning of the period 2013 - 2020 and the creation of a market stability reserve) to control the supply of rights applicable from 2019) affect the price of emission allowances.

CO_2 emission rights may be further affected by the possible adjustment of the European Union (EU) targets for pollutant emissions in 2030, which is part of its commitments under the Paris Agreement, the ongoing dialogue on the objectives of the EU's climate for 2050 as well as the proposed upgrading of the EU's renewable energy and energy efficiency targets for 2030 as agreed by the European Council in October 2014.

Since 2013, PPC is no longer allocated free CO_2 emission rights (with the exception of small quantities corresponding to thermal power generation for district heating) and as its thermal power plants currently emit 30 Mt of CO_2 approximately on an annual basis (of which about 6 Mt. concern the dinvestment of PPC’s lignite capacity according to L. 4533/2018), increased prices of CO_2 emission rights will affect its operating costs. For the period from 2013 to 2020, the Parent Company acquires the required CO_2 emission rights from both the European and international markets, either through exchange transactions or through bilateral agreements. Regarding the management of the risks of increasing the price of emission allowances and changing the regulatory framework, the Parent Company systematically monitors markets and developments at European level and has adopted a market policy that partly offset the risk of price change while there also is an automatic mechanism (clause) for passing on increases in the price of CO_2 allowances to Medium and High tariffs. However, an important part of the risk is not offset and therefore any increase in the price of the allowances may (directly or indirectly) affect the financial position, operating results and liquidity of the Group and the Parent Company, since the change in the price of the allowances affects only the medium and high voltage tariffs of the Parent Company.

Risk of exposure in competition in the wholesale market
The Parent Company faces intense competition in the wholesale market where share loss is due to IPPs' power plants and the increased penetration of Renewables units in the System and the Network, as well as to increased electricity imports from the neighboring countries. In the current situation of very low gas prices and very low wholesale electricity prices in most energy Exchanges in neighboring countries, competition in the wholesale market in Greece is very strong, with high loading of the gas fueled thermal units and a very high volume of electricity imports. Adverse changes in the competitive environment through the continuation of existing and/or creation of new regulatory or / and legislative mechanisms in the electricity market which strengthen the Group's competitors may have a negative impact on its operational results and liquidity.

Since the forthcoming changes to the wholesale energy market model are not currently final and the fact that some of the RAE decisions are transitional, the evolution of the electricity market is volatile, with a number of new regulatory decisions and other developments in anticipation, which may have a negative impact on PPC's operations as well as its financial position.

Tariff risk for the competitive activities
Excluding vulnerable customers, all other tariffs are fully liberalized.

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

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

Despite the deregulation of tariffs, and also due to the fact that in the recent past there have been legal and administrative actions against the Parent Company by some High Voltage customers, both in terms of structure, value and terms of payment of its tariffs, the Parent Company's ability to determine its tariffs may continue to be limited in the future. If these ongoing petitions are not resolved in favor of the Parent Company, its failure to determine its invoices without further legal complaints could adversely affect its operations, its financial position and its operating results.

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

As a result, any changes in regulated charges that may affect the Group's operating income from electricity distribution could have a material adverse effect on the Group's business, results of operations and financial position, as well as to hamper the Group's ability to raise equity or loans for funding its investment plans.

Finally, since recovery of regulated returns is based on unit charges for consumers defined by decisions of the Regulatory Authority for Energy, there is a risk that part of the return may not be fully recovered.

Regulatory Risk
The legislative and regulatory framework, as well as the policies of Greece and the EU, affects the operations, the financial situation and the operating results of the Group and the Parent Company. The regulatory framework for the Greek electricity market has changed significantly following the implementation of regulatory and legal reforms aimed at liberalizing the electricity market and creating more competition in the Greek electricity market. The European Commission is monitoring developments in Greece to ensure that the Greek regulatory framework and the electricity market comply with current electricity directives and other EU laws and regulations. The European Commission and other EU institutions, as well as the national courts promote the enforcement of European competition rules, environmental protection and other regulatory provisions. The European Commission may at any time adopt additional regulations and the Greek legislative and regulatory framework may change in the future in accordance with the decisions of the EU institutions in relation to the relevant directives, laws and regulations. In addition, future changes to EU or Greek government policy, including, for example, insufficient liberalization in the electricity market, may affect the future regulatory framework. Potential modifications to the regulatory and legislative framework governing the market for electricity, such as the implementation of the EU legislative framework, as well as RAE's decisions on the regulation and operation of the Greek E / E market in general and any restructuring or other changes in the operations of the Group and the Parent Company, which are caused by the regulatory framework, may have significant negative effects on their business, their financial condition and their operating results.

Risk from providing Public Service Obligations (PSOs)
The PSOs for which the Parent Company is entitled to compensation relate to:

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

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

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

Risk of deficit in the Special Account for Renewables
The deficit of ex-EMO (currently DAPEEP) for Renewables which is due to the fact that the total income of the relevant Renewables account with ex-EMO (currently DAPEEP) does not cover the regulated fixed feed-in tariff paid to Renewables producers creates uncertainty and related cash flow issues in the market. The primary sources of income for this account are the amounts that Suppliers pay for Renewables generated electricity, the special Renewables levy paid by Customers (ETMEAR), which as already mentioned limits their ability for the timely payment of their electricity bills and various other smaller amounts according to the relevant legislation.

Due to the fact that zero deficit was not achieved, according to the provisions of Article 23 of Law 4414/2016 (New operating aid scheme for RES and CHP- Cogeneration Heat Power) a new charge was imposed on Load Representatives (electricity suppliers), in order for the deficit of ex-EMO (currently DAPEEP)'s RES Account to be reduced to zero by the end of 2017.

The above charge burdened significantly the financial results and cash flows of the Parent Company and the Group during the years 2016, 2017 and 2018, while it was already abolished as of January 1st 2019 by Law 4585/2018, since the increase in the marginal price and the CO_2 emission allowance prices (which affect the income of the Special Account) led to a surplus.

There is also no assurance that the Greek State will not further increase the cost of purchasing Renewables energy by Suppliers in the future, which could have a material adverse effect on the Group's results of operations and financial position.

Risk relating to Forward Electricity Products Auctions

Under the provisions of Law 4336/2015, PPC's market share both in the wholesale electricity market as well as in the retail electricity market should be reduced as from January 1st 2020 no company must generate or import –directly or indirectly- more than 50% of the total energy quantity in Greece. The Competition Commission will assess the possibility of achieving the above mentioned objective by January 1st 2019 and in case of failure to achieve it, will propose appropriate measures. In case of the companies' non-compliance, fines amounting to 5% up to 10% on the annual turnover of the previous year will be imposed. The Group and the Paren't Company cannot offer any assurance that the reduction to mandatory levels of both percentages will be achieved by the required deadline.

Laws 4389/2016 and 4472/2017 and Decisions 35/2016, 38/2016, 58/2017, 68/2017, 77/2018 and 85/2018 of the Government's Council for the Economic Policy determine PPC's share market levels in the retail market for the period 2016 – 2019 (87.24% for 2016, 75.24% for 2017, 62.24% for 2018 and 49.24% for 2019), as well as the other key features of NOME auctions, including the cost elements to be taken into account for the calculation of the auction start price.

It should be pointed out that in the context of the changes in the Greek energy market and the transition from the current Mandatory Pool model to the Target Model it is contemplated by the aforementioned decisions of the Government's Council for the Economic Policy that the Special Purpose Regulatory Mechanism (NOME) has been designed in a way as to be applicable irrespective of the underlying regulatory framework.Beneficiaries of forward products would be licensed suppliers (which would be registered in a special register solely for forward electricity products purposes) with the exception of PPC and other industrial electricity consumers. More specifically, industrial electricity consumers may not buy forward products unless they maintain or develop a separate electricity supply activity.

The quantities, the price and the other characteristics of regulated forward electricity products auctions have a significant impact on the financial position, operating results, liquidity and prospects of the Parent Company. Especially in terms of quantities - and despite the fact that Law 4389/2016 provided for the quantities of forward electricity products to be auctioned each year to be a percentage of the annual demand of 8% for 2016, 12% for 2017, 13% for 2018 and 13% for 2019, Law 4472/2017 eventually establishes increased annual quantities of forward electricity products to be auctioned : 16% of the annual demand for 2017, 19% for 2018 and 22% for 2019. These increased quantities are valid provided that the annual target of PPC's market share decrease as provided by Law 4389/2016 is met, while if PPC's market share exceeds the annual target by more than two (2) percentage points, then the annual quantities to be auctioned will increase accordingly, which may have a particularly adverse effect on the liquidity, the financial results and the prospects of the Parent Company.

Already, additional quantities have been put up for auction under a correction mechanism due to PPC's non-reduction of market share in the retail market of the Interconnected System. In June 2018 and on the basis of Law 4549/2018 for the correction mechanism for additional quantities of electricity to be auctioned, the additional quantities decreased by 50% due to the announcement of the international tender for the disintegration of approximately 40% of the lignite capacity of PPC. If the procedures of the international tender result in the nomination of preferred investors and Sales and Purchase (SPAs) Agreements are signed with them, then the correction mechanism for additional quantities of electricity to be auctioned will be abolished.

Unless there are reforms in the regulatory framework to ensure the correction of existing distortions in the wholesale market, setting conditions of healthy competition and balanced development of suppliers in the market and promotion of competitive tariffs, a further increase in the competition in the supply electricity sector could have a material adverse effect on the Group's and the Parent Company's business, prospects, financial position and results of operations.

Similarly the Group and the Parent Company is adversely affected since the price of forward products, as is set within the relevant auctions, does not cover the full cost of electricity generation but only part of these costs. This risk appears particularly high, since the already set starting auction price for auctions is based only on variable cost of lignite and hydroelectric production, and specifically only on the variable costs of lignite mines, so the remaining fixed costs cannot be recovered through auctions (capital costs, salaries, depreciation, etc. of the production units and lignite mines).
Finally, since the sale price of forward products, as this is set within the relevant actions, is less than the System Marginal Price (Day Ahead Schedule there are significant revenue losses, and as a result the Group's and the Parent Company's business, financial condition, operating results and prospects are adversely impacted.

Risk relating to structural measures for the divestment of lignite-fired units

According to the Decision 57/19.05.2017 of the Government's Council for Economic Policy, on "The structural measures for PPC's access to lignite" and in compliance with the decisions C (2008) 824 and C (2009) 6244 of the European Commission on PPC's monopoly access to lignite, which became irreversible after the (2016) 733 and (2016) 748 decisions of the General Court of the European Union, Greece will propose to the Commission's Directorate General for Competition (DG Comp.) binding remedial structural measures based on the following principles:

a. The measures will include PPC's disinvestment of lignite power generating units to existing or new alternative suppliers or other investors.
b. PPC S.A. will not have any involvement or connection with any element of disinvestment, including preferential electricity supply. The purchaser (s) :
- will be independent of and will not have any association with PPC and its affiliated companies
- will have the financial resources, proven know-how and incentive to maintain and develop the disinvested portfolio of power generating stations as a viable and active competitive power in relation to PPC S.A. and other competitors.
- on the basis of the information available, they would not cause or threaten to cause prima facie competition concerns and they would not create a risk of delay in the implementation of the structural measures.

c. The disinvestment will account for about 40% of PPC's lignite power generating capacity. The exact percentage will be determined during technical discussions with the European Commission in accordance with the abovementioned decisions (the disinvestment will include the associated lignite reserves).
d. The disinvestment will have equivalent economic characteristics to PPC's lignite power generating capacity, particularly in terms of efficiency and life, reflecting the start and end of lignite power generating capacity.
e. The measures will be designed and implemented in accordance with the applicable and substantive competition rules. They will be finalized through the formal submission of the agreed binding proposal by the Hellenic Republic to the European Commission's Directorate-General for Competition until November 2017 and will be implemented by June 2018.

This obligation of the Hellenic Republic was also included in the Supplementary Memorandum of Understanding agreed and signed in July 2017 by the Hellenic Republic and the European Commission on behalf of the European Stability Mechanism.

In this context, in January 2018, the Hellenic Republic proposed to the European Commission's Directorate-General for Competition as a binding structural measure the disinvestment of three (3) existing lignite units of PPC, namely Meliti 1 (330 MW installed capacity), Megalopolis 3 (300 MW) and Megalopolis 4 (300 MW), as well as the production license for a new lignite unit (Meliti 2, 450 MW), together with the exploration and exploitation rights of the respective lignite mines (Megalopolis mine for the units Megalopoli 3 and 4 and the mines Kleidi, Meliti hills and Vevi for Meliti).

The Directorate-General for Competition conducted a market test for the aforementioned commitment of the Hellenic Republic. In addition, following the above, the Greek Parliament on April 25th 2018 passed the legislative provisions entitled "Structural measures for access to lignite and the further opening of the wholesale electricity market and other provisions" (L.4533/2018, OG A 75/27.4.2018), which defines the process of the spin-off and contribution of two (2) lignite sectors of PPC SA in two (2) new companies (one in Meliti and one in Megalopolis), the framework of the international tender procedure for the sale of the shares that PPC SA will take over, the responsibility of PPC SA for the two (2) new companies and, the employment relations of the employees in the two (2) new companies. Following the relevant decisions of the Board of Directors and the Extraordinary General Meeting of the Shareholders of PPC on June 26th 2018, the two Notarial Acts for the formation of Sociétés Anonymes were signed by the contribution of the decommissioned PPC Branches, and on June 30th 2018 the registrations were announced in the General Commercial Registry (GEMI) of the establishment of the two new 100% subsidiary companies of PPC SA «LIGNITIKI MELITIS SA» and «LIGNITIKI MEGALOPOLIS SA».

The international tender provided by the Law was launched on May 31st 2018 with the publication by PPC of a call for expressions of interest, in which a total of 6 companies responded, which were assessed as fulfilling the pre-selected criteria, qualified as Eligible Participants and received the Call for Tender and therefore were invited to submit their binding offers for the acquisition of 100% of PPC's shareholding in the share capital of the subsidiaries "Lignitiki Melitis SA" and / or "Lignitiki Megalopolis SA". Following the formation of a consortium between 2 of the Participants during the tender process, 3 interested parties eventually became active. The deadline for the submission of tenders was finally set at February 6th 2019, the date on which 2 of the 3 interested parties submitted a binding bid. Of these offers, one was considered ineligible as it did not meet the criteria of the Call to Tender, while the second was judged to be economically unprofitable by PPC's Board of Directors. Following the above, the relevant tender process was declared barren.

On March 7th 2019 the Hellenic Parliament voted and on March 9th 2019 Law 4602/2019 was published (G.O. A' 45), which amended and supplemented the Law 4533/2018. With the new provisions, PPC is invited to call for a repeat competitive bidding process, inviting the candidates who participated in the previous tender procedure and other investors who wish to show interest in the acquisition within 7 days of the invitation of the shares of "Lignitiki Megalopolis SA" and / or "Lignitiki Melitis SA". Pursuant to the aforementioned provisions of the Law, on the basis of a relevant decision of its Board of Directors, PPC on March 8th 2019 proceeded to post on its website the Joint Call for Expressions of Interest & Call to Submit Binding Tenders, inviting investors to initially express interest to take part in the tender procedure until March 15th 2019. They will then sign a Confidentiality Convention, gain access to the Virtual Data Room (VDR), and conduct due diligence in order to reach bids, while in the meantime they must provide the necessary supporting documents to prove the fulfillment of the technical, financial and legal criteria set out, which are the same as those set out in the previous procedure.
Moreover, Law 4602/2019 provides that the contract for the purchase of the shares of each new company is legally validated, while regarding the estimation of the value of the new companies there is a change in the provision of Law 4533/2018, and PPC may designate a valuator to determine a fair value range of the market value of each of the sectors contributed. In this case, the appraiser shall take into account the corresponding trade exchanges on the European market and the results of the previous tender. On the contrary, PPC SA is required to designate a valuer in order to obtain a fairness opinion, and appraiser does not have to take into account any assessment made under the preceding paragraph.

The above mentioned structural measures may have a significant impact on the Group's and the Parent Company's operation, contractual obligations, liquidity and financial results.

Finally, there can be no assurance that the Parent Company will not be required to proceed to further disinvestments in lignite (or other) power production in the future in order to comply with its obligation to reduce its market share in the production and supply of electricity.

In addition, the Parent Company is not in a position to influence the price at which these assets will be sold.

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

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

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

In addition, interruptions due to labor disputes, strikes, earthquakes, fires and adverse weather conditions, among other factors, may, depending on their severity and duration, lead to a loss of revenue or an increase in operating costs.

Hydrologic Conditions
The evolution of hydrologic conditions is a completely unpredictable factor and has a very significant impact on the Group's and the Parent Company's profitability, taking into account, of course, that PPC has an accumulated experience and expertise that allows managing in the best possible way the water resources in its reservoirs.

Lignite mining risks and availability of lignite reserves
Lignite mining is subject to inherent risks and is dependent upon a number of conditions beyond the Group's and the Parent Company's control that can affect costs and production schedules at particular mines.

While the Parent Company estimates that lignite reserves are adequate to cover long term levels of supply required for power generation by lignite-fired thermal power plants, such estimates may lack complete precision and depend to some extent on statistical and geological inferences. Furthermore exploitable reserves are not considered as such unless they can be economically and legally extracted.

Increased production costs, increased stripping ratios, changes in the regulatory regime governing the Parent Company's mining operations, the adoption of political decisions both by the EU and Greece, contributing to the reduction of the country's carbon footprint and the reduction of the exploitation of fossil fuels to generate electricity, the significant decline in oil prices and consequently natural gas prices and the increase in the price of CO_2 emission rights burdening lignite fired electricity plants costs may result from time to time in a revision of reserve data or may render exploitable reserves uneconomical to exploit or unexploitable in the future.

Restrictions imposed by national legislation on the Parent Company's ability for new recruitments may result in the future in a shortage of skilled and qualified personnel in mining operations to operate and support its equipment and may adversely affect lignite production through the Parent Company's own resources.

Risk of dependence on the Transmission System

The transfer of electricity from the power plants to the distribution networks depends on the installations of the electricity system in Greece. The Group and the Parent Company no longer control the operation of the transmission system and rely on IPTO, which manages and operates the electricity system in the Greek Territory. Possible failures of the transmission system, including those due to natural disasters and inadequate maintenance or development, may hinder the distribution of electricity from the plants to final consumers and adversely affect business activity, operating results and the financial position of the Group and the Parent Company.

Risk associated with the operation and production capacity of the Non-Interconnected Islands Network (NII)

The needs of Non-Interconnected Islands (NII) are served by stand-alone power plants using oil as fuel, although to a certain extent these needs are also covered by renewable energy installations.

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

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

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

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

EPC related risks

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

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

Risk from Potential Undertaking of Social Security Liabilities

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

Litigations Risk

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

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

Simultaneously, the Group is one of the largest industrial groups in Greece, with complex activities and operations across the country. In the ordinary course of its business, from time to time, competitors, suppliers, customers, owners of property adjacent to the Group's properties, the media, activists, and ordinary citizens, raise complaints (even to public prosecutors) about the Group's operations and activities, to the extent they feel that such activities and operations cause or are likely to cause economic damage to their views and/or interests, businesses or properties and, in the context of advancing those complaints, they often file criminal complaints against the Group. In this context, reports involving complaints and accusations for allegedly unlawful acts of executives against the Group usually involve their further investigation by the Prosecuting Authorities in the so-called preliminary proceedings, which usually ends up in the closing of the investigated case due to lack of conclusive evidence.

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

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

Risk from tax and other regulations

The taxation regime for corporations in Greece is frequently revised and the Group may be subject in the future to increased taxation rates. The imposition of any new taxes, or changing interpretations or application of tax regulations by the tax authorities as well as the harmonization of Greek and EU tax law and regulation may result in additional amounts being payable by the Group and the Parent Company, which could have a material adverse effect on their business, results of operations, financial condition and liquidity.

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

Since 2012 and until December 31st 2018, the Parent Company has been subject to a special levy for lignite generated electricity equal to €2.00 / MWh and a special tax on natural gas.

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

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

The Group and PPC are subject to certain laws and regulations generally applicable to companies of the broader public sector

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

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

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

The viability and development of PPC Group in the new business environment notably depend on the ability to attract and maintain skilled and specialized personnel and executives. According to L. 3833/2010 and L.4057/2012, concerning the recruiting of permanent staff an approval of the Interministerial Committee is necessary (AIC 33/2006), as well as an allocative act of the Minister of the Interiors and Administrative reorganization according to the 1:4 ratio (a recruitment for every four employees leaving) for the year 2017 and 1:3 for the year 2018 concerning all public sector entities .By the above mentioned and introduced by law hiring procedure, the Parent Company's recruitment needs are significantly hindered, creating critical lack of personnel and managers and may have a negative impact on the implementation of the Groups' activity.

Finally, from August 8th 2016, Law 4412/08.08.2016 (Public Works Contracts, Supplies and Services) entered into force and applies, in accordance with the procedures specifically provided for therein, to the procedures for concluding and implementing projects, supplies and services of PPC.

As the activities of the PPC Group fall within the scope of the activities covered by this law, PPC's "Regulation of Contracts, Supplies and Services (Decision of the Board of Directors 206/30.09.2008)" is included in the repealed provisions, some provisions remain to be clarified through New Ministerial Decisions, new procedures for the publication and implementation of tender procedures are established (for example, a Preliminary Appeal Review Authority has been established to hear preliminary rulings against PPC executives in relation to the competition procedures, and then in case of dispute by one of the parties to the decision of the Authority, the administrative courts are involved) there may be delays in the awarding of contracts, thus adversely affecting the smooth functioning of the Group and Parent Company and malfunctions in the performance of their activities.

The Group may face strikes

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

Health, Safety and Environmental Laws and Regulations

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

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

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

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

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

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

Additionally, as an owner and operator of generation and distribution facilities, the Group and the Parent Company may incur in the future costs and expenses in connection with the decommissioning of such facilities, which the Group and the Parent Company estimate to be to a large extent recoverable from the sale of decommissioned equipment, materials and scrap.

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

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

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

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

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

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

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

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

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

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

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

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

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

Balances and Transactions With Related Parties

PPC balances with its subsidiaries as of December 31st 2018 and 2017 are as follows:

	December 31, 2018		December 31, 2017	
	Receivables	(Payables)	Receivables	(Payables)
Subsidiaries				
PPC Renewables S.A.	886	-	1,416	-
HEDNO S.A.	770,720	(1,044,145)	694,473	(520,059)
LIGNITIKI MEGALOPOLIS S.A.	27,481	(343)	-	-
LIGNITIKI MELITIS S.A.	18,023	-	-	-
PPC Finance PLc	-	(3,259)	-	(4,648)
PPC Elektrik	-	(62)	-	(164)
PPC Bulgaria JSCO	-	(1,863)	-	(1,016)
PPC Albania	160	-	-	-
EDS DOO Skopje	1,230	(131)	-	-
	818,500	**(1,049,803)**	**695,889**	**(525,887)**

The aforementioned balances of receivables and payables with subsidiary PPC Finance Plc refer to its administrative costs, which are ultimately borne by the Parent Company.

Transactions with subsidiaries for the year ended December 31st 2018 and December 31st 2017 are as follows:

	December 31, 2018		December 31, 2017	
	Invoiced to	Invoiced from	Invoiced to	Invoiced from
Subsidiaries				
PPC Renewables S.A.	2,387	(1)	3,191	(1)
HEDNO S.A.	1,689,607	(2,057,736)	1,826,373	(1,923,924)
LIGNITIKI MEGALOPOLIS S.A.	56,171	(277)	-	-
LIGNITIKI MELITIS S.A.	27,305	-	-	-
PPC Finance PLc	-	(22,606)	-	(30,770)
PPC Elektrik	2	(4,981)	13	(3,665)
PPC Bulgaria JSCO	113	(44,024)	53	(21,425)
PPC Albania	-	(210)	-	-
EDS DOO Skopje	260	(954)	-	-
	1,775,845	**(2,130,789)**	**1,829,630**	**(1,979,785)**

The aforementioned figures of invoices with subsidiary PPC Finance Plc refer to its administrative costs, which are ultimately borne by the Parent Company.

Guarantee in favor of the subsidiary PPC Renewables S.A.
As of December 31st 2018, the Parent Company has guaranteed for a total credit line of Euro 8 mil., through overdraft agreements. As of December 31st 2018 PPC Renewables S.A. has used Euro 858 th., concerning letters of guarantee.

Guarantees in favor of the subsidiary company Energy Delivery Solutions EDS Doo (EDS)
As at December 31st 2018, there are corporate guarantees of the Parent Company, total credit line, for loans of the EDS Group up to the amount of Euro 22 million relating to working capital, of which an amount of Euro 19.7 million approximately was used, relating to disbursed loan amounts.

Guarantees to its subsidiary, Energy Delivery Solutions EDS Doo (EDS), to Suppliers of electricity
There is a Parent Company's guarantee for EDS Doo credit lines with the Electricity Supply Companies, Grand Energy Distribution EOOD and Petrol D.D. up to Euro 3.9 million.

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 (HELPE) and Hellenic Public Gas Company (DEPA), which are suppliers of liquid fuels and natural gas, respectively, and in which the Hellenic Republic participates. In addition, the transactions and balances are presented with DAPEEP SA (ex OEM), EnEx SA, IPTO SA, LARKO SA and ELTA SA.

	PURCHASES		BALANCE	
	1.1.2018 - 31.12.2018	1.1.2017 - 31.12.2017	31.12.2018	31.12.2017
HELPE, liquid fuel purchases	187,381	262,597	27,700	45,426
DEPA, natural gas purchases	357,518	409,132	77,068	86,835
	544,899	**671,729**	**104,768**	**132,261**
	31 December 2018		**31 December 2017**	
	Receivables	**(Liabilities)**	**Receivables**	**(Liabilities)**
DAPEEP S.A. (former EMO S.A.)	155,477	(133,144)	172,532	(124,905)
	1.1.2018 - 31.12.2018		**1.1.2017 - 31.12.2017**	
	Invoiced to	**Invoiced from**	**Invoiced to**	**Invoiced from**
DAPEEP S.A. (former EMO S.A.)	836,427	(1,211,599)	1,808,238	(2,858,476)
	31 December 2018		**31 December 2017**	
	Receivables	**(Liabilities)**	**Receivables**	**(Liabilities)**
EnEx SA	16,325	(70,034)	-	-
	1.1.2018 - 31.12.2018		**1.1.2017 - 31.12.2017**	
	Invoiced to	**Invoiced from**	**Invoiced to**	**Invoiced from**
EnEx SA	730,293	(1,507,581)	-	-
	31 December 2018		**31 December 2017**	
	Receivables	**(Liabilities)**	**Receivables**	**(Liabilities)**
IPTO SA	126,919	(658,645)	117,463	(1,212,179)
	1.1.2018 - 31.12.2018		**1.1.2017 - 31.12.2017**	
	Invoiced to	**Invoiced from**	**Invoiced to**	**Invoiced from**
IPTO SA	144,737	(888,753)	162,259	(1,571,490)
	31 December 2018		**31 December 2017**	
	Receivables	**(Liabilities)**	**Receivables**	**(Liabilities)**
LARCO SA	313,395	-	280,372	-
	1.1.2018 - 31.12.2018		**1.1.2017 - 31.12.2017**	
	Invoiced to	**Invoiced from**	**Invoiced to**	**Invoiced from**
LARCO SA	47,856	(8,501)	(2,793)	(9,461)
	31 December 2018		**31 December 2017**	
	Receivables	**(Liabilities)**	**Receivables**	**(Liabilities)**
ELTA SA	-	(6,353)	-	(8,265)
	1.1.2018 - 31.12.2018		**1.1.2017 - 31.12.2017**	
	Invoiced to	**Invoiced from**	**Invoiced to**	**Invoiced from**
ELTA SA	-	(19,193)	-	(20,234)

Within 2017 a credit invoice of Euro 61,850 thousand was issued regarding the revision of electricity bills for the period July 1st 2010 - December 31st 2013 under the Decision No. 13/2017 of the Arbitration Decision. It is also noted that the total receivables of PPC from Larco concerning electricity value, is wholly covered by a provision.

Further to the above, PPC enters into transactions with many government owned or- nonprofit entities within its normal course of business (sale of electricity, services received, etc.). All transactions with government owned entities are performed at arm's length terms and are not publicized.

- On July 2nd 2018 the amount of Euro 538,300 was paid by the State Treasury Account to PPC SA. Reimbursement of this amount will be made gradually through the electricity bills of General Government entities and will be completed on April 30th 2019. On March 12th 2019, the State Treasury Account paid to PPC SA the amount of Euro 550,700 and its return will be made in the same way until April 30th 2020.
- For the collection of electricity bills, PPC cooperates with the Hellenic Post (ELTA SA), which has the license required by law.

The balance of the amounts collected from electricity bills that ELTA SA had not paid in due time to PPC until December 31st 2018 amounted to € 15,686,150.01. The above amount incorporates all charges included in the electricity bills issued by PPC.

In the first quarter of 2019, an amount of € 12,278,856.71 was offset concerning the total liability of ELTA SA from proceeds of electricity bills that had not been paid to PPC, with equivalent amounts due by the Parent Company in connection with the provision of Postal Services for the collection, sorting, transportation and distribution of PPC's postal items throughout the Hellenic Territory by ELTA.

Management remunerations

Management's remunerations (Board of Directors and General Managers) for the year ended December 31st 2018 and 2017 are as follows:

	Group		Company	
	2018	**2017**	**2018**	**2017**
Remuneration of Board of Directors' members				
- Remuneration of executive members	292	245	57	57
- Remuneration of non-executive members	177	71	-	-
- Compensation / Extraordinary fees	-	-	-	-
- Employer's Social Contributions	149	92	37	41
- Other Benefits	132	123	104	120
	750	**531**	**198**	**218**
Remuneration of Deputy Managing Directors and General Managers				
- Regular remuneration	622	686	456	519
- Employer's Social Contributions	173	204	127	155
- Compensation / Extraordinary fees	4	23	4	23
	799	**913**	**587**	**697**
Total	**1,549**	**1,444**	**785**	**915**

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

SERVIA HIGH BRIDGE, POLYFYTOS HYDROELECTRIC POWER PLANT

CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY – NON-FINANCIAL REPORT

Sustainable Development Policy

PPC's strategic goal is to assure its sustainable operation and development satisfying, at the same time, the requests of all interested parties in a balanced way, providing integrated, innovative, high quality services and products to its customers, excellent work environment to its employees, mutual benefit relations to suppliers and collaborators, creation of new financial values to shareholders, respect and protection of the environment, as well as economic growth and social prosperity to society.

For the achievement of its strategic goal, PPC is committed to make constant efforts for the improvement of its economic, environmental and social performance.

For this purpose, PPC is aiming at long-term enhancement of its economic value, through good corporate governance, acting with transparency in all procedures and actions of its institutions. The Company's Administration participates in identifying hazards and substantial issues of sustainable growth with the aim to deal with them in time and efficiently, while the Corporate Affairs and Communications Department is responsible for the planning, coordination, monitoring and publication of Company's actions on sustainable growth.

PPC's environmental strategy is harmonized with EU and Greek goals on energy policy for 2020 (the goals for 2020 are 20% generation from RES, 20% energy saving and 20% reduction of greenhouse gas emissions), the institutional interventions on climate change and the protection of the environment. For the implementation of its strategy, the Company has established and updated the Environmental Business Plan, the implementation of which is assigned to the organizational units having as an object the management of the environment. For achieving constant environmental performance, PPC develops Environmental Management Systems and proceeds to the certification of its installations.

PPC applies responsible practices of personnel administration and cares for adopting a modern work environment based on equal opportunities. PPC is committed to the assurance of its employees' health and safety by applying relevant Health and Safety Management Systems at work, as well as by realizing relevant training programs.

PPC makes every effort to prevent and fight corruption not only in the way of its operation, but also in the selection of suppliers and collaborators. Additionally, it supports human rights and is clearly opposed to forced and compulsory child labor, as well as to every form of discrimination.

PPC provides its services to the Country's consumers with responsibility, quality services and high level of service provision applying practices that aim at the optimization of its customers' total benefit.

For the Company, offering to local communities is directly related to its business activity. For this purpose, PPC implements significant actions that are addressed not only to local societies in which it is activating, but also to the entire society. Its significant social work includes series of actions which are realized in time and refer to athleticism, civilization, health and education.

According to the present sustainable development policy, dealing with PPC's operation as a whole contributes to face not only environmental and social issues with responsibility but also to enhance the Company's economic value.

Business Model

PPC's Business Model aims to create value for its stakeholders. PPC invests on its employees, infrastructure, and the development of new technologies and services. The Company communicates with stakeholders, by all available means, both at national and local level, in order to identify its operational impacts and improve its performance, taking into account the opinion, concerns, needs and recommendations of all interested parties. PPC ensures the development, specialization, and health and safety of its employees, who contribute to the development of its operations. The Company supplies electricity all over Greece, contributes to the development of renewable energy sources and the achievement of national goals, and supports society.

Key Resources

Financial Capital Use of financial capital for investment in the Group's activities	**Manufactured Capital** Investment in new infrastructure and the upgrade of generation capacity	**Intellectual Capital** Investment in the development of low carbon technologies, innovative renewable technologies and new products/services
Human Capital Development of qualified personnel, for the efficient operation of companies	**Natural Capital** Use of natural resources, mainly lignite, and renewable energy sources to generate electricity	**Social and Relationship Capital** Dialogue and cooperation with the stakeholders, in order to ensure the Group's efficient operation and society's support

Core Operations

Mines ▸ Generation ▸ Distribution ▸ Supply

Generation: PPC Renewables + Megalopoli Lignite S.A., Meliti Lignite S.A.

Distribution: HEDNO

Sustainability Strategy

Employees | Environment | Market and Customers | Contribution to Society

Financial Capital Dividends paid, Taxes paid, revenues	**Manufactured Capital** Modernized infrastructure for electricity supply	**Intellectual Capital** Development of new technologies and services
Human Capital Assuring health and safety conditions for highly skilled employees	**Natural Capital** Development of RES, energy efficiency improvement, reduction of greenhouse gas emissions	**Social and Relationship Capital** Customer satisfaction, support vulnerable customers, local communities development and support programs

Value Creation

Sustainability Issues Governance and Operational Framework

The PPC Board of Directors has appointed two of its members to be in charge of managing sustainable development issues. In addition, it has set up the Corporate Social Responsibility Section as a part of the Corporate Affairs and Communications Department. Its mission is to establish, develop and implement a Corporate Social Responsibility strategy that aims to meet the needs of stakeholders in a balanced manner, while highlighting the actions and practices that show the Company's social face.

The Code of Corporate Governance provides a framework of principles and procedures that the Corporate Governance System of the Company follows as regards management, shareholders, its Internal Audit System and risk management. The Internal Audit Department, in accordance with the Company's Articles of Association, inter alia, controls, evaluates and submits proposals regarding the Company's exposure to the risk of fraud and on the existing methods of fraud detection and prevention.

Since 2017, the position of Director of Regulatory Compliance was established. Its responsibilities include, among others, the following:

- Establishment of communication procedures for Regulatory Compliance and Business Code of Conduct issues, and management of an appropriate whistleblowing channel and non-compliance reported incidents in general.
- Determining the training needs and in collaboration with the Training Department, develop the training programs ensuring that employees are always informed and trained on the Regulatory Compliance and Business Code of Conduct issues.

The Staff Regulations of PPC (SR/ PPC) regulates, inter alia, the rights and obligations of employees, the terms of employment contracts, the relationships formed in the execution of work and the exercise of disciplinary power.

PPC implements a Training Management System for identifying and analyzing training needs, designing training courses, selecting trainees and instructors, running training courses, and evaluating training activities (the training cycle).

Furthermore, PPC has developed quality, health and safety, and environmental management systems, which have been certified respectively according to ISO 9001, OHSAS 18001 and ISO 14001, aiming at its optimal operation.

Materiality Analysis

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

Material topics identified by Management

PPC has developed a sustainability materiality analysis process as part of its risk identification and assessment process. However, here it does not identify operational or financial risks, but sustainability risks / impacts.

The materiality heatmaps emerged from this process show the estimated impacts/risks together with the likelihood of them occurring. The heatmaps, the findings and conclusions derived from them and the dynamic tool used to formulate and process the results of this process were then evaluated by the Company's Management team to devise policies and take decisions.

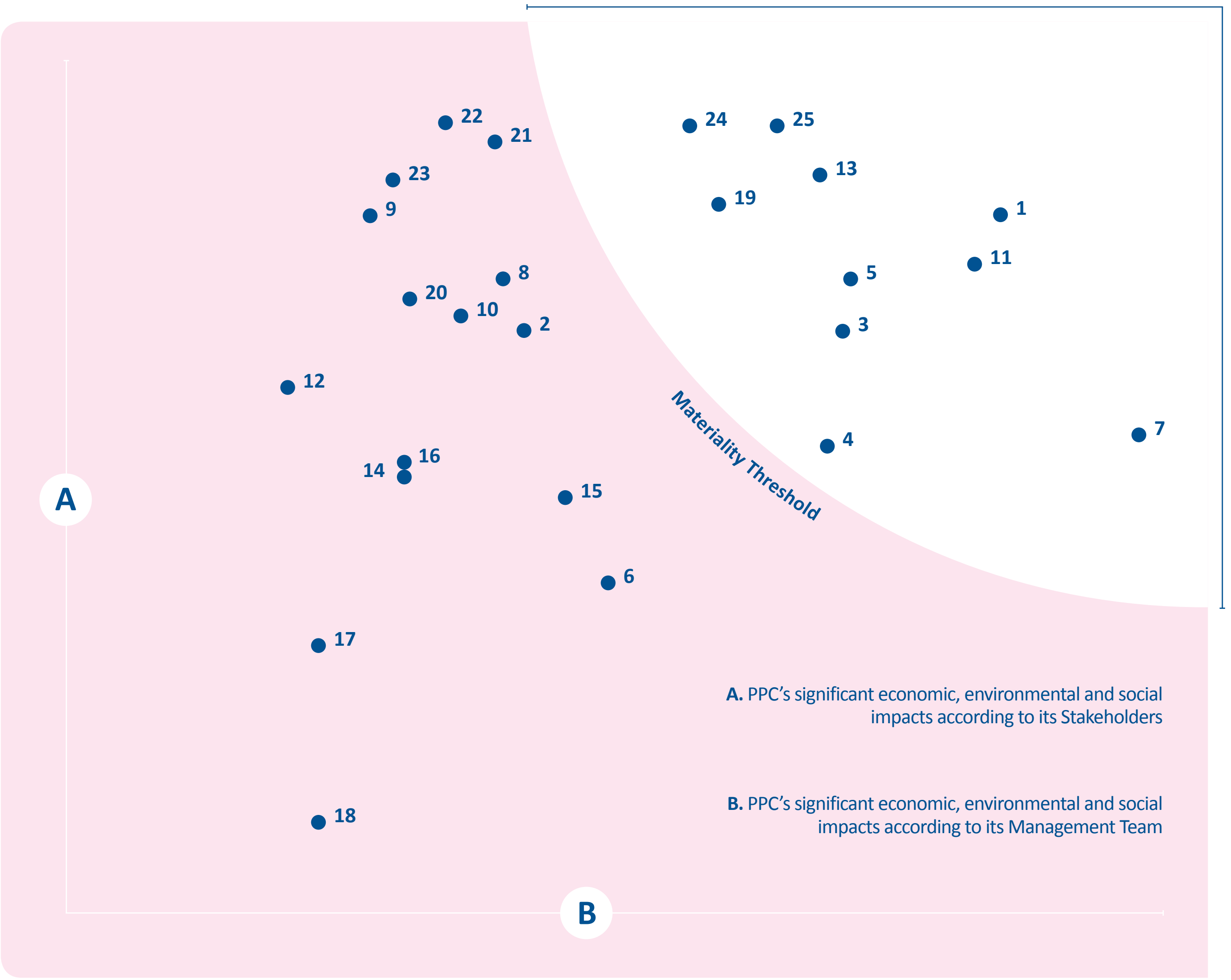
Material topics identified by stakeholders

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

Presentation of the material topics

The results presented in the following diagram illustrate the issues identified in the period 2018-2019.

PPC Sustainability Material Issues



Economy

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

Society

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

Environment

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

PPC's approach to material topics

Material topic: 1.
Financial position/performance
PPC's financial performance was indicated as a material topic primarily by Management, partners and suppliers, employees and competitors. It is a key priority for Management. The Company's financial data is available in this Financial Report.

Material topic: 3.
New markets and investments
Both PPC and stakeholders have identified and agreed that key material topics for the Company's sustainable development are the investments made and expansion into new markets. Generally speaking, PPC's strategic goal (which it is working intensively on) is to offset domestic losses due to the market liberalisation measures imposed on it, by expanding into fresh markets and capitalising on business partnerships.

Material topic: 4.
Regulatory issues
Management and Company competitors have recognised PPC's involvement in managing regulatory issues as a material topic of its operations. Further market deregulation has created uncertainties and challenges for PPC, and the Company considers that the need to generate results when it comes to regulatory issues will intensify.

Material topic: 5.
Risk/crisis management
Risk/crisis management was primarily selected as a material topic by Company Management, employees, shareholders and investors, partners and suppliers, competitors, and by non-governmental/ non-profit organisations. PPC's Management has made concerted efforts to recognise, prevent and manage risks and crises in good time. PPC's Board of Directors then examines the key risks PPC faces and refers to them in detail in the Board of Directors' Annual Financial Report.

Material topic: 7.
New energy market conditions
Management and shareholders and investors at PPC identify managing new energy market conditions as a material topic. This is a new addition to the existing list of material topics in 2016. Rapid developments in the energy market in Greece, coupled with the country's commitments under the MoUs which are bringing about changes in Greece's energy landscape, have made Management and employees more interested in the role the Company will play in the emerging energy and economic environment. PPC's goal continues to be to ensure a competitive environment, where the key concern is benefit for customers.

Material topic: 11.
Staffing the Company
Staffing the Company was indicated as a material topic primarily by Management, employees and by non-governmental/ non-profit organisations. An ageing staff coupled with restrictions on new recruitments because of legal provisions applicable to companies in the Greek public sector, are aspects of this topic which directly impact on the Company's operations.

Material topic: 13.
Customer service, information and satisfaction
Both PPC and stakeholders have identified customer service, information and satisfaction as a material topic. The Company constantly strives to improve the way it provides services to its customers to maintain high levels of customer satisfaction. Efforts are being made to strengthen our customer-focused approach, carry out research and examine complaints, taking into account consumer needs. PPC's main objective is to ensure quality customer service and to handle customer requests in the best possible way. It designs specific and uniform procedures to ensure rapid and effective handling of customer requests and complaints. Moreover, providing information to the public and raising awareness about energy savings and protecting the health and safety of consumers and users of electricity is a key concern for PPC.

Material topic: 19.
Climate change and greenhouse gas/particle emissions
Climate change is a global environmental problem, whose impacts affect all aspects of human life (the environment, health, the food chain, infrastructure, the economy and politics). According to the 5th IPCC assessment report, it is extremely likely that man-made GHG emissions (CO_2, methane, nitrogen oxide and fluoride gases) are the main cause of climate change. When generating electricity from fossil fuels, GHGs and atmospheric pollutants are released into the air. In this regard, climate change and gas/particle emissions have been recognised as material matters by the Company's Management team, shareholders and investors, partners and suppliers, the State, regulatory authorities and public bodies, regions, local authorities and local communities, as well as by non-governmental and non-profit organisations. Keeping the rise in the average global temperature sufficiently below 2C^{o} and the attempt to bring it even lower, to 1.5C^{o} compared to pre-industrial age levels (targets which were agreed at the 21st Conference of Parties to the United Nations Framework Convention on Climate Change in Paris) require measures to be taken to curtail GHGs in the power generation sector.

Material topic: 24.
Energy efficiency/new technologies and 25. Promotion of renewable energy sources
Investments in new technologies to improve energy efficiency, and promotion of renewable energy sources are aspects which are deemed material by Company management as well as by all stakeholders. Improving energy efficiency makes a positive contribution to the Company's financial results, while further promoting RES reduces the Company's exposure to fluctuations in carbon prices in the EU's ETS. At the same time PPC recognises its own responsibility for GHG emissions resulting from its operations and helps effectively limit such emissions and thereby combat climate change.

Performance 2018

Selective indices for the Company's and Group's 2018 performance are presented in the following table. The indicators have been selected in accordance with the GRI guidelines. Detailed data as well as further PPC performance indicators are presented in the Corporate Social Responsibility and Sustainability Report 2018.

Indices	PPC Group[1]	PPC S.A.
Total no. of employees (number of employees 31 December 2017)	16,747	9,031[2]
Female employees (%)	23	23
No. of employees with a collective labor agreement (%)	99	100
Total no. of accidents[3] (number of employees)	151	42[4]
Total no. of fatal accidents[5] (number of employees)	1	-[6]
Final court decisions on incidents of human rights violation in the workplace (number of incidents)	-	-[7]
Final convictions of criminal courts on matters falling within the criminal offenses of corruption, abuse of power, embezzlement, theft, infidelity, corruption, bribery, fraud, forgery, false testimony or falsification of documents, use of false testimonies and official secrecy violation (number of court decisions)	-	-[8]
Social contribution (donations and sponsorships[9], support of local communities and institutions / organizations etc.) (€ '000)	1,992	1,822
Total amount of lignite levy payable to local communities (€ '000)	22,967	22,164
Power outage frequency (SAIFI) (number of power outages per customer)	1.6	-
Average power outage duration (SAIDI) (annual power outage duration in minutes per customer)	119	-
Number of Power Plants (lignite centers, thermal power generation units, hydroelectric units, etc.) with certified Environmental Management Systems	20	18
CO_2 emissions from electricity generation[10] (in thousands of tons)	29,520	23,775
Greenhouse gas (CO_2) trading rights (mil. €)	369.6	301.4

1. Data refer to the companies PPC, HEDNO, PPC Renewables, Megalopoli Lignite and Meliti Lignite.
2. Full time employees – this includes PPC employees working at PPC Renewables.
3. The methodology taken into account to calculate the indicators is the "European statistics on accidents at work (ESAW) - Methodology - 2001 edition", which is also followed by the European Agency for Safety and Health at Work (EU-OSHA) and EURELECTRIC. The number of accidents includes all accidents occurring during employment of the permanent and seasonal/ temporary staff, which caused absence from work for more than 3 calendar days. Accidents occurring while travelling to and from work or cases of sickness, which are analyzed separately (from a statistical viewpoint), are not included.
4. Includes accidents that have been reported to the Occupational Health and Safety Department of PPC, by April 18th 2019.
5. Total number of worker fatalities in consonance with the «European statistics on accidents at work (ESAW) - Methodology - 2001 edition».
6. Includes accidents that have been reported to the Occupational Health and Safety Department of PPC, by April 18th 2019.
7. Final judgements of civil and criminal courts. The indicator relates to employees of PPC S.A., in the context of exercising their duties by virtue of their status as employees of the Company. The indicator relates to full-time, temporary or seasonal employees excluding seconded employees, contractors and their staff.
8. The indicator relates to employees of PPC S.A., in the context of exercising their duties by virtue of their status as employees of the Company. The indicator relates to full-time, temporary or seasonal employees excluding seconded employees, contractors and their staff.
9. The amount of donations / sponsorships concerns already accounted amounts from January 1 to December 31st 2018.
10. Emissions from facilities participating in the European Union Emissions Trading Scheme.

STATEMENT OF CORPORATE GOVERNANCE

INTRODUCTION

1. Code of Corporate Governance applying to the Company

Corporate Governance is a system of principles, based on which the optimal organization, administration and operation of a société anonyme, as well as the transparency in its relations with the shareholders and the safeguarding in general of corporate interests are pursued.

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

It is to be noted that the Company is governed by specific laws and regulations applicable to the corporations of the wider public sector, as long as the Hellenic Republic, even indirectly, holds 51% of its share capital. Consequently, its operations shall continue to be subject to the laws and regulations applicable to the companies of the Greek public sector affecting specific procedures, as those concerning, indicatively but not limited to, personnel remuneration policy. The said laws and regulations, to which the current competitors of the Company are not expected to be subject, are likely to limit its operational flexibility and the implementation of the relevant "best practices" of corporate governance.

Specifically, Hellenic Corporation of Assets and Participations S.A. (HCAP) (in which the Greek State holds 100% of its voting rights) participates directly with 34.123% in PPC's share capital and indirectly with 17% through the Hellenic Republic Asset Development Fund (HRADF), which is a subsidiary of HCAP. Based on the above, the total percentage of the Hellenic Republic remains indirectly at 51.123%. In accordance with the Act of Legislative Content dated 7.9.2012, which was ratified by article 2 of Law 4092/2012 (OG A' 220/8.11.2012), the obligatory participation of the Hellenic Republic by at least 51% in the share capital was abolished and the Company's Articles of Incorporation were adapted accordingly.

PPC prepares the current statement of Corporate Governance pursuant to the provisions of Article 152 of L. 4548/2018 (OG 104/13.06.2018) as applicable and appropriate, in accordance with the International Accounting Standards which have been established under the Regulation (EC)1606/2002.

PPC has drawn up and implements its own Code of Corporate Governance. Said Code was updated in February 2018 and is posted on the Company's website (www.dei.gr).

It is noted that, according to article 183, para.1 of L. 4548/2018, for the reform of law about Societes Anonymes, PPC is expected in 2019 to harmonize the sum of the provisions of its Articles of Incorporation with the provisions of the new law, which is in effect since 01.01.2019. Therefore in the areas of this statement where a reference is made to the provisions of PPC's current Articles of Incorporation that refer to C.L. 2190/1920, it is understood that L. 4548/2018 is applied until the full adjustment of the Articles of Incorporation to the provisions of the L. 4548/2018.

The main axes of the Code of Corporate Governance implemented by PPC are the following:

Administration

Composition of the Governing Bodies, jurisdiction and functioning.

Committees of the Board of Directors (herein BoD) and jurisdiction thereof.

Shareholders

Jurisdiction and operation of the General Meeting of Shareholders, shareholders' rights, briefing of the shareholders, as well as reference to the information data required pursuant to article 10 par. 1 of Directive 2004/25/EC of the European Parliament, as incorporated in Law 3461/2006.

Internal audit and risk management

Main characteristics of the Company's internal audit and risk management systems, regarding the procedure of preparing its financial statements.

2. Corporate Governance Practices implemented by PPC in addition to Law (article 152 par. 1 item a. sub item cc. of L 4548/2018, as applicable)

1. The prohibition applied to the members of the Board of Directors concerning the conduct of competitive acts applied 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 Board of Directors (article 13 par.2 of Articles of Incorporation, Code of Corporate Governance "Prohibition of competition – Participation in the Board of Directors of subsidiary companies").
2. The Board of Directors consists of different categories of members: nine (9) members, including the Chief Executive Officer, elected by the General Meeting of shareholders of the company and two (2) members representing the Company's employees are elected by direct and universal ballot (article 9 of Articles of Incorporation, Code of Corporate Governance "Composition of the Board of Directors"). The nominations for membership on the Board of Directors, along with the curriculum vitae of the nominees, shall be submitted to the company at least three (3) working days prior to the convocation date of the General Meeting called for their election, in order to be examined with regard to any impediments or incompatibilities, as well as to the criteria of their independence (especially in the case of appointment of independent members) by a Committee of the Board of Directors (art. 9 para.5 of the Articles of Incorporation, Code of Corporate Governance "Composition of the Board of Directors").
3. In case both positions of Chairman and CEO coincide to the same person, the Board of Directors shall also elect a Vice Chairman (article 14 of Articles of Incorporation, Code of Corporate Governance "Chairman and Vice Chairman of the Board of Directors").
4. Apart from the Board of Directors and the CEO, the Governing Bodies of the Company include the Executive Committee (article 8 of Articles of Incorporation, article 3 of Rules of Operation, Code of Corporate Governance "Governing Bodies").
5. There are Deputy CEOs reporting to the CEO (article 15a of Articles of Incorporation, Code of Corporate Governance "Deputy Chief Executive Officers").
6. A Remuneration Committee has been established, consisting of three (3) non-executive members of the Board of Directors, at least two (2) of them independent (article 17 of Articles of Incorporation, Code of Corporate Governance "Remuneration and Compensation of Members").
7. A Management Contract is signed between PPC and the CEO (article 16 of Articles of Incorporation, Code of Corporate Governance "Management Contract and follow-up of its implementation").
8. Persons of recognized standing or with specialized experience or expertise in specific areas may be employed as Special Consultants, in order to support the CEO or the Deputy CEOs or the General Managers in carrying out their duties. The number of special consultants shall not exceed ten (10). The employment/assignment contracts with the Special Consultants are signed by the Chief Executive Officer, that decides upon the nature of their relationship with the Company as well as upon the terms of such contracts, indicatively the duration of the contract, remuneration/fees and other benefits (article 21 Rules of Operation of the Company, see below under)
9. Based on the Company's Rules of Operation as applicable which were approved by the Resolution of the BoD 3/17.1.2019, the Members of the Board of Directors as well as any third person to whom any competencies of the Board have been assigned by the latter, shall not be allowed to pursue own interests that are contrary to those of the Company. Members of the Board as well as any third person to whom any competencies of the Board have been assigned, are required to disclose promptly and adequately to the rest of the Board Members their own interests, that may arise from any transactions of the Company which fall within the scope of their duties, as well as any conflict of own interests with those of the Company or of any associated company, which may arise during the performance of their duties. In the event that such conflict of interests is reported or occurs in accordance with the aforementioned, such Member of the Board shall have no voting right during the relevant meeting of the Board. Any vote cast by such Member of the Board shall not be counted toward a quorum and majority.

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

3.1 Safeguards at corporate level

The corporate safeguards concern the internal audit and the regulatory compliance.

1. The internal audit, in accordance with L.3016/2002 as applicable, and the Decision no 5/204/2000 of the EC, constitutes an independent, objective, safeguard and advisory activity, designed to add value and improve the operations of the Company, enabling it to fulfill its objectives through the adoption of a systematic and professional approach with regard to the evaluation and improvement of the effectiveness of the risk management procedures, of the internal audit systems and of the corporate governance. The Internal Audit of the Company is performed by a special Service, the Internal Audit Department (IAD), which is established by decision of the Board of Directors and supervised by the Audit Committee of the Board of Directors.

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

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

2. The Regulatory Compliance constitutes a safeguard of the good repute and credibility of the company, through compliance with the applicable legal, regulatory and statutory provisions, as well as with its internal regulatory framework, and through consolidation and reinforcement of the business ethics. All matters related to regulatory compliance are being handled by the Director of Compliance who has the following competences:

- Ongoing monitoring of the external institutional framework (legal, regulatory, statutory) and the internal regulations governing the business operations of the company, in collaboration with the competent Services of the company.
- Participation in the strategic planning and the annual compliance risk assessment in collaboration with the competent Department for risk management and the Internal Audit Department.
- Elaboration of a "Business Ethics & Compliance Program", in accordance with the international best practices, principles and rules, and follow-up of its implementation.
- Timely briefing of the company's competent Services on matters of Regulatory Compliance and Business Ethics in order to achieve uniformity and implement common practices.
- Submission of proposals for performing the necessary adaptations of the internal operations in order to ensure efficient separation of tasks and avoid conflict of interests.
- Establishment of communication procedures in matters of Regulatory Compliance and Business Ethics and management of a suitable channel for the submission of complaints and in general of non-compliance reports.
- Ongoing monitoring in order to prevent any violations of the institutional framework.
- Timely scheduling of the procedures of assessment, investigation and resolution of issues of non-compliance which may arise, in cooperation with the Legal Department and the Internal Audit Department, as required.
- Determination of training needs and elaboration, in cooperation with the Training Department, of training programs aiming at informing and training the personnel in matters of Regulatory Compliance and Business Code of Conduct.
- Preparation of the six-month activity reports, the annual report and other reports on issues falling within its competence to be submitted to the Board of Directors via the Audit Committee.

3. The obligations of the Audit Committee of the BoD under its present from and composition (see below para. 6.13) as detailed in paragraph 1 of Chapter A13 of the Code for Corporate Governance, involve supervising the Internal Audit Department and intervening in the procedure of submission of the Compliance Director's reports to the BoD. The Audit Committee constitutes the highest safeguard of the company, through actions such as:

- The preparation of the meetings with the Top Management or/and the competent managers during the preparation of the financial reports, as well as with the certified auditor-accountant at the stages of audit planning and conducting and at the stage of preparation of the audit reports.
- The monitoring the course of the statutory audit of the individual and consolidated financial statements and informing the Board of Directors of the results, explaining its contribution to the quality and integrity of the financial information and the role of the Audit Committee in the process
- The reviewing and monitoring issues related to the existence and preservation of the objectivity and independence of the statutory auditors or audit firms, particularly regarding the provision by them, to the Company and its Subsidiaries, of other non - audit services
- The responsibility of the selection procedure for the statutory auditors or audit firms
- The collection of the available information and data on the internal audit and the main risks and uncertainties of the company, in relation to the financial information.
- The follow-up of the procedure of financial information preparation and dissemination, focusing on the mechanisms and systems of generation, flow and dissemination of the financial information generated by the involved bodies of the company, including financial information published in any way whatsoever (e.g. stock exchange announcements, press releases etc.).
- The follow-up of all policies, procedures and safeguards of the company in relation to both the internal audit system and the risk assessment and management, as well as collection of the relevant results.
- The follow-up of the process of addressing problems identified by the Internal Audit Department, and especially those related to financial information.
- The submission of relevant reports to the Board of Directors, as well as submission of its activity report to the shareholders at the annual General Meeting.

3.2. Safeguards for information systems

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

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

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

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

Procedures for accounting monitoring and preparation of financial statements
- Integrated policy principles for the operation of the Accounting Services of the Group.
- 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 compliance 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 posting of accounting entries, which concern specialized, non-recurrent accounting events.
- Audits are being carried out by the Information Technology Department on the information subsystems' data, before being integrated into the General Accounting.
- Regular communication of the executives of the Finance Division with the Top Management and the Audit Committee for the ratification and recording of important events that influence financial statements.
- Regular communication of the statutory Auditors with the Top Management and the Audit Committee with regard to the progress and the results of the Company's compulsory audit.

Procedures for property safekeeping
Implementation of safeguards for the information systems in place for managing fixed assets, reserves, cash and cash equivalents and client management information systems. Indicatively, we mention the existence of analytical procedures and audit mechanisms for carrying out the annual materials inventory.

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

4.1 Share Capital Structure

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

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

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

4.2 Restrictions in transferring Company shares

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

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

As of December 31, 2018, the Hellenic Corporation of Assets and Participations S.A. (HCAP), Hellenic Republic Asset Development Fund (HRADF) and Silchester International Investors LLP have a significant participation (over 5%).

20/3/2018	Hellenic Corporation of Assets and Participations S.A. (HCAP)[(1)]	**34.12%**
11/4/2014	Hellenic Republic Asset Development Fund (HRADF)[(1)]	**17.00%**
13/9/2011	"Silchester International Investors LLP" acting as investment manager for its client - Silchester International Investors International Value Equity Trust.	**5.01%**
8/12/2011	"Silchester International Investors LLP" acting as investment manager for the following clients: - Silchester International Investors International Value Equity Trust, - Silchester International Investors International Value Equity Taxable Trust, - Silchester International Investors International Value Equity Group Trust, - Silchester International Investors Tobacco Free International Value Equity Trust, - The Calleva Trust.	**13.80%**

(1) On April 8th 2014, the Greek Biministerial committee for restructurings and privatizations decided the transfer, without consideration, of 39,440,000 ordinary shares with voting rights corresponding to 17% of the existing share capital of PPC S.A, by the Hellenic Republic to the HRADF, pursuant to the provisions of Law 3986/2011. On April 9th 2014, the transfer of said shares by the Hellenic Republic to the HRADF was effected, following execution of an over-the-counter transaction and was announced on Apil 11th 2014. A transfer of 79,165,114 PPC shares (namely 34.123%) by the Greek State to the HCAP was completed on March 20th 2018, by law and without consideration, according to para. 20, article 380 of L. 4512/2018, as amended para. 1 of article 197 of L. 4389/2016. Consequently, HCAP participates directly with 34.123% in PPC's share capital and indirectly with 17% through the HRADF, which is a subsidiary of HCAP. The total voting rights of HCAP amount to 51.123%. The Greek State owns 100% of voting rights in HCAP. Based on the above, the total percentage of the Hellenic Republic remains indirectly at 51.123%.

4.4 Shares with special control rights

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

4.5 Voting rights restrictions

There are no restrictions on voting rights.

4.6 Agreements between Company's shareholders

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

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

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

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

b. Two (2) members representing the employees of the company. These members shall be elected by direct, general ballot and by means of the proportional representation system within a time period of two (2) months from the relevant notification to the most representative trade union (ASOP). The election of the representatives of the employees to the Board of Directors shall be conducted by an election committee appointed by the most representative trade union of the company, in which (committee) at least one representative from the remaining trade unions of the company shall participate. The procedure of the said election, the appointment of the local election committees, the time and the details of the polling, as well as the counting of the votes and the announcement of the results thereof, shall be the job of said committee, which shall be presided over by a judicial functionary pursuant to the provision of article 11 of Law 1264/1982 concerning "Democratization of the Trade-union Movement – The Rights of the Unions" (Official Gazette, volume A, issue no. 79). The same procedure shall also apply to the appointment of the substitute members in replacement of the members of the Board elected in accordance with the procedure set forth in the paragraph herein. In case the substitute member resigns or leaves his office vacant, for any reason whatsoever, his position shall be occupied by the substitute member who follows next in order.

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 case that for any reason whatsoever there shall be a vacancy in the office of a Board Member elected in accordance with the procedure set forth in paragraph 2 case a) of the article 9 of the Company's Articles of Incorporation, the remaining members of the Board shall elect another member for the remaining term of the member in the office of whom a vacancy has occurred, and such election is posted on the websites of the company and of the General Electronic Commercial Registry (GECR or G.E.M.I.) and is announced by the Board of Directors at the next meeting of the General Meeting.

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

According to article 6 par.2 case a) of the Company's Articles of Incorporation, the Company may, increase the share capital through the issuance of new shares. The amount of the increase cannot exceed the amount of the original share capital or of the share capital which shall have been paid up on the date of the decision by the General Meeting on the renewal of the relevant power of the Board of Directors.
The above mentioned authority of the BoD can be renewed by the General Meeting for a period that cannot exceed 5 years for each renewal.
The provisions of articles 49, 50, 51 of Law 4548/2018, as amended and currently in effect, provide for the Company's ability to purchase own shares, with the Board of Directors responsibility following an approval of the General Meeting of Shareholders, under the requirements specifically indicated by the above articles.
There is no such provision in the Company's Articles of Incorporation, concerning specifically the Board of Directors or the General Assembly's competence for the purchase of own shares.

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

A significant part of loan agreements provide that in case the Greek State's participation in the share capital of the Company falls below 34% or 51%, or in case the State ceases to control the Company, it may lead to Mandatory Prepayment of these loans or constitute an Event of Default. In addition, the change in PPC's shareholders' structure, which will lead to a change in control over the Company is a reason for an "Accelerated Put/Call Event" according to the Shareholders Agreement between PPC S.A. and TERNA ENERGY relating to

WASTE SYCLO S.A. This fact initiates the procedure of the "Accelerated Put/Call Notice". The Non Defaulting Party may require to purchase all the shares of the Defaulting Party, or may proceed to the disposal of its shares to the Defaulting Party, according to the foreseen procedure in the Shareholders Agreement. With regard to the shareholders agreement with ALPIQ, based on which the subsidiary company under the trade name PPC Bulgaria was established in Bulgaria, in the event of any change in the shareholder structure of one out of the two shareholders which leads in a change of control over the company, the other shareholder may exercise his right to sell his shares to the first shareholder, within 30 working days, pursuant to the procedure provided for in the shareholders agreement.

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

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

PPC has signed contracts for the provision of independent services with the Chairman and Chief Executive Officer Mr. E. Panagiotakis, and with the Deputy CEOs Mr. D. Tzanninis and Mr. G. Kostakis. The contract for the provision of independent services with Mr. Goutsos (whose tenure as Deputy CEO ended) was terminated on April 20th 2018.

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

5.1 Shareholders' General Meeting competence (Articles of incorporation - article 19)

1. The Shareholders' General Meeting is the supreme authority of the Company and shall have the right to make decisions on all matters concerning the Company, unless otherwise stipulated in the Articles of Incorporation, and more particularly to decide regarding:
a. The amendment of the Articles of Incorporation. Such amendments are also deemed to include the increase or decrease of the share capital, subject to the provisions of article 6 of the Articles of Incorporation and article 34 par. 2 of Codified Law 2190/1920, as applicable. The decisions concerning amendments to the Articles of Incorporation shall be valid, provided that the relevant amendment is not prohibited by an expressed provision of the Articles of Incorporation or by law,
b. The election of Board Members, pursuant to article 9 of the Articles of Incorporation, of the Chief Executive Officer and of the regular auditors,
c. The approval of the balance sheet of the Company,
d. The distribution of the annual profits,
e. The issuance of loan through bonds convertible into shares, subject to the provisions of article 6 of the Articles of Incorporation. The issuance of bond loans non-convertible into shares shall be permitted also by virtue of a resolution of the Board of Directors,
f. The merger, demerger, transformation, revival, extension of term or dissolution of the Company and
g. The appointment of liquidators.

2. 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 holds.

5.2 Convocation of the General Meeting (Articles of incorporation - article 20)

1. The Shareholders' General Meeting 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 place outside such seat, in accordance with the provisions of article 25 of Codified Law 2190/1920, at least once a year, always within the first six months following the end of the financial year. The Board of Directors may convene an Extraordinary Shareholders' General Meeting, whenever this is prescribed by special provisions or whenever the Board considers it appropriate.
2. Within ten (10) days from the submission by the auditors of a request to the Chairman of the Board of Directors, the Board of Directors shall be bound to convene the Shareholders' General Meeting having for items on the agenda those listed in the submitted request.

5.3 Invitation to the General Meeting (Articles of incorporation - article 21)

1. 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 of the GEMI, and in any case, as provided for by the law each time.

2. The General Meeting shall be convened at least twenty (20) days prior to the date set for the meeting, inclusive of days legally excluded (holidays). The invitation shall be posted on the website of the company twenty (20) days prior to the date set for the General Meeting and at the same time the company shall announce to the G.E.MI such posting on the website, pursuant to the law. In the event of repeat General Meetings, the time limits set forth herein shall be reduced by one half.

3. 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.

4. Besides the information of par.1 herein, the invitation shall also:
a. include at least the following information:
aa) 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, by 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 is posted, with an explicit reference in the invitation, on the Company's website www.dei.gr, and
bb) the procedure for the exercise of the voting rights 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 receives electronic notifications of any appointment and revocation of proxy holders.
b. the record date as provided for in article 22 par. 2 of the Articles of Incorporation in accordance with article 28a par. 4 of Codified Law 2190/1920, as applicable, pointing out that only those persons having the shareholding capacity on such date shall have the participation and voting right at the General Meeting.
c. the location where the full text of documents and draft resolutions provided for in cases c) and d) of par. 5 of article 22 of the Articles of Incorporation are made available, as well as their reception mode.
d. the Company's website address where the information of par. 5 of article 22 of the Articles of Incorporation is posted.

5. The company publishes in the media mentioned in par. 1 herein a summary of the invitation containing at least the precise address of the venue, the time and the hour 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 par. 3 of article 27 of Codified Law 2190/1920 are posted.

In case of enforcement of par. 2 article 39 of Codified Law 2190/1920 the publication in the media in accordance with the above par. 1 herein shall contain at least a clear indication that any revised agenda shall be posted on the company's website and in the media mentioned in the following section. Besides the publication in the media of par. 1 herein including the company's website, the full text of the invitation shall also be published within the prescribed deadline of par. 2, 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 diffusion of information to the investors, in particular at print and electronic media with national and Europe-wide circulation.

5.4 Participation in the General Meeting (Articles of incorporation - article 22)

1. Any shareholder shall be entitled to attend and vote at the General Meeting.

2. Any person appearing as a shareholder in the registry of the entity where the securities of the Company are being kept, shall be entitled to participate in the General Meeting without being required to block his shares. The shareholding capacity shall be evidenced by providing a relative written certificate from the above entity or alternatively a confirmation through direct online connection of the Company with the records of the latter. The shareholdings capacity shall be valid on the commencement of the fifth (5th) day prior to the date of the General Meeting (Record Date) and the relative written or electronic certificate with regard to the shareholding capacity shall be serviced to the Company at the latest the third (3rd) day prior to the date of the General Meeting.

   Shareholders may attend the repeat General Meeting in accordance with the same formal requirements set out above. The shareholding capacity shall be valid on the commencement of the fourth (4th) day prior to the holding of the repeat General Meeting (Record Date of repeat General Meetings), while the relative written or electronic certificate with regard to the shareholding capacity shall be serviced to the Company at the latest the third (3rd) day prior to the General Meeting. Only those holding the shareholding capacity on the above Record Date shall be considered vis-à-vis the Company to be entitled to participate and vote at the General Meeting. In case of non -compliance with the provisions of Article 28a of Codified Law 2190/1920, as applicable, the said shareholders may attend the General Meeting only upon authorization of the General Meeting.

   Shareholders shall participate and vote at the General Meeting either in person or by proxy. Each shareholder may appoint up to three (3) proxy holders. A proxy holder holding proxies by several shareholders may cast votes differently for each shareholder. The appointment and revocation of proxy holders 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 three (3) days prior to the date set for such General Meeting. Legal entities participating in the General Meeting may appoint up to three (3) natural persons as proxies.

3. Ten (10) days prior to the ordinary General Meeting, every shareholder may obtain from the Company the annual financial statements thereof, together with the relevant reports of the Board of Directors and of the auditors.

4. Twenty-four (24) hours prior to each General Meeting, a list of shareholders with voting right at the said meeting shall be posted in a prominent place at the registered office of the Company. The said list shall indicate any proxies of the shareholders, in compliance with article 28a of Codified Law 2190/1920, as applicable, and paragraph 2 herein, the number of shares and votes of each shareholder, as well as the addresses of the shareholders and of their proxies.

5. 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:

a. the notice of invitation to the General Meeting,
b. the total number of shares and voting rights on the date of such invitation,
c. the documents to be submitted at the General Meeting,
d. a draft resolution for each 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,
e. the printed forms to be used for the exercise of voting rights by proxy.

5.5 Ordinary Quorum and Majority (Articles of incorporation - article 23)

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

2. If the quorum referred to in the preceding paragraph is not obtained, the General Meeting shall be held again within twenty (20) days from the date of the postponed meeting, following invitation being notified at least ten (10) days prior to the meeting date. At such repeat meeting a quorum shall be deemed to be obtained in order to duly discuss the items set out in the original agenda, independently 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 at least ten (10) full days intervene between the postponed meeting and the repeat one.

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

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

1. As an exception, for resolutions involving :

a. change in the nationality of the Company,
b. modification of the object of the Company,
c. issuance of bonds convertible into shares, as stipulated by article 19 par. 1(e) of the Articles of Incorporation,
d. increase of the shareholders' obligations,
e. 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,
f. decrease of the share capital, with the exception of the case of par. 6 article 16 of Codified Law 2190/1920, as applicable, or with the exception of those cases which are regulated in a different manner, according to a special law or to the Articles of Incorporation,
g. change in the manner of profits' distribution,
h. restriction or abolition of the pre-emption right of the old shareholders in all cases of increase of the share capital not effected by transfers in kind or by the issuance of convertible bonds,
i. merger, demerger, transformation, revival, extension of term or dissolution of the Company,
j. granting or renewing of powers to the Board of Directors for the increase of the share capital or the issuance of bond loan in accordance with the provisions of article 6 par. 2(b) of the Articles of Incorporation, and
k. any amendment to the section herein and in any other case provided for by the law,

a quorum shall be deemed to be obtained for the proper transaction of the business set out in the agenda, when shareholders representing two thirds (2/3) of the paid-up share capital are present or represented at the relevant meeting.

2. If the said quorum is not obtained, a second General Meeting shall be held in accordance with the provisions of paragraph 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 original agenda when at least one half (1/2) of the paid-up share capital is represented thereat. If such quorum is still not obtained, the General Meeting shall be held upon notice of invitation and convened as stipulated above, a quorum of which shall be obtained when shareholders representing at least one fifth (1/5) of the paid-up capital are present or represented at said meeting. In the event that quorum has not been obtained, 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 ten (10) full days intervene between each postponed meeting and each repeat one.

3. The resolutions stipulated in par. 1 herein shall be made by a two-thirds (2/3) majority of the votes represented at the General Meeting.

5.7 Chairmanship of the General Meeting (Articles of incorporation - article 25)

1. 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.
2. 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.

5.8 Agenda - Minutes of the Meetings (Articles of incorporation - article 26)

1. 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.
2. A summary of all the items discussed and resolved at the General Meeting shall be entered in a minute book signed by the Chairman and the Secretary. Following request, if any, by any shareholder, the Chairman shall record an exact summary of the said shareholder's opinion in the minutes. In the same minute book shall also be recorded a list of shareholders who attended the General Meeting in person or by proxy, drawn up in accordance with par. 2 of article 27 of Codified Law 2190/1920, as applicable. 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.
3. 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.
4. If only one shareholder is present at a meeting of the General Meeting, then a representative of the Supervising Ministry – Section of Supervision of Sociétés Anonymes or a notary public authorized to do business in the district where the seat of the Company is located, shall attend the said General Meeting and countersign the minutes thereof.

5.9 Discharge from Liability of the Members of the Board of Directors and of the Auditors (Articles of incorporation - article 27)

1. Following the approval of the annual financial statements, the General Meeting shall decide by a special vote taken by roll call, regarding the discharge of the members of the Board of Directors and of the auditors from any liability for damages. The said discharge shall be null and void in those instances provided by article 22a of Codified Law 2190/1920, as applicable.
2. Shareholders shall be entitled to participate in the voting for the discharge of the members of the Board of Directors only with the shares they own or as proxy holders of other shareholders, provided that they have obtained a relative authorization with clear and specific voting instructions. The same also applies for the employees of the Company.

5.10 Minority Rights (Articles of incorporation - article 28)

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 decision 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 decision.

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 in 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. The revised agenda shall be published or notified under the responsibility of the Board of Directors, pursuant to article 26 of Codified Law 2190/1920, 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 of article 22 of the Articles of Incorporation.

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 in 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 par. 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 procedure of decision taking by the ordinary or the extraordinary General Meeting for all or for specific items, setting at the same time, as date for the continuation of the meeting, the one specified in the request of the shareholders, which may not be later than thirty (30) days from the date of postponement. The General Meeting, which follows the postponed one, is deemed to be in continuation of the previous one and no repetition of the formalities for the publication of the shareholders' invitation is required. New shareholders may also attend this meeting, by complying with 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 Managers or other employees of the Company, as well as any other benefit paid to the said persons or any contract the Company has entered into 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 obliged to provide the requested information with respect to the Company's 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 a) and b) 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.

7. At the request of shareholders representing one fifth (1/5) 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 during the General Meeting to the said shareholders 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 paragraphs 6 a) and 7 herein, 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 at the Company's registered seat, following the procedure of interim measures.

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 roll call.

10. In all cases referred to in paragraphs 1 up to 7 of the article herein, the shareholders submitting such a request shall be obliged to provide evidence of their shareholding capacity, in accordance with article 22 of the Articles of Incorporation, as well as of the number of their shares granting them the above rights, whether by providing a relative certificate by the entity where the respective securities are being kept or by confirmation of their shareholding capacity through direct online connection between the above-mentioned entity and the Company.

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 from the court referred to in the preceding paragraph the performance of an audit of the Company, provided that it is assumed from the general progress of the Company's affairs, that the management thereof is not carried out in accordance with the principles of honesty and prudence. The last subparagraph of paragraph 3 article 40 of Codified Law 2190/1920 shall not be applicable.

13. Shareholders who make a request in accordance with paragraphs 11 and 12 of the article herein, must provide evidence to the Court that they are in possession of the shares, as stipulated in article 22 of the Articles of Incorporation, granting them the right to request the audit of the Company.

6. Composition and operation of the Governing Bodies

6.1. Governing Bodies (Articles of incorporation - article 8)

The Governing Bodies of the Company shall be:

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

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

1. a) The Board of Directors (or BoD) shall consist of eleven (11) members divided into executive and non-executive members (independent or non – independent) and elected for a three-year term. 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 is extended ipso jure until the first Ordinary General Meeting to be held after its expiration.

b) At least 5 out of the 11 members of the Board of Directors shall be independent non-executive members. The participation of the independent non-executive members to the BoD shall not exceed 3 consecutive terms of office, in other words nine (9) years in total.

c) 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 at maximum the number of three (3) out of the total number of its members.

2. The Board of Directors shall consist of:

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

b) Two (2) members representing the employees of the Company. These members shall be elected by direct, general ballot and by means of the proportional representation system within a time period of two (2) months from the relevant notification to the most representative trade union (ASOP). The election of the representatives of the employees to the Board of Directors shall be conducted by an election committee appointed by the most representative trade union of the Company, in which (committee) at least one representative from the remaining trade unions of the Company shall participate. The procedure of the said election, the appointment of the local election committees, the time and the details of the polling, as well as the counting of the votes and the announcement of the results thereof, shall be the job of said committee, which shall be presided over by a judicial functionary pursuant to the provision of article 11 of Law 1264/1982 concerning "Democratization of the Trade-union Movement – The Rights of the Unions" (Official Gazette, volume A, issue no. 79).

The same procedure shall also apply to the appointment of the substitute members in replacement of the members of the Board elected in accordance with the procedure set forth in the paragraph herein. In case the substitute member resigns or leaves his office vacant, for any reason whatsoever, his position shall be occupied by the substitute member who follows next in order.

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

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

b) In the event of a vacancy in the office of the Chief Executive Officer for any reason whatsoever the Chairman of the Board of Directors shall temporarily act as Chief Executive Officer or if the posts of Chairman of the Board of Directors and of Chief Executive Officer coincide to the same person, the Vice Chairman of the Board of Directors and if there is no Vice Chairman, a person designated by the Board of Directors among its nine (9) members, and by priority among its executive members, who have been elected by the General Meeting, shall act as Chief Executive Officer. In such instances, the Board of Directors shall call a meeting of the General Meeting of shareholders within the shortest possible time for the election of the new Chief Executive Officer.

c) In the event of a vacancy in the office of the Chairman of the Board of Directors for any reason whatsoever the Chief Executive Officer of the company shall temporarily act as Chairman or if the posts of Chairman of the Board of Directors and of Chief Executive Officer coincide to the same person, the Vice Chairman of the Board of Directors shall act as Chairman. In the event of a vacancy in the office of both the Chairman and the Chief Executive Officer, and should no Vice Chairman of the Board of Directors have been elected, the Chairman shall be substituted by the senior member of the Board of Directors from among its nine (9) members who have been elected by the General Meeting.
d) In the event that the Chief Executive Officer or the Chairman are absent or temporarily unable to perform their functions, the Vice Chairman and, if there is no Vice Chairman, a person designated by the Board of Directors among its nine (9) members, and by priority among its executive members, who have been elected by the General Meeting, shall substitute for them.

5. The nominations for membership on the Board of Directors, along with the curriculum vitae of the nominees, shall be submitted to the company at least three (3) working days prior to the convocation date of the General Meeting called for their election, in order to be examined with regard to any impediments or incompatibilities, as well as to the criteria of their independence (especially in the case of appointment of independent members) by a Committee to be established by the Board of Directors.

6. Failure to post on the websites of the company and of the GECR and to announce the election or the substitution of a Board Member by the General Meeting shall not invalidate the resolutions of the Board of Directors taken with the participation of the said member.

6.2 Competence of the Board of Directors (Articles of incorporation - article 10)

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

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

3. The Board of Directors shall, upon recommendation of the Chief Executive Officer, approve the annual budget of the Company, prepare, approve and submit to the General Meeting for approval the annual financial statements of the Company and prepare and submit to the General Meeting the annual report.

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

5. The Board of Directors may, upon recommendation of the Chief Executive Officer delegate part of its competences, except for those which, pursuant to Codified Law 2190/1920 and to the Articles of Incorporation, require collective action or fall within the exclusive jurisdiction of the Chief Executive Officer in accordance with Article 15 of the articles of Incorporation, as well as the administration, management or supervision of the affairs or the representation of the Company, to the Chairman, to the Chief Executive Officer, to the Deputy Chief Executive Officers, to one or more of its members, to the Executive Committee, to the Chief Officers, to the Managers or the employees of the Company. The aforesaid persons to whom the competences of the paragraph herein are delegated and who have not the capacity of Board Member carry the same responsibility towards the Company as the members of the Board of Directors, pursuant to par. 6, article 22a of Codified Law 2190/1920, as applicable and to article 12 of the Articles of Incorporation.

6.3 Convocation and Functioning of the Board of Directors (Articles of incorporation - article 11)

1. 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 substitute on such day and hour as determined by him, whenever required following the needs of the Company.

2. The Board of Directors may lawfully meet by way of teleconference upon invitation to the members of the Board of Directors, which includes all necessary information with respect to their participation in the meeting.

3. Upon application by two (2) members, the Chairman or his substitute shall be obliged to convoke 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 application, in which (application) the Chairman or his substitute shall be obliged to include any proposed item on the agenda of the first meeting held following submission of the relevant application.

4. The agenda of the meetings shall be determined by the Chairman and its items shall be included in the notice sent to the members of the Board at least two (2) working days prior to the date of the meeting, otherwise the decision taking is permitted only if all members of the Board of Directors are present or represented at the meeting and none of them objects to the decision taking.

5. A quorum of the Board shall be deemed to be present and the meeting shall be deemed valid if, pursuant to paragraph 6 herein, one more than half the number of members are 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.

6. 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.

7. 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 a member of the Board of Directors.

8. Minutes of the proceedings and decisions of the Board of Directors shall be kept in accordance with the Law (Article 20, par. 6 of Codified Law 2190/1920, as applicable). The minutes are signed by the Chairman and the members of the Board present at the relevant meeting and are certified at the next meeting of the Board of Directors.

9. The copies of and the excerpts from the minutes of the Board of Directors shall be signed by the Chairman or, in the event he is absent or unable to perform his duties, by his substitute without any other validation being necessary.

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

11. The drawing up and the signing of the minutes by all the members of the Board of Directors or their representatives is equal to a resolution of the Board of Directors, even if no meeting has proceeded.

6.4 Liability of the Board Members (Articles of incorporation - article 12)

1. The Board Members shall be liable to the Company for any fault committed by them during the performance of their duties, as specifically provided for under articles 22a and 22b of Codified Law 2190/1920, as applicable.

2. The Board Members 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.

3. The appointment and the dismissal for any reason whatsoever of the Board Members and of the persons empowered to represent the Company jointly or individually shall be subject to publicity, as stipulated by articles 7a and 7b of Codified Law 2190/1920, as applicable, together with their identity particulars and in any case, as provided for by the law each time.

6.5 Prohibition of competition - Participation in the Board of Directors of subsidiary companies (Articles of incorporation - article 13)

1. The members of the Board of Directors, the Deputy Chief Executive Officers, the Chief Officers, the Managers, as well as the employees of the Company shall not be permitted to perform on occasion or by profession without the authorization of the General Meeting of shareholders of the Company, either on their own behalf or on behalf of third parties, acts falling within the object of the Company or be members of Boards of Directors, executives, employees or representatives of companies pursuing aims similar to those of the Company. In addition, all the aforementioned are not allowed to participate in all types of companies or joint ventures with an object similar to the one of the Company. The subsidiary companies of the Company or the companies in the capital of which the Company participates shall not be subject to the abovementioned prohibition.

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

6.6 Chairman and Vice Chairman of the Board of Directors (Articles of incorporation - article 14)

1. The Board of Directors upon completion of the procedure of article 49 A of the Hellenic Parliament Standing Orders, shall elect its Chairman, whose position may coincide with that of the Chief Executive Officer. In the event that the aforesaid positions shall coincide to the same person, the Board shall elect a Vice Chairman also.

2. The Chairman shall represent the Company and follow up the implementation of the decisions of the Board of Directors. He/She shall convene the Board, preside at the meetings thereof, determine the items on the agenda, conduct the meetings and put said items under vote. The Chairman shall also submit, at regular intervals, the reports regarding the conduct of business and the activities of the Company stipulated by the standing provisions and the Articles of Incorporation.

6.7 Chief Executive Officer (Articles of incorporation - article 15)

1. The Chief Executive Officer of the company shall be elected by the General Meeting of shareholders, upon completion of the procedure of article 49 A of the Hellenic Parliament Standing Orders, for a three-year term of office.

2. 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 these Articles of Incorporation and the relevant resolutions of the Board of Directors, make the necessary decisions within the framework of the provisions governing the operation of the company, of the approved plans and budgets, of the Strategic Plan (S.P.), of the Business Plan (B.P.) and of the terms of the Management Contract he/she has entered into with the company pursuant to Article 16 hereof. The Chief Executive Officer shall represent the company within the limits of his duties on the basis of these Articles of Incorporation or of the resolutions of the Board of Directors and may authorize or empower other persons, members of the Board, low-ranking or high-ranking executives of the company, as well as any kind of PPC employees, to represent him/her.

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

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

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

4. The Chief Executive Officer agrees on rights and obligations in the name and on behalf of the company, within its scope of competence based on the company's Articles of Incorporation or the decisions of the Board of Directors, furthermore regardless of any limits of material competence with regard to the conclusion initially of cooperation agreements of non-binding for the company nature.

6.8 Deputy Chief Executive Officers (Articles of incorporation - article 15A)

1. 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. Deputy Chief Executive Officers may be members of the Board of Directors among those elected by the General Meeting of the shareholders of the Company.

2. 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.

3. The Deputy Chief Executive Officers shall be selected through open competition, unless otherwise decided by the Board of Directors in special cases. The Deputy Chief Executive Officers shall be appointed by decision of the Chairman of the Board of Directors, upon the recommendation of the Chief Executive Officer. In the event that the positions of the Chairman and of the Chief Executive Officer coincide to the same person, the decision for their appointment shall be made by the Board of Directors. The Deputy Chief Executive Officers, in case they are also members of the Board of Directors elected by the Shareholders' General Meeting, shall be appointed by decision of the Board of Directors and upon recommendation by the Chief Executive Officer. Their term of office shall be for three years; their remuneration and other benefits shall be decided by the Chief Executive Officer, who shall sign the relevant contract subject to article 17 of the Articles of Incorporation and the Unit A10 of the Corporate Governance Code. The contract shall refer among others to their evaluation as provided for by the Rules of Operation of the Company.

6.9 Management Contract and follow-up of its implementation (Articles of incorporation - article 16)

1. A Management Contract shall be entered into by and between the company, represented by the Chairman and, in the event that the positions of Chairman of the Board and Chief Executive Officer shall coincide, by a specially authorized member of the Board of Directors designated by decision of the latter, and the Chief Executive Officer. By virtue of the said Management Contract, which shall be signed within six (6) months from the entry into office of the Chief Executive Officer, the goals which the Chief Executive Officer undertakes to achieve during his term of office shall be specified.

2. The Management Contract shall be terminated by the Board of Directors on the grounds stipulated therein, in the event that there is a substantial deviation from the financial figures or from the deadlines set for the achievement of its goals that cannot be sufficiently justified as well as for any other important reason. The Chief Executive Officer shall have no voting right in the meeting for the adoption by the Board of Directors of the decision authorizing termination of the Management Contract. Upon termination of the Management Contract, the Chief Executive Officer shall be ipso jure removed from office and relieved from his/her capacity as member of the Board of Directors. As regards his/her substitution up until the election of a new Chief Executive Officer by the General Meeting, the provisions of par. 4 b) of unit A1 hereof shall be applicable.

6.10 Remuneration and Compensation of Members (Articles of incorporation - article 17)

Any remuneration or compensation paid for any reason whatsoever to members of the Board of Directors shall be deemed to be borne by the Company, only if the relevant amount pertaining to each Board Member is approved by special resolution of the Ordinary Shareholders' General Meeting and is proportional to the time that the members of the Board of Directors devote to either the meetings of the Board of Directors or any meetings of Committees except for the Board of Directors and in general to the performance of their assigned duties, in accordance with the provisions of Codified Law 2190/1920 and Law 3016/2002 regarding corporate governance, as applicable. All remunerations and compensations of the non-executive Board Members shall be stated in a separate category in the Appendix of the annual financial statements and the annual report of the Company (remuneration report), which shall be also posted on the Company website.

The study and submission for approval of proposals to the Board of Directors regarding the determination of any kind of remunerations and compensations: a) of the Board Members and b) of the top executives of the Company, in this case in cooperation with the Chief Executive Officer, are effected by the Remuneration Committee of the Company (R.C.) which consists of three (3) non-executive Board Members, among which two (2) at least are independent.

6.11 Chief Officers (Articles of incorporation - article 18)

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

2. The number and duties of the Chief Officers, as well as of the Divisions and Business Units shall be determined by the Board of Directors upon recommendation of the Chief Executive Officer. The Chief Officers, who may or may not be employees of the company, shall be selected through open competition, unless otherwise decided by the Board of Directors in special cases. The Chief Officers are appointed for a three (3) up to five (5)-year term of office by the Chief Executive Officer upon the recommendation of the competent Deputy Chief Executive Officer and shall be revoked upon decision of the Board of Directors upon a reasoned recommendation of the Chief Executive Officer.

3. The Chief Officers shall conclude a special contract with the Chief Executive Officer, by which among others their remuneration, any benefits and matters related to their evaluation shall be determined. More specifically, their evaluation is regulated by the Rules of Operation of the company.

6.12 Executive Committee (Articles of incorporation - article 18A)

1. An Executive Committee (EC) shall be formed within the Company.

2. The EC shall be composed of the Chief Executive Officer who acts as its Chairman, the Deputy Chief Executive Officers, if any, and the Chief Officers. The General Counsel of the Company may attend its meetings at the discretion of the Chief Executive Officer.

3. The EC shall operate in conformity with the decisions of the Board of Directors, ensuring the necessary collective handling of administrative and operational issues of the company, as well as the consistency in its operation. Within this framework, the EC shall be responsible for important matters concerning inter alia the productivity, the performance of the company units, the organization and operation of activities of the company, as well as for the budget and the Strategic and the Business Planning. The EC shall decide on the awarding of contracts concerning supplies, assignment of projects, furnishing of services and generally any kind of financial contract up to an amount fixed as per case by the Board of Directors, and decides on and settles any matter related to the execution of such contracts.

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

5. The absence or temporary inability to attend or vacancy in the office of up to two (2) members of the Executive Committee, without being represented, shall not impede the constitution, meeting and functioning of the EC, without the aforementioned members, with the exception of the Chief Executive Officer.

6. Each of the members of the EC may, upon written order, lawfully represent only one other member of the EC. The representation to the EC may not be assigned to any person, who is not member of the EC.

6.13 Board of Directors' Committees

In compliance with the applicable legislation for Corporate Governance as well as in line with the best practices of corporate governance, an Audit Committee, a Remunerations Committee, and a Committee for the examination of candidacies of members of the Board of Directors have been set up by the Board of Directors of the Company. Moreover a Committee for the greenhouse gas emissions allowances has been set up by the Board of Directors of the Company.

The **Audit Committee** which, according to article 44 of L. 4449/2017 (OG A' 7/24.01.2017) about the new form and composition of the Audit Committee, consists of at least three members = either Non Executive Members of the Board of Directors or non members of the Board of Directors that are elected by the General Assembly of the Company. In general any combination shall be accepted, as long as there is at least one Board member. The members have a three year term, which can be renewed. The members of the Audit Committee in their totality shall have proven knowledge of the activities of the company,that is in the Energy Sector and meet in their majority, according to article 44 of L. 4449/2017, the independence criteria as described in L. 3016/2002, while at least one (1) of them shall be inactive or retired certified auditor-accountant or shall have sufficient knowledge of accountancy and auditing.

The Chairman of the Audit Committee is appointed by the Committee itself from among its independent members or is elected by the General Meeting and shall be independent of the Company.

The members of the Audit Committee, without altering or restricting their obligations as members of the Board of Directors, shall undertake the obligations provided for by the national and european legislation, which include:
- the follow up of the financial information procedure and the submission of recommendations or proposals for ensuring its integrity.
- the follow up of the efficient operation of the internal audit system, the quality assurance system and the risk management system, as well as the follow up of the proper operation of the Internal Audit Department, in particular with regard to the company's financial information, while preserving its independence.
- the follow up of the process of compulsory audit of stand - alone and consolidated financial statements and the process of informing the Board of Directors on its results, by means of explaining its contribution to the quality and integrity of the financial information and the role of the Audit Committee in the said process.
- the review and follow up of issues related to the objectivity and independence of statutory auditors-accountants or the audit firms, particularly with regard to other non-audit services they provide to the Company and its subsidiaries.
- the responsibility for the selection process of statutory auditors-accountants or audit firms.

The recommendation of the Board of Directors to the General Meeting for the appointment of statutory auditors-accountant or audit firms shall be submitted following proposal of the Audit Committee.

The statutory auditors-accountants shall be obliged to report to the Audit Committee any issue regarding the process and results of the compulsory audit, as well as to submit a separate additional report on the weaknesses of the internal audit system, and in particular the weaknesses in the procedures concerning financial information and the preparation of financial statements.

The Audit Committee operates pursuant to its Operating Rules, which are approved by the Board of Directors following its proposal. It shall meet on a regular basis as well as on a non-regular basis whenever circumstances so require, with all its members participating. Minutes shall be kept at all meetings recording its actions and the results thereof with regard to the implementation of its work. It may invite, when deemed appropriate, managers participating in the administration of the company, including the Chief Executive Officer, the Chief Financial Officer and the Director of the Internal Audit Department, in order to attend specific meetings or specific items on the agenda of its meetings.

At the Company's Annual Shareholders' Meeting on June 6th 2018 the members of the Audit Committee increased by one member, totalling four members taking into account the span of the Company's activities, focusing on financial reporting issues. Mr. Nikolaos Frangos, Professor of Actuarial Science at the Athens University of Economics and Business was selected for the position. The Audit Committee since the beginning of the year is administratively supported by the Audit Committee Secretariat which is staffed accordingly.

During the Extraordinary Shareholders' Meeting on December 17th 2018 Mr. G. Venieris, Professor of Accounting in the Department of Accounting and Finance at the Athens University of Economics and Business was elected as an Independent Member of the Board of Directors and as member of the Audit Committee due to the end of tenure of Mr. P. Alexakis, Independent Non Executive Member of the Board of Directors on December 17th 2018. Therefore on December 31st 2018 the Audit Committee consisted of Mr. G. Andriotis (Vice Chairman of the BoD - Independent - Non Executive Member of the BoD), Mr. Ch. Papageorgiou (Independent - Non Executive Member of the BoD), Mr. N. Frangos (Independent, who is not a Member of the BoD) and Mr. G. Venieris (Independent - Non Executive Member of the BoD).

In 2018, the Audit Committee, within the framework of its competencies met 22 times. Those meeting pertained to:

- the follow up of the financial information procedure and the follow up of the process of compulsory audit of stand - alone and consolidated financial statements of the Company for the year 2017.
- the review of the stand-alone and consolidated fiananacial statements of te Company for the first half of 2018 by its statutory auditors-accountants
- meetings with the statutory auditors-accountants for issues that arose during the aufdit of the stand-alone and consolidated financial statements of the Company.
- the internally prepared interim stand-alone and consolidated financial statements of the Company for the periods ended on March 31st 2018 and September 30th 2018 as well as the key financial results published for the respective periods.
- the update of the EU regarding the amount of the letters of guarantee issued and in effect for the second half of 2017 and the first half of 2018.
- the findings of the audits conducted by of the Internal Audit Department.
- issues arising from the operation of the Internal Audit Department.

During 2018 Mr. Andriotis participated in 22 meetings, Mr. P. Alexakis in 20 meetings, Mr. Ch. Papageorgiou in 22 meetings, Mr. N. Frangos in 10 meetings and Mr. G. Venieris in 1 meeting.

The **Remunerations Committee** of the Company consists of three (3) non-executive members of the Board of Directors, out of which two (2) at least are independent. The Committee is responsible for the study and submission of proposals to the Board of Directors on the determination of any remunerations and emoluments whatsoever: a) of the members of the Board of Directors and b) of the managers of the Company, with the collaboration of the Chief Executive Officer.

On December 31st 2018 the Remunerations Committee consisted of Mr. D. Vassilakis (Independent-Non Executive Member of the BoD), Mr. G. Venieris (Independent - Non Executive Member of the BoD) and Ms. M. Founti (Independent - Non Executive Member of the BoD).

Mr. D. Vassilakis and Ms. M. Founti (in replacement of Mr. G. Andriotis and Mr. Ch. Papageorgiou) were appointed as members of the Committee on September 4th 2018 while Mr. G. Venieris (in replacement of Mr. P. Alexakis) was appointed on December 20th 2018.

The Remunerations Committee did not convene in 2018.

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

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

By virue of L. 4354/2015 (article 28), since 01.01.2016, the remuneration of the Chairmen, Vice –Chairmen, Chief Executive Officers and Members of the Board of Directors of the legal entities as defined by Chapter B' of L. 3429/2005, are exempted from the above mentioned ceiling.
In spite of that, the Chairman and Chief Executive Officer of the company, the Executive Member of the BoD as well as the members of the BoD that are employees of the Company, receive salaries that do not exceed the ceiling established per month (equal to the salary of the General Secretary of a Ministry) and in addition they receive a remuneration for their participation in committees and in the meetings of the BoD.

Finally the Remuneratns Committee will enact a Remunerations Policy and prepare a Remunerations Review, which will be submitted for approval by the Ordinary General Assembly in 2019 according to articles 109-112 of L. 4548/2018, as in effect.

The **Committee for the examination of candidacies of members of the Board of Directors** according to para 5 of article 9 of the Articles of Incorporation examines possible impediments or incompatibilities as well as the criteria of independence (especially regarding Independent Members) regarding the submitted candidacies for the appointment of Members of the BoD.
Specifically, the Committee examines a) for all new members the existence of a conflict of interest (which is not possible to be lifted) and b) for the Independent Members all the evidence provided for in the relative legislation of corporate governance and lead to a dependency relationship with the Company or persons connected to the Company.

On December 31st 2018 the Committee for the examination of candidacies of members of the Board of Directors consisted of Mr. D. Vassilakis (Independent - Non Executive Member of the BoD), Mr. F. Topalis (Independent-Non Executive Member of the BoD) and Mr. A. Economou (General Counsel).

During 2018 the Committee for the examination of candidacies of members of the Board of Directors convened two times with all its members present.

The **Committee for the greenhouse gas emissions allowances** supervises the implementation of its decisions with respect to (a) the strategy for the supply of emission allowances and b) the observance of the established procedures as well as the operational policy for emission allowances.

On December 31st 2018 the Committee consists of Mr. G. Andriotis (Vice Chairman of the BoD-Independent -Non Executive Member of the BoD), Mr. P. Karaleftheris (Non Executive Member of the BoD) and Mr. Ch. Papageorgiou (Independent - Non Executive Member of the BoD).

During 2018 Committee for the greenhouse gas emissions allowances convened five times with all its members present.

6.14 Board of Directors' Composition (Members)

PPC S.A. BOARD OF DIRECTORS (31/12/2018)

PANAGIOTAKIS Emmanouil	Chairman of the BoD & C.E.O.-Executive Member	As of: 07. 06. 2018	Until 06. 06. 2021
ANDRIOTIS Georgios	Vice Chairman of the BoD-Independent-Non Executive Member	As of: 11.07.2016	Until 10.07.2019
Members			
TZANNINIS Dimitri	Executive Member	As of: 17.12.2018	Until 16.12.2021
VASSILAKIS Demetrios	Independent-Non Executive Member	As of: 09.01.2017	Until 10.07.2019
VENIERIS Georgios	Independent-Non Executive Member	As of: 17.12.2018	Until 16.12.2021
KARALEFTHERIS Pantelis	Non Executive Member/Representative of Employees	As of: 06.06.2016	Until 05.06.2019
PAPAGEORGIOU Christos	Independent-Non Executive Member	As of: 11.07.2016	Until 10.07.2019
STATHAKIS Lazaros	Non Executive Member	As of: 11.07.2016	Until 10.07.2019
TOPALIS Frangiskos	Independent-Non Executive Member	As of: 26.09.2017	Until 10.07.2019
FOUNTI Maria	Independent-Non Executive Member	As of: 26.09.2017	Until 10.07.2019
FOTOPOULOS Nikolaos	Non Executive Member/Representative of Employees	As of: 06.06.2016	Until 05.06.2019

According to the second subparagraph, of paragraph 1(a) of article 9 of the currently in effect Articles of Incorporation of the Company, the term of the Chairman and CEO of the Board, Mr. Emmanouil Panagiotakis, which ended on April 7th 2018, was extended ipso jure, until the date of convention of the next General Shareholders' Meeting of the Company.

The Annual General Assembly of the Company which was convened on June 7th 2018 elected Mr. Emmanouil Panagiotakis as Chief Officer of the Company for a three year term (from June 7th 2018 until June 6th 2021) and the Board of Directors in the meeting held on June 8th 2018 elected Mr. Panagiotakis, Chief Executive Officer, as Chairman in the capacity of Executive member.

PPC's Board of Directors in the meeting held on December 6th 2018, decided to excempt Mr. Stathakis (following his own wish) of all duties and competences assigned to him by the BoD Decision 66/14.07.2016, effective from December 1st 2018 and therefore to amend his capacity as Non Executive Member of the Board of Directors of PPC S.A.

PPC's Board of Directors in the meeting held on December 20th 2018 was formed into a body, following the election, according to para. 2, subpara. a of article 9 of the Articles of Incorporation currently in effect, by the Extraordinary General Assembly held on December 17th 2018 of its Members Messrs. Georgios Venieris (appointed as Independent Member) and Dimitri Tzanninis for a three year term, that is from December 17th 2018 until December 16th 2021, due to the end of term of Messrs. P. Alexakis and A. Vatalis.

The Board also appointed its Member Mr. G. Venieris as Non Executive Member and Mr. D. Tzanninis as Executive Member.

The total number of the Board of Directors meetings in 2018 was 23.

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

A/A	MEMBERS	BoD Meetings 2018
1	PANAGIOTAKIS EMMANOUIL	23
2	ANDRIOTIS GEORGIOS	22
3	TZANNINIS DIMITRI	1
4	ALEXAKIS PANAGIOTIS	19
5	VASSILAKIS DEMETRIOS	23
6	VATALIS ARIS	21
7	VENIERIS GEORGIOS	1
8	KARALEFTHERIS PANTELIS	23
9	PAPAGEORGIOU CHRISTOS	23
10	STATHAKIS LAZAROS	22
11	TOPALIS FRANGISKOS	16
12	FOUNTI MARIA	21
13	FOTOPOULOS NIKOLAOS	23

CVs of the Board Members

Emmanouil M. Panagiotakis, Chairman & CEO

Mr Emmanouil Panagiotakis is the Chairman and CEO of PPC S.A since April 2015. He has been working in the Corporation since 1974, while for the past 23 years he is an executive in the top management of the Organization. He is a Mechanical-Electrical Engineer from NTUA since 1972 and holder of the Diploma in Management from Henley Management College. He has worked as a self-employed professional on studies and constructions of electromechanical building installations.

At the beginning of his career in PPC, he elaborated studies on transmission substations, as well as studies and inspections on distribution centers.
As an administrative executive in the Organization Department, he was responsible for all the studies referring to PPC's organization and operation including the internal organizational structure of the departments, the transition to the new Corporation's organization, in view of its transformation into a Société Anonyme and, within the framework of the unbundling activities in 2001, the composition and organization of the Supply Division, the systems of financial and administrative jurisdiction, the regulations governing works, supplies and services, as well as the institutional framework of corporate governance.

He has been member of the executives committee that executed the separation of the Distribution sector from PPC and implemented HEDNO's basic organization and composition, as well as its operation systems.
Also, he has been an Assistant Director and Director of the Organization Department, Director of the Distribution Planning & Performance Department, Director of Distribution Human Resources, Director of Human Resources

Training, Occupational Health & Safety, Housing and General Services of HEDNO. From managerial positions, he has participated actively in all PPC's modernization and reorganization projects, among which the "THALES" Agreement with Électricité de France (EDF). He participated as Member in the Board of Directors of the Organization of Mediation and Arbitration, where he planned among others the systems for recruitment and selection by employers and syndicates, as well as for the remunerations of Mediators-Arbitrators.

He served as Member of the Social Security Council under the presidency of the General Secretary of the relevant Ministry, as well as Member of the first Board of Directors of PPC Employees' Insurance Organization with active and substantial role in the formation of the legal and institutional framework of its operation.
Until the beginning of the 90's, he had intense political, social and unionist activity as member in the administration of GENOP (PPC's workers union), in the Engineers' Association of PPC and in TEE (Technical Chamber of Greece) Representation. He has been Secretary of the GSEE (Greek General Confederation of Labour) Social Policy and active member of the movement for peace in Greece. He has elaborated multiple studies regarding energy issues, the operation and strategy of PPC and of Public sector bodies in general, as well as the Electricity Market in Greece. He has organized many Conferences referring to issues such as human resources, Government Owned Organizations, Energy and has participated in many others in Greece and abroad. He speaks English and French. He is married and has two children who are holders of Diplomas from the N.T.U.A.

Georgios Andriotis, Vice Chairman
Civil Engineer, pensioner of Public Power Corporation (PPC), with 45 years of experience (1970-2015) in design, supervision, construction contract management and coordination of the implementation of Large and Small Hydropower projects, as well as in providing Consulting and Engineering Services for large hydraulic projects. Furthermore, he has 6 years of experience (1986-1992) in PPC administration operations, as elected member of the Representative Assembly of Social Audit. He was a member of the Energy Committee (2008-2011) of the Technical Chamber of Greece (TEE) representing TEE at evaluation committees for PPC's large projects tendering procedures, member of the Greek Committee for Large Dams. He was born in Lesvos in 1944. He holds a diploma in Civil Engineering from Thessaloniki University (1962-1967). Self employed hydraulic engineering (1970-1974), specialized in hydraulic project designs. Public Power Corporation employee from 1974 to 1997 (Hydro Projects Development Department), with experience in designing and construction of hydroelectric projects (Assomata and Giona HPP). As Head of the Small Hydro Section (1990-1997) he was responsible for the coordination and supervision of designs for Makrochori and Glafkos HEP as well as for engineering reports for Eleoussa, Gitani, Vorino HEPs, Ikaria hybrid project, etc.

Consulting Engineer specializing in small hydro and large hydraulic projects (1998-2015). General Coordinator of consulting engineering services in various projects such as "Construction of Acheloos-Thessaly Diversion Tunnel", "Implementation and Impoundment of Smokovo Dam", "Patras Water Supply Project from Peiros and Parapeiros Rivers", etc. Vice Chairman of P.P.C.S.A. Board of Directors (2015-today).

Dimitri Tzanninis, Member
He is an economist with experience in utilities, banking, capital markets, industry, mergers & acquisitions, international organizations, and design of economic policy. He graduated Summa Cum Laude (with Highest Honors) in economics from the University of Athens, got a Master's degree in economics from McMaster University, and did doctoral studies in economics at the University of Western Ontario. Currently (i) Deputy CEO and executive member of the Board of Directors of Public Power Corporation of Greece, (ii) member of the Audit Committee of Allianz Greece, and (iii) non-executive member of the Board of Directors, Chairman of the Risk Management Committee, member of the Audit, Remuneration, and Nomination Committees of Attica Bank.

Previously the Chairman of the Council of Economic Advisors at the Ministry of Economy and Finance of Greece, member of the Economic and Financial Committee and of the Eurogroup Working Group of the European Union, Deputy to the Minister at the ECOFIN Council of Finance Ministers and at the Eurogroup Council of the European Union, member of the Economic Policy Committee of the OECD, Alternate Governor for Greece on the Board of Governors of the World Bank Group, Advisor to Senior Management of Public Power Corporation of Greece, member of the Board of Directors of the Public Debt Management Agency of Greece, and member of the Board of Directors and of the Audit Committee of the National Bank of Greece. He taught economics at the University of Western Ontario from 1990 to 1993. From 1993 to 2008, he worked at the International Monetary Fund in the Asian, European, and Policy Development and Review Departments. He has also worked as a consultant to investment banks, hedge funds, mutual funds, and private equity firms.

Demetrios Vassilakis, Member
Born in Athens in 1964. Studied Mechanical Engineering (MSc) at the National Technical University of Athens. Postgraduate studies in Regional Development at the Regional Development Institute in Athens. Works in the Construction sector for more than 20 years and has been involved in the realization of many significant projects (Olympic Airways Hangar, Aesthetic Integration of the Athens Olympic Sports Center, Navarino Dunes/Costa Navarino, Olympia Odos) acting especially as design coordinator, estimator, procurement manager, contract administrator. Fluent in English, also speaks moderately French and Spanish.

George Venieris, Member
Born in Ermoupolis, Syros, in 1947. Married and father of two children. Holds a Degree from the Athens University of Economics and Business, Master of Commerce and his Doctorate (Ph. D.) Degrees from Birmingham University, UK. Elected Associate Professor of Accounting (1982) and Professor of Accounting (since 1991) at the Athens University of Economics and Business. Visiting Professor at York University in Toronto, Canada. Elected as Rector of the Athens University of Economics and Business (2001-2007), Vice Rector of the Athens University of Economics and Business and Member of the Senate (1998-2001), C.E.O and Chairman of the Board of AUEB Property Management & Development S.A. (1996-2007). Served as Dean of the Business Administration and the Accounting and Finance Departments Department of the Athens University of Economics and Business, Co-Director of the interdisciplinary Master with NTUA in Business Administration (2000-2014) and Member of the Management Committee of the International University in Greece (2013-2016). Responsible for the Accounting Applications Laboratory of the Accounting and Finance Department of the AUEB (2000-2014). Has been Chairman of the Board of Directors of the Hellenic Accounting and Auditing Standards Oversite Board. Also worked as Advisor to the Deputy Minister of Finance for the reorganisation of the Public Sector Accounting System. Head for Accounting and Costing issues in the Team of Experts that had been appointed by the National Telecommunications Commission of Greece (NTC) to examine and provide recommendations regarding costing of interconnection and interconnection charges for the telecommunications networks in Greece

His papers and studies have been published in many Greek and International Scientific journals. He has made Announcements at many International Scientific Conferences. He is a writer/co-author of 10 academic textbooks of Accounting and Finance as well as Editor-translator of 2 foreign Accounting textbooks.

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

Christos Papageorgiou, Member

Christos Papageorgiou has served as a Director of the West Macedonia Lignite Center (WMLC) of Public Power Corporation S.A. (PPC S.A.) from Sep 2000 to Mar 2006. He then moved on to assume the position of the Director of the Project Team of Mines Development in WMLC, from Apr 2006 to Dec 2010.

He was recruited in PPC S.A., in WMLC, in Jul 1979 as a Mining & Metallurgical Engineer, serving thus WMLC for 31 ½ years in total. He was occupied with the opening, operation and development of the South Field Mine, which is the biggest lignite surface mine in the Balkans region and one of the biggest of this kind globally, for 21 years, out of which 14 as the South Field Mine Director (Sep 1986 – Aug 2000).

During the period 2001–2005 of his service as the WMLC Director, the personnel of WMLC consisted of approximately 5.150 employees. Moreover, during the same period, the biggest average annual total volume of excavations in history with the use of own (WMLC) equipment (217.4 mil bcm/year), the highest lignite production (53.7 mil tons/year), as well as the biggest quantity of electricity produced from lignite by the 4 power plants of PPC in Ptolemaida–Amyntaio region, which covered 55.5% of the total electricity to the country's linked grid was recorded. During his service in the WMLC lignite mines, Christos developed intense professional activity, characterized by the development, submission and implementation of technical suggestions for the solution of the problems related to the development and the formation of the overall mines' excavations and exploitation strategy (MINE MASTER PLAN). He has also contributed significantly to the elaboration of the operational plans of the PPC S.A. Mines Division, as well as through translating articles about mining issues and editing manuals with instructions regarding personnel training. Moreover, he has participated into many business trips and missions abroad (mine visits, conferences, exhibitions, consultancy services, visit to mines' equipment production plants), as well as to national events (scientific–technical seminars, business re–engineering and management seminars etc).

Christos was born in Mikrovalto, Kozani (1953). He graduated from Valtadorio high school of Kozani (1971) and from the faculty of Mining and Metallurgical Engineering of the National Technical University of Athens (1971 –1976). He served his 30–month military duty as a Reservist Lieutenant Captain–and more specifically as the Head of Worksites (quarries–road construction) of the Composite Reconstruction Unit in the prefectures of Kilkis and Evros in northern Greece, as well as of the Technical Office of the 113th Battle Wing of the Greek Military Air Force. Furthermore, he has worked as a professor of mining courses in the Mines Gaffer Department of the Euclid Technical School of Thessaloniki (Jan 1978–Jun 1979).

Christos was elected as a member of the Local Managing Committee (1985) and of the Delegation of the regional department of the Technical Chamber of Greece in Western Macedonia (2000 and 2003). He has also served, after his retirement, as a member of the Permanent Energy Commission of the regional department of the Technical Chamber in Western Macedonia.

He speaks English. He is married and has two children and three grandchildren.

Lazaros Stathakis, Member

Chemical Engineer NTUA, aged 67. Professional experience: Attaché for 5 years in the Perm. Repr. of Greece to the EU in Brussels, including the Greek Presidency of 2003 and 4 years in DG Energy of the E. Commission on R&D demonstration projects.

For 15 years he was working in the Ministry of Public Works for the design and the construction of the sludge disposal facility in Psyttalia Waste water Treatment Plant of Attica.

He has worked as a free-lance Engineer, as advisor to Local Authorities and as Gen. Secr. of the Municipality of Piraeus, participated the Board of private companies and the Board of H.R.A.D.F.

He has been an active member of the student movement against the Dictatorship and participated in the democratic political struggles after 1974.

Frangiskos Topalis, Member

Frangiskos V. Topalis, Dipl. Mechanical and Electrical Engineer from National Technical University of Athens (NTUA), is Professor at the School of Electrical and Computer Engineering of NTUA. He teaches the courses "Lighting Technology", "Production of high voltages", "Measurement and applications of high voltages", Installations and networks" and "Quality assurance systems-Certification-Accreditation". He is responsible of the activities of the Lighting Lab which are, mainly, the education of the students and the implementation of R&D projects in the area of lighting. He is author or co-author 10 teaching books 2 chapters in books, 58 publications in international journals, 8 articles in technical magazines and 115 publications in international conference proceedings. He has been coordinator or scientific responsible of 38 R&D projects and has participated as researcher to other 19 R&D projects in the field of lighting, mainly: human vision, lighting design, photometric tests of lighting equipment, photometrics of roads and tunnels, rational use of energy in indoor and outdoor lighting installations, lighting control systems, imaging sensors for control of indoor lighting systems and for luminance measurements, power quality in lighting systems and quality assurance systems. He represents Greece in the organization LUX EUROPA and in the Balkan Lighting Committee.

Maria Founti, Member

Ms. Maria Founti was born in Piraeus in 1955. She is a Faculty member at the School of Mechanical Engineering of NTUA since 1987. She has been the Director of the Laboratory of Heterogeneous Mixtures and Combustion Systems since 2002 and Professor in the Thermal Engineering Section since 2007. She holds a B.Sc. degree in Nuclear Engineering from the University of London, MSc. and D.I.C. in Heat Transfer Engineering and Ph.D. (1983) in Combustion Technology from Imperial College London. She has worked as research associate at the Chair of Fluid Mechanics of the University of Erlangen-Nuremberg, Germany (1983-1987). Her current interests focus on energy saving and storage in buildings combined with advanced energy systems and materials, combustion systems and processes and heterogeneous mixtures, fire engineering and compartment fires, multicriteria assessment and Life Cycle Analysis for techno-economic, social and environmental impact of energy systems. She has 250 publications in international journals and conferences. She has participated and coordinated 40 funded research projects. Prof. Founti was a member and chair of the E.C.'s External Advisory Board (1998-2006) for FP5 and FP6 for research on Materials, Products and Production Processes. She is a member of the Steering Committee of the European and Greek "Technological Platform for Research and Technology in Construction" and a member of the European Public-Private-Partnership "Energy Efficiency in Buildings". She served as a member of the Committee for Building Materials of the Ministry of Development (2009-2010) and external expert on energy saving issues of the Central Committee for Evaluation and Coordination of the "EXOIKONOMO" Program of the Ministry of Environment and Energy. She has served as chairman of the examination Committee of Building Energy Inspectors (2012-2014). She speaks English, German, French and elementary Portuguese.

Nikos Fotopoulos, Representative of the Employees

Mr. Nikos Fotopoulos was born in Agnata at the Prefecture of Ilia in 1962. He is Electrical Technician (Technical School of PPC). From the age of 16 he has been involved in politics and community affairs. For 10 years he served as Secretary of the Energy Domain Committee of the Socialist Party (PASOK).

In 1998 he was elected at the Board of Directors of the Association of PPC's Technicians and served as Press Officer.

Since 2007 until July 2013, he was president of the General Federation of Employees at PPC-Electricity Sector (GENOP/DEI) and member of the Executive Committee of EMCF.

From 2010 he is member of the Administration of the Greek General Confederation of Labour (GSEE) and as of April 2013 he is member of the Executive Committee.

6.15 Other Professional Engagements of the Members of the Board of Directors (2018)

NAME	PROFESSION	Participation as member in the BoD of other companies and non-profit Organizations (in any capacity e.g. Independent member, Executive member, Independent Non Executive member etc.)
PANAGIOTAKIS EMMANOUIL	Mechanical Electrical Engineer	PPC Renewables S.A., BoD Chairman
ANDRIOTIS GEORGIOS	Civil Engineer - PPC pensioner	-
TZANNINIS DIMITRI	Economist	Attica Bank Non Executive Member of the BoD
		Alliance Hellas Insurance S.A. Independent Member of the Audit Committee
ALEXAKIS PANAGIOTIS	Professor at the University of Athens	DECA INVESTMENTS S.A. Independent Non Executive Member of the BoD
		SILENT SEAS S.A. Independent Non Executive Member of the BoD
		TSAGARIS S.A. Independent Non Executive Member of the BoD
		GREEK SUGAR INDUSTRY Executive Member of the BoD
		NATIONAL SECURITIES S.A. Independent Non Executive Member
VENIERIS GEORGIOS	Professor at the Athens University of Economics and Business	-
VATALIS ARIS	PPC S.A. employee	-
KARALEFTHERIS PANTELIS	PPC S.A. employee	-
PAPAGEORGIOU CHRISTOS	Mining Engineer Metallurgist	-
VASSILAKIS DEMETRIOS	Mechanical Engineer	Contract for the provision of independent services with "Construction J/P APION KLEOS"
		Member of the Board of the School Committee for the Secondary Education of the Halandri Municipality
STATHAKIS LAZAROS	Chemical Engineer	-
TOPALIS FRANGISKOS	Mechanical-Electrical Engineer Professor at National Technical University of Athens	Institute of Communication and Computer Systems Independent Non Executive Member of the BoD
FOUNTI MARIA	Professor at National Technical University of Athens - School of Mechanical Engineering	-
FOTOPOULOS NIKOLAOS	PPC S.A. employee	-

6.16 Contracts with Members of the Board of Directors

There is no provision for the granting of shares, call options on the Company's stocks or other similar securities for the members of the Board.

Nevertheless, there are other contractual provisions regarding executive members of the Board of Directors, such as expense benefits during the performance of their duties (travel expenses, mobile phone, restaurant bills, etc.) provided that these expenses are accompanied by the necessary receipts and are approved by the Company based on its policy.

In the past according to the policy of the Company, the remunerations of the executive members and the members of the Board were as follows: a) firm part (basic fees-salary) and b) variable performance-related part (variable part of the remuneration). An annual bonus was provided for in the past, valid only for a short period.

By virtue of L. 4354/2015 (article 28), since January 1st 2016 the executive members of the Board of Directors receive a salary that does not exceed the ceiling established per month (equal to the salary of the General Secretary of a Ministry) and in addition they receive a remuneration for their participation in committees and in the meetings of the BoD.

6.17 Diversity applied for the administrative, managerial and supervisory bodies of the company

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

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

The shareholders of the Company, which is an entity related to the public sector, take under consideration every requirement of the law for the selection of the BoD members that are nominated in the Shareholders' Meeting.

The Company is continuously working towards the direction of adapting to the principles of corporate governance, as stipulated by the Greek legislation.

6.18 Information on the Deputy CEOs and the Chief Officers

On December 31st 2018, the Deputy CEOs and the Chief Officers of PPC S.A. were as follows:

Tzanninis Dimitri,
Deputy CEO supervising the Finance Division, Support Opertions Division and the Strategy and Transformation Division, Economist.

Kostakis Grigorios,
Deputy CEO supervising the Mines, Generation and Supply Business Units and the Corporate Development Division, Mechanical-Electrical Engineer.

Konida Alexandra,
Chief Financial Officer, Electrical Engineer.

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

Aravantinos Nikolaos,
Chief Support Operations Officer, acting Chief Strategy and Transformation Officer, Mechanical-Electrical Engineer.

Kopanakis Ioannis,
Chief Corporate Development Officer, acting Chief Commercial Officer, Electrical Engineer

Kouridou Olga,
Chief Mining Officer, Mining - Metallurgical Engineer.

Metikanis Dimitrios,
Chief Generation Officer, Chemical Engineer

APPENDIX

Definitions and reconciliations of Alternative Performance Measures (“APMs”)

ALTERNATIVE PERFORMANCE MEASURES (“APMs”)

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

Alternative Performance Measures (“APMs”)

In discussing the Group’s and the Parent Company’s performance, “adjusted” measures are used such as: Adjusted EBITDA without one off effects and Adjusted EBITDA margin without one off effects. These adjusted measures are calculated by deducting from performance measures directly derived from amounts of the annual Financial Statement the effect and costs arising from events which have occurred during the reporting period and which have not affected the amounts of previous periods.

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

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

Adjusted EBITDA (Operating Income before depreciation and impairment, net financial expenses and taxes).
Adjusted EBITDA serves to better analyze the Group's operating income, excluding the impact of one-off effects. For the the year 2018, the one-off effects that affected the adjusted EBITDA are as follows: (1) Provision for severance pay amounting to €148.802. Corresponding to the present value of the future liability incured by PPC S.A. and its subsidiary HEDNO due to the abolition since April 2018 (L. 4533/2018) of the offseting of severance pay €15,000 received by employees when their contracts are terminated with the one-off aid they are entitled to from their insurance organization (negative effect) for the Group from continuing operations. This amount including discontinued operations totals €164,346. For the Parent Company from continuing operations it amounts to €90,670, (2) the final clearance of ETMEAR for 2012, 2013 and 2016, amounting to €105,248 (positive effect) for the Parent Company and the Group, and (3) an amount of €242,691 (negative impact) related to the valuation by an independent valuer of the Group's participation value in the two new Subsidiaries which has affected the Group including the discontinued operations. Accordingly, the results for the year 2017 of the Group and the Parent Company were affected by the one-off positive impact of the recognition of revenue of € 359,773 relating to PSOs for the years 2012-2016. The calculation of the adjusted EBITDA and the adjusted EBITDA margin is presented in Table C.
Adjusted EBITDA Margin (%) is measured by dividing adjusted EBITDA with Total Revenue. EBITDA and EBITDA margin are presented in Table C.

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

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

Adjusted Profit/Loss before tax without one off effects
This measure also serves to better analyze the results and is calculated as follows: Profit/(Loss) before taxes as shown in the Financial Statements excluding one off effects as analyzed in the note above for adjusted EBITDA. The detailed calculation is presented in Table F

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

	Total Group 01.01-31.12.2018 Amounts in '000€	Group Continuing Operations 01.01-31.12.2018 Amounts in '000€	Total Group 01.01-31.12.2017 Amounts in '000€	Group Continuing Operations 01.01-31.12.2017 Amounts in '000€	Company Continuing Operations 01.01-31.12.2018 Amounts in '000€	Company Continuing Operations 01.01-31.12.2017 Amounts in '000€
Total Turnover [1] less:	**4,741,878**	**4,741,637**	**4,967,456**	**4,943,499**	**4,593,421**	**4,846,589**
Operating expenses before depreciation and impairment [2]	**4,836,081**	**4,525,131**	**4,080,094**	**4,114,720**	**4,374,127**	**4,077,255**
Payroll cost	962,238	871,311	847,919	743,943	555,064	482,275
Lignite	53,241	(833)	55,412	(195)	(832)	(195)
Liquid fuel	670,177	659,531	662,619	650,903	659,531	650,903
Natural gas	383,632	383,632	409,141	409,141	383,632	409,141
Energy purchases	1,578,659	1,799,176	1,598,191	1,803,687	1,800,631	1,818,083
Materials and consumables	124,239	106,643	133,933	114,152	74,321	79,869
Transmission system usage	157,780	157,780	89,335	173,681	157,780	173,681
Distribution system usage	-	-	-	-	319,543	354,771
Utilities and maintenance	238,933	220,550	231,714	219,073	159,836	161,570
Third party fees	69,394	66,447	63,941	60,492	46,501	45,995
CO_2 emission rights	369,584	279,531	181,215	141,555	279,531	141,555
Provision for risks	109,782	106,895	46,277	42,953	109,578	41,453
Provision for slow-moving materials	8,023	7,440	4,943	7,297	7,097	6,200
Allowance for doubtful balances	(133,644)	(133,728)	25,306	25,210	(134,568)	24,706
Impairment of Assets held for sale	242,691	-	-	-	-	-
Income from PSO's	-	-	(359,773)	(359,773)	-	(359,773)
Other (income) / expense, net	1,352	756	89,921	82,601	(43,518)	47,021
EBITDA [(A) = [(1) - (2)]]	**(94,203)**	**216,506**	**887,362**	**828,779**	**219,294**	**769,334**
EBITDA Margin [[(A) / (1)]]	**(2.0)%**	**4.6%**	**17.9%**	**16.8%**	**4.8%**	**15.9%**

TABLE B- Operating Expenditure before depreciation and impairment, net financial expenses and taxes without one off effects

	Total Group 01.01-31.12.18 Amounts in '000€	Group Continuing Operations 01.01-31.12.18 Amounts in '000€	Total Group 01.01-31.12.17 Amounts in '000€	Group Continuing Operations 01.01-31.12.17 Amounts in '000€	Company Continuing Operations 01.01-31.12.18 Amounts in '000€	Company Continuing Operations 01.01-31.12.17 Amounts in '000€	NOTES
Operating expenses before depreciation and impairment[(2)]	4,836,081	4,525,131	4,080,094	4,114,720	4,374,127	4,077,255	
Severance Provision	164,346	148,802	-	-	90,670	-	Note 30
ETMEAR Clearance (2012, 2013 και 2016)	(105,248)	(105,248)	-	-	(105,248)	-	Note 2
PSOs Income 2012-2016	-	-	(359,773)	(359,773)	-	(359,773)	Note 2
Impairment of Lignitiki Melitis SA andι Lignitiki Megalopolis SA	242,691	-	-	-	-	-	Note 4
Operating expenses before depreciation and impairment[(2)] without one-off effects	4,534,292	4,481,577	4,439,867	4,474,493	4,388,705	4,437,028	

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

	Total Group 01.01-31.12.18 Amounts in '000€	Group Continuing Operations 01.01-31.12.18 Amounts in '000€	Total Group 01.01-31.12.17 Amounts in '000€	Group Continuing Operations 01.01-31.12.17 Amounts in '000€	Company Continuing Operations 01.01-31.12.18 Amounts in '000€	Company Continuing Operations 01.01-31.12.17 Amounts in '000€	NOTES
EBITDA[1]	**(94,203)**	**216,506**	**887,362**	**828,779**	**219,294**	**769,334**	
Plus one-of effects[2]:	**(301,789)**	**(43,554)**	**(359,773)**	**(359,773)**	**14,578**	**(359,773)**	
Severance Provision	164,346	148,802	-	-	90,670	-	Note 30
ETMEAR Clearance (2012, 2013 και 2016)	(105,248)	(105,248)	-	-	(105,248)	-	Note 2
PSOs Income 2012-2016	-	-	(359,773)	(359,773)	-	(359,773)	Note 2
Impairment of Lignitiki Melitis SA and Lignitiki Megalopolis SA	242,691	-	-	-	-	-	Note 4
Adjusted EBITDA excluding one-off effects[3] = [(1)+(2)]	**207,586**	**260,060**	**527,589**	**469,006**	**204,716**	**409,561**	
Total turnover[4]	**4,741,878**	**4,741,637**	**4,967,456**	**4,943,499**	**4,593,421**	**4,846,589**	
Adjusted EBITDA margin excluding one-off effects(%)[(3)/(4)]	**4.38%**	**5.48%**	**10.62%**	**9.49%**	**4.46%**	**8.45%**	

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

	Total Group 01.01-31.12.18 Amounts in '000€	Group Continuing Operations 01.01-31.12.18 Amounts in '000€	Total Group 01.01-31.12.17 Amounts in '000€	Group Continuing Operations 01.01-31.12.17 Amounts in '000€	Group Continuing Operations 01.01-31.12.18 Amounts in '000€	Group Continuing Operations 01.01-31.12.17 Amounts in '000€
EBITDA	**(94,203)**	**216,506**	**887,362**	**828,779**	**219,294**	**769,334**
less:						
Depreciation	673,929	644,863	678,377	587,567	631,554	572,859
Value decrease of fixed assets	3,496	3,496	4,272	4,272	-	-
EBIT (A)	**(771,628)**	**(431,853)**	**204,713**	**236,940**	**(412,260)**	**196,475**
Total turnover[1]	**4,741,878**	**4,741,637**	**4,967,456**	**4,943,499**	**4,593,421**	**4,846,589**
EBIT MARGIN [(A) / (1)]	**(16.27)%**	**(9.11)%**	**4.12%**	**4.79%**	**(8.98)%**	**4.05%**

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

	Total Group 01.01-31.12.18 Amounts in '000€	Group Continuing Operations 01.01-31.12.18 Amounts in '000€	Total Group 01.01-31.12.17 Amounts in '000€	Group Continuing Operations 01.01-31.12.17 Amounts in '000€	Company Continuing Operations 01.01-31.12.18 Amounts in '000€	Company Continuing Operations 01.01-31.12.17 Amounts in '000€
Depreciation, Financial Expense and Profit from Subsidiaries and Associates	**754,627**	**725,572**	**789,040**	**683,505**	**704,340**	**659,918**
Depreciation	673,929	644,863	678,377	587,567	631,554	572,859
Financial expenses	184,470	184,449	216,112	206,038	183,525	201,274
Financial income	(105,216)	(105,182)	(105,078)	(109,826)	(111,478)	(110,223)
Net (profit)/loss from associates and joint ventures	(2,701)	(2,701)	(507)	(507)	-	-
Net loss/(profit) from FX differences	649	647	(4,136)	(4,039)	739	(3,992)
Value decrease of fixed assets	3,496	3,496	4,272	4,272	-	-

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

	Total Group 01.01-31.12.18 Amounts in '000€	Group Continuing Operations 01.01-31.12.18 Amounts in '000€	Total Group 01.01-31.12.17 Amounts in '000€	Group Continuing Operations 01.01-31.12.17 Amounts in '000€	Company Continuing Operations 01.01-31.12.18 Amounts in '000€	Company Continuing Operations 01.01-31.12.17 Amounts in '000€
PROFIT/(LOSS) BEFORE TAX	**(848,830)**	**(509,066)**	**270,558**	**145,274**	**(485,299)**	**308,018**
plus : One-off effects:	**301,789**	**43,554**	**(359,773)**	**(359,773)**	**(14,578)**	**(359,773)**
Sale of IPTO S.A.	**-**	**-**	**(172,236)**	**-**	**-**	**(198,602)**
ADJUSTED PROFIT/(LOSS) BEFORE TAX WITHOUT ONE-OFF EFFECTS	**(547,041)**	**(465,512)**	**(261,451)**	**(214,499)**	**(499,877)**	**(250,357)**

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 (for investments held for sale on 2017) and adding the unamortized portion of borrowing costs (see. Note. 29 annual Financial Statements). Calculation of Net Debt is presented in the following table:

	GROUP (Amounts in '000€)		COMPANY (Amounts in '000€)	
	2018	2017	2018	2017
Long-term borrowing	3,190,506	3,738,854	3,190,506	3,738,864
Current portion of long term borrowing	714,757	500,378	714,767	500,378
Short term borrowing	46,483	30,000	30,000	30,000
Cash and cash equivalents	(198,576)	(251,596)	(112,330)	(163,136)
Restricted cash	(79,705)	(94,084)	(79,705)	(94,084)
Financial assets measured at fair value through other comprehensive income	(571)	-	(466)	-
Investments available for sale	-	(1,531)	-	(1,044)
Unamortized portion of borrowing costs	71,945	35,243	71,945	35,243
TOTAL	**3,744,839**	**3,957,264**	**3,814,717**	**4,046,221**

Athens, April 23rd 2019

For the Board of Directors

The Chairman and CEO
Emmanouil Panagiotakis

The Vice-Chairman
Georgios Andriotis

C
Auditor's Report

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 separate and consolidated financial statements (“financial statements”) of Public Power Company SA (“the Company”), which comprise the separate and consolidated statement of financial position as at December 31, 2018, and the separate and consolidated statements of income statements, comprehensive income, 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 Company S.A. and its subsidiaries (“the Group”) as at 31 December 2018 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as endorsed by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs), as incorporated in Greek Law. Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the separate and consolidated financial statements section of our report. We remained independent of the Company and the 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 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.

Material uncertainty related going concern

We draw your attention to note 3.1 to the financial statements, which highlights that the Company and the Group report decreased revenue and significant pre-tax losses for the year, while as at December 31, 2018 the Company’s and the Group’s current liabilities exceeded their current assets by €949mil and €708mil, respectively. Based on the Company’s assessment the above conditions, which are expected to continue for the next twelve months individually and collectively with other matters as described in the note 3.1, indicate the existence of a material uncertainty, which may cast significant doubt on the Company’s and the Group’s ability to continue its operations as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 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 financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except from the matter, that described in “Material uncertainty related to going concern” we have determined that the matters described below are the key audit matters that should be communicated in our auditor’s report.

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 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 financial statements.

Key audit matter	How our audit addressed the key audit matter
Contract assets from low tension customers unbilled revenue (separate and consolidated financial statements)	
The Company's and Group's contract assets from low tension customers unbilled revenue for the year ended December 31, 2018 amounted to €345mil and €346mil, respectively. 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. It is noted that during the financial year 2018, the Company and the Group adopted the International Financial Reporting Standard 15 "Revenue from contracts with customers". We have determined the estimation of contract assets from low tension customers unbilled revenue to be a key audit matter due to the inherent risk of revenue recognition in the correct period, the significant audit time required and the high degree of estimation uncertainty of the management's judgments, estimates and assumptions used in this process. The Company's and Group's disclosures relevant to the accounting policies, the judgments, the estimates and the assumptions used to determine the contract assets from low tension customers unbilled energy can be found in notes 3.2, 3.3, 3.4, 5 and 21 to the separate and consolidated financial statements.	The audit procedures that we performed, among others have as follows: - We assessed the design of management controls over the estimation of the contract assets from low tension customers unbilled revenue. - We received and audited the calculation of the contract assets from low tension customers unbilled revenue performed by the management, evaluating the judgments, estimates and assumptions related to the technical and non-technical losses of the distribution network, the invoicing period, the average revenue and the adjustments for discounts and expected credit losses. We also tested the calculations for mathematical accuracy. - We assessed the consistency between periods of the estimation methods used, the assumptions, and the calculations used by the Company and the Group, and whether events of the period or changes in the environment or changes in the facts and circumstances have been taken into consideration in the estimates and assumptions used and in changes in the business practices, and the accounting principles which may have affected the calculations. - Finally, we assessed the sufficiency of related disclosures in the separate and consolidated financial statements.
Valuation of Property, Plant and Equipment (separate and consolidated financial statements)	
At December 31, 2018 Company's and Group's property, plant and equipment amounted to €10.521mil and €10.758mil, respectively, which are measured at revalued amounts (fair values) as determined by independent periodic valuations (every 3-5 years). The last valuation exercise was performed as of December 31, 2014. Management assessed that the fair values of the property, plant and equipment have not changed significantly compared to their carrying amount as at December 31, 2018 and accordingly the judgments and estimates used in the previous revaluation (e.g. inflation rate, discount rate, structure and operations of the Company etc.) remain appropriate. We have determined the valuation of the property, plant and equipment to be a key audit matter due to the level of the related account and the degree of subjectivity in the judgements, estimates and assumptions used by management for the assessment of existence or not of significant changes in the fair values of the property, plant and equipment. The Company's and Group's disclosures relevant to the accounting policy, the judgments, the estimates and the assumptions used in the valuation of the property, plant and equipment can be found in notes 3.3, 3.4, and 14 to the separate and consolidated financial statements.	The audit procedures that we performed, among others have as follows: - We discussed with management the assessment of existence of not of significant changes in the fair values of the property, plant and equipment compared to the last valuation exercise performed. - We assessed the design of management controls over the identification of significant changes in the fair values of property, plant and equipment. - We received the management's assessment in relation to the absence of significant changes in the fair values of the property, plant and equipment and assessed the judgements, estimates and assumptions used, as well as the accuracy of the data used (e.g. inflation rate, discount rate, structure and operations of the Company etc.). - Finally, we assessed the sufficiency of related disclosures in the separate and consolidated financial statements.

Impairment of trade receivables (separate and consolidated financial statements)

As December 31, 2018, the Company's and the Group's trade receivables amounted to €640m and €724m, impaired by €2.572m and €2.690m, respectively.

The Company and Group apply the simplified approach of IFRS 9 "Financial Instruments" (which was adopted during the fiscal year) and determine lifetime expected credit losses ("ELC") on their trade receivables. The impairment test of trade receivables is based on the expected credit losses, using historical information on defaults adjusted for the forward looking information.

We have determined the impairment of trade receivables to be a key audit matter due to the level of the related accounts.

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 3.2, 3.3, 3.4 and 20 to the separate and consolidated financial statements.

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

- We assessed the design of management controls over the impairment process of trade receivables.
- We received the calculation of impairment of trade receivables performed by the management and we checked the mathematical accuracy of relevant calculations
- Finally, we assessed the sufficiency of related disclosures in the separate and consolidated financial statements.

Investments held for sale (separate and consolidated financial statements)

In accordance with the provisions of Law 4533/2018, in 2018 the Company opened an international tender the Company announced, within 2018, an international tender for the sale of its subsidiaries LIGNITIKI MELITIS S.S. and LIGNITIKI MEGALOPOLIS S.A., which in 2019 was ended in failure. Subsequently, pursuant to Law 4602/2019 the Company invited potential investors to submit their bids again in relation to the sale of the two subsidiaries.

At December 31, 2018 the investments in the above subsidiaries amounted to €232mil in the separate financial statements and the assets and liabilities held for sale amounted to €402mil and €123mil in the consolidated financial statements, respectively, were classified as held for sale, as all the criteria in accordance with IFRS 5 were met and were accounted for at the lower of carrying amount and fair value (as determined by an independent third party) less cost to sell.

Based on the valuation, the Company impaired the assets held for sale by €236mil and €243mil in its separate and consolidated financial statements, respectively, for the year ended December 31, 2018.

We have determined the valuation of the assets held for sale to be a key audit matter due to the level and the nature of the related accounts in conjunction with the uncertainties of 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 in the valuation the assets held for sale can be found in note 4 to the separate and consolidated financial statements.

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

- We assessed that the criteria in accordance with IFRS 5 for the classification of the assets and liabilities as held for sale were met.
- We assessed the design of management controls over the impairment process of the assets and liabilities held for sale.
- We received the valuation exercise of the two subsidiaries and assessed the methodology used and the reasonability and appropriateness of the assumptions used. We incorporated valuation specialists in the audit team.
- We evaluated the valuation specialists engaged by the management.
- Finally, we assessed the sufficiency of related disclosures in the separate and consolidated financial statements.

The Company's separate and consolidated financial statements for the year ended December 31, 2017 were audited by another audit firm. For that year, the Certified Auditor expressed an unmodified opinion on April 27, 2018.

Other Information

Management is responsible for the other information. The other information, included in the Annual Report, comprises of 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, but does not include the financial statements and auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

The Audit Committee of the Company is responsible for overseeing the Company's and the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the separate and the 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 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 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 financial statements, including the disclosures, and whether the 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 financial statements. We are responsible for the direction, supervision and performance of the Company and its subsidiaries audit. 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 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

Considering that the management is responsible for the preparation of the Board of Directors' Report and the Corporate Governance Statement contained in this report, pursuant to the provisions of paragraph 5 of Article 2 of Law 4336/2015 (Part B) we note that:

a) The Management Report of the Board of Directors includes a corporate governance statement that provides the information specified in article 43bb of the Law. 2190/1920.

b) In our opinion, the Management Report of the Board of Directors has been prepared in accordance with the applicable legal requirements of articles 43a and 107A and paragraph 1 (c) and d) of article 43bb of Codified Law 2190/1920. 2190/1920 and its content corresponds to the attached financial statements for the year ended 31 December 2018.

c) Based on the knowledge we acquired during our audit, for the company PUBLIC POWER CORPORATION S.A. and its environment, we have not identified material inaccuracies in the Management Report of the Board of Directors.

2. Unbundled Financial Statements

a) 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 as management determines are necessary to enable the preparation of the Company's and Group's unbundled balance sheets and the unbundled statements of income before tax for the period from January 1, 2018 to December 31, 2018 free from material misstatements, whether due to fraud or error. The methodology of preparation of the unbundled financial statements is described in note 2 of appendix 1 to the financial statements.

b) In our opinion, the Company's and Group's unbundled financial statements as at December 31, 2018, as presented in the relevant appendix to the financial statements have been prepared in accordance with the 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 separate and consolidated financial statements is consistent with our Additional Report to the Audit Committee of the Group, required by Article 11 of the EU Regulation 537/2014.

4. Provision of Non-audit Services

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

5. Appointment of the Auditor

We have been appointed for the first time statutory auditors of the Company by the dated June 7, 2018 decision of the annual ordinary general meeting of shareholders.

Athens, 23 of April 2019

Vassilios Kaminaris
Certified Auditor
SOEL R.N. 2041

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

PUBLIC POWER CORPORATION S.A.

Consolidated and Separate Financial Statements
December 31st 2018

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

The attached separate and consolidated financial statements
have been approved by the Board of Directors
of Public Power Corporation S.A. on April 23rd 2019
and they are available on the web site of Public Power Corporation S.A.
at **www.dei.gr**.

Chairman & Chief Executive Officer	Vice Chairman	Chief Financial Officer	Accounting Department Director
Emmanouil M. Panagiotakis	George A. Andriotis	Alexandra L. Konida	Efthimios A. Koutroulis

CONSOLIDATED STATEMENT
OF INCOME FOR THE YEAR ENDED DECEMBER 31, 2018

(All amounts in thousands of Euro – except per share data)

		GROUP			GROUP				
	Note	01.01.2018–31.12.2018	01.01.2018–31.12.2018	01.01.2018–31.12.2018	01.01.2017– 31.12.2017	01.01.2017– 31.12.2017	01.01.2017–15.06.2017	01.01.2017– 31.12.2017	01.01.2017– 31.12.2017
		Total Group	Continuing Operations	Discontinued Operations LIGNITES	Total Group	Continuing Operations	Discontinued Operations IPTO	Discontinued Operations LIGNITES	Discontinued Operations TOTAL
REVENUES:									
Revenue from energy sales	5	4,258,190	4,258,190	-	4,593,645	4,593,645	-	-	-
Other sales	5	483,688	483,447	241	373,811	349,854	23,510	447	23,957
		4,741,878	**4,741,637**	**241**	**4,967,456**	**4,943,499**	**23,510**	**447**	**23,957**
EXPENSES:									
Payroll cost	6	962,238	871,311	90,927	847,919	743,943	26,855	77,121	103,976
Lignites		53,241	(833)	54,074	55,412	(195)	-	55,607	55,607
Liquid Fuels		670,177	659,531	10,646	662,619	650,903	-	11,716	11,716
Natural Gas		383,632	383,632	-	409,141	409,141	-	-	-
Depreciation and Amortization	8	673,929	644,863	29,066	678,377	587,567	29,218	61,592	90,810
Energy Purchases	7	1,578,659	1,799,176	(220,517)	1,598,191	1,803,687	(2,136)	(203,360)	(205,496)
Materials and consumables		124,239	106,643	17,596	133,933	114,152	1,720	18,061	19,781
Transmission system usage		157,780	157,780	-	89,335	173,681	(84,346)	-	(84,346)
Utilities and maintenance		238,933	220,550	18,383	231,714	219,073	(4,066)	16,707	12,641
Third party fees		69,394	66,447	2,947	63,941	60,492	2,488	961	3,449
CO_2 emission rights	9	369,584	279,531	90,053	181,215	141,555	-	39,660	39,660
Risk allowances	39	109,782	106,895	2,887	46,277	42,953	2,959	365	3,324
Provisions for impairment of materials	19	8,023	7,440	583	4,943	7,297	(3,511)	1,157	(2,354)
Provisions for bad debt	20,21,22	(133,644)	(133,728)	84	25,306	25,210	96	-	96
Financial expenses	10	184,470	184,449	21	216,112	206,038	10,898	(824)	10,074
Financial income	11	(105,216)	(105,182)	(34)	(105,078)	(109,826)	4,748	-	4,748
Gain from the sale of the IPTO subsidiary	4	-	-	-	(172,236)	-	(172,236)	-	(172,236)
Decrease in the value of tangible assets		3,496	3,496	-	4,272	4,272	-	-	-
Impairment of tangible assets held for sale	4	242,691	-	242,691	-	-	-	-	-
PSOs' Income	2	-	-	-	(359,773)	(359,773)	-	-	-
Other Losses / (Gains), Net	12	1,352	756	596	89,921	82,601	944	6,376	7,320
Loss / (Gain) of associates and joint ventures	17	(2,701)	(2,701)	-	(507)	(507)	-	-	-
Foreign cur**rency (gain)/loss, net**		**649**	**647**	**2**	**(4,136)**	**(4,039)**	**-**	**(97)**	**(97)**
		5,590,708	**5,250,703**	**340,005**	**4,696,898**	**4,798,225**	**(186,369)**	**85,042**	**(101,327)**
PROFIT / (LOSS) BEFORE TAX		**(848,830)**	**(509,066)**	**(339,764)**	**270,558**	**145,274**	**209,879**	**(84,595)**	**125,284**
Income Tax	**13**	**(55,005)**	**(32,920)**	**(22,085)**	**(32,841)**	**(17,682)**	**(25,395)**	**10,236**	**(15,159)**
NET PROFIT / (LOSS)		(903,835)	(541,986)	(361,849)	237,717	127,592	184,484	(74,359)	110,125
Attributable to:									
Owners of the Parent		(903,861)	(542,012)	(361,849)	237,704	127,579	184,484	(74,359)	110,125
Non-controlling interests		26	26	-	13	13	-	-	-
Earnings per share, basic and diluted		**(3.90)**	**(2.34)**	**(1.56)**	**1.02**	**0.55**	**0.80**	**(0.32)**	**0.47**
Weighted average number of shares		232,000,000	232,000,000	232,000,000	232,000,000	232,000,000	232,000,000	232,000,000	232,000,000

- The Group and the Parent Company have applied IFRS 15 and FRS 9 using the cumulative effect method from January 1st 2018.
  According to this method, comparative information is not rest ted (Note 3)
- The figures of Discontinued Operations are explained in Note 4
- The accompanying notes are an integral part of these financial statements.

SEPARATE STATEMENT OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 2018

(All amounts in thousands of Euro – except per share data)

		COMPANY		COMPANY			
	Note	01.01.2018–31.12.2018	01.01.2018–31.12.2018	01.01.2018–31.12.2018	01.01.2017–31.12.2017	01.01.2017–31.12.2017	01.01.2017–31.12.2017
		Total Company	Continuing Operations	Discontinued Operations LIGNITES	Total Company	Continuing Operations	Discontinued Operations LIGNITES
REVENUES:							
Revenue from energy sales	5	4,233,148	4,233,148	-	4,584,138	4,584,138	-
Other sales	5	360,374	360,273	101	262,898	262,451	447
		4,593,522	**4,593,421**	**101**	**4,847,036**	**4,846,589**	**447**
EXPENSES:							
Payroll cost	6	607,955	555,064	52,891	559,396	482,275	77,121
Lignite		13,508	(832)	14,340	55,412	(195)	55,607
Liquid Fuels		665,994	659,531	6,463	662,619	650,903	11,716
Natural Gas		383,632	383,632	-	409,141	409,141	-
Depreciation and Amortization	8	660,620	631,554	29,066	634,451	572,859	61,592
Energy Purchases	7	1,735,980	1,800,631	(64,651)	1,614,723	1,818,083	(203,360)
Materials and consumables		84,274	74,321	9,953	97,930	79,869	18,061
Transmission system usage		157,780	157,780	-	173,681	173,681	-
Distribution system usage		319,543	319,543	-	354,771	354,771	-
Utilities and maintenance		169,680	159,836	9,844	178,277	161,570	16,707
Third party fees		47,112	46,501	611	46,956	45,995	961
CO_2 emission rights	9	301,405	279,531	21,874	181,215	141,555	39,660
Risk allowances	39	109,779	109,578	201	41,818	41,453	365
Provisions for impairment of materials	20,21,22	7,063	7,097	(34)	7,357	6,200	1,157
Provisions for bad debt		(134,568)	(134,568)	-	24,706	24,706	-
Financial expenses	10	183,539	183,525	14	200,450	201,274	(824)
Financial income	11	(111,478)	(111,478)	-	(110,223)	(110,223)	-
Gain from the sale of the IPTO subsidiary	4	-	-	-	(198,602)	(198,602)	-
Impairment of tangible assets held for sale	4	235,803	-	235,803	-	-	-
PSOs' Income	2	-	-	-	(359,773)	(359,773)	-
Other Losses / (Gains), Net	12	(42,589)	(43,518)	929	53,397	47,021	6,376
(Gain)/loss from associates and joint ventures	17	253	253	-	-	-	-
Foreign currency (gain)/loss, net		717	739	(22)	(4,089)	(3,992)	(97)
		5,396,002	**5,078,720**	**317,281**	**4,623,613**	**4,538,571**	**85,042**
PROFIT / (LOSS) BEFORE TAX		**(802,480)**	**(485,299)**	**(317,181)**	**223,423**	**308,018**	**(84,595)**
Income Tax	13	(72,207)	(43,661)	(28,546)	(7,547)	(10,423)	2.876
NET PROFIT / (LOSS)		**(874,687)**	**(528,960)**	**(345,727)**	**215,876**	**297,595**	**(81,719)**

- The Group and the Parent Company have applied IFRS 15 and IFRS 9 using the cumulative effect method from January 1st 2018. According to this method, comparative information is not restated (Note 3)
- The figures of Discontinued Operations are explained in Note 4
- The accompanying notes are an integral part of these financial statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2018

(All amounts in thousands of Euro)

	GROUP			GROUP			
	Note	01.01.2018–31.12.2018	01.01.2018–31.12.2018	01.01.2018–31.12.2018	01.01.2017–31.12.2017	01.01.2017–31.12.2017	01.01.2017–31.12.2017
		Total Group	Continuing Operations	Discontinued Operations LIGNITES	Total Group	Continuing Operations	Discontinued Operations
Profit/(loss) for the year		**(903,835)**	**(541,986)**	**(361,849)**	**237,717**	**198,754**	**38,963**
Other Comprehensive income/(loss) for the year							
Other Comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods		-	-	-	-	-	-
Foreign Exchange Differences		(399)	-	-	(203)	(203)	-
Net Other Comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods		(399)	-	-	(203)	(203)	-
Correction of fixed asset revaluation and related tax		70	70	-	7,250	7,250	-
Profit/(Loss) from financial assets measured at fair value through other comprehensive income	3	(700)	(700)	-	157	157	-
Deferred taxes due to the change of the income tax rate of fixed assets' revaluation surplus	13	-	-	-	(10,191)	(10,191)	-
Actuarial gains	30	49,294	49,294	-	35,142	35,142	-
Net Other Comprehensive income not being reclassified to profit or loss in subsequent periods.		**48,664**	**48,664**	**-**	**32,358**	**32,358**	**-**
Other Comprehensive income/(loss) for the year after tax		**48,265**	**48,664**	**-**	**32,155**	**32,155**	**-**
Total Comprehensive income/(loss) after tax		**(855,570)**	**(493,322)**	**(361,849)**	**269,872**	**230,909**	**38,963**
Attributable to:							
Owners of the Parent		**(855,596)**	**(493,348)**	**(361,849)**	**269,859**	**230,896**	**38,963**
Non-controlling interests		**26**	**26**		**13**	**13**	**-**

- The Group and the Parent Company have applied IFRS 15 and IFRS 9 using the cumulative effect method from January 1st 2018. According to this method, comparative information is not amended (Note 3)
- The accompanying notes are an integral part of these financial statements.

SEPARATE STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2018

(All amounts in thousands of Euro)

		COMPANY			COMPANY		
	Note	01.01.2018–31.12.2018	01.01.2018–31.12.2018	01.01.2018–31.12.2018	01.01.2017–31.12.2017	01.01.2017–31.12.2017	01.01.2017–31.12.2017
		Total Company	Continuing Operations	Discontinued Operations	Total Company	Continuing Operations	Discontinued Operations
Profit/(loss) for the year		**(874,687)**	**(594,979)**	**(279,708)**	**215,876**	**254,874**	**(38,998)**
Other Comprehensive income/(loss) for the year							
Other Comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods		-	-	-	-	-	-
Foreign Exchange Differences		-	-	-	-	-	-
Net Other Comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods		**-**	**-**	**-**	**-**	**-**	**-**
Items not to be reclassified to profit or loss in subsequent periods					-		
Profit/(Loss) from change of fair values of available for sale financial assets during the year	3	(418)	(418)	-	155	155	-
Deferred taxes due to the change of the income tax rate of fixed assets' revaluation surplus	13	-	-	-	(6,370)	(6,370)	-
Actuarial gains/(losses)	30	34,407	34,407	-	21,967	21,967	-
Net Other Comprehensive income/(loss) not being reclassified to profit or loss in subsequent periods.		**33,989**	**33,989**	**-**	**15,752**	**15,752**	**-**
Other Comprehensive income/(loss) for the year after tax		**33,989**	**33,989**	**-**	**15,752**	**15,752**	**-**
Total Comprehensive income/(loss) after tax		**(840,698)**	**(560,990)**	**(279,708)**	**231,628**	**270,626**	**(38,998)**

- The Group and the Parent Company have applied IFRS 15 and IFRS 9 using the cumulative effect method from January 1st 2018. According to this method, comparative information is not restated (Note 3)
- The accompanying notes are an integral part of these financial statements.

CONSOLIDATED AND SEPARATE STATEMENT
OF FINANCIAL POSITION AS OF DECEMBER 31, 2018

(All amounts in thousands of Euro)

		GROUP		COMPANY	
	Note	**31.12.2018**	**31.12.2017**	**31.12.2018**	**31.12.2017**
ASSETS					
Non–Current Assets:					
Tangible assets	14	10,758,014	11,560,928	10,521,257	11,351,536
Intangible assets, net	15	200,222	76,625	189,636	71,424
Investments in subsidiaries	16	-	-	219,471	214,501
Investments in associates	17	20,049	20,959	997	1,201
Financial assets measured at fair value through other comprehensive income		571	1,531	466	1,044
Other non- current assets	13,29	72,139	95,202	71,513	94,687
Deferred tax asset	13	159,487	-	97,314	-
Total non-current assets		**11,210,482**	**11,755,245**	**11,100,654**	**11,734,393**
Current Assets:					
Materials, spare parts & supplies net	19	714,322	731,395	569,066	610,281
Trade receivables	20	723,688	1,325,746	639,907	1,300,090
Contract assets	21	482,342	-	484,482	-
Other receivables	22	285,942	1,193,570	261,883	838,905
Income tax receivable	13	13,289	6,605	-	-
Cash and cash equivalents	24	198,576	251,596	112,330	163,136
Restricted Cash	24	81,681	94,084	81,681	94,084
Total Assets from Discontinued Operations	4	402,399	-	232,400	-
Total Current Assets		**2,902,239**	**3,602,996**	**2,381,749**	**3,006,496**
Total Assets		**14,112,721**	**15,358,241**	**13,482,403**	**14,740,889**
EQUITY AND LIABILITIES					
EQUITY:					
Share capital	25	575,360	575,360	575,360	575,360
Share premium		106,679	106,679	106,679	106,679
Legal reserve	26	128,317	128,317	128,317	128,317
Fixed assets' statutory revaluation surplus included in share capital		(947,342)	(947,342)	(947,342)	(947,342)
Revaluation surplus		3,816,062	4,046,717	3,726,829	3,956,266
Other Reserves	27	13,926	(34,339)	55,391	21,402
Retained earnings		249,944	1,735,039	179,792	1,637,172
		3,942,946	**5,610,431**	**3,825,026**	**5,477,854**
Non-Controlling interests		**134**	**108**	**-**	**-**
Total Equity		**3,943,080**	**5,610,539**	**3,825,026**	**5,477,854**

		GROUP		COMPANY	
	Note	**31.12.2018**	**31.12.2017**	**31.12.2018**	**31.12.2017**
EQUITY AND LIABILITIES					
Non-Current Liabilities:					
Long-term borrowing	29	3,190,506	3,738,854	3,190,506	3,738,864
Employee benefits	30	483,401	405,999	297,995	255,805
Provisions	31	328,304	224,550	292,766	185,731
Deferred tax liabilities	13	-	142,791	-	205,855
Contract liabilities	33	2,376,124	1,127,088	2,376,124	1,127,088
Subsidies	32	172,240	208,719	168,754	204,610
Other non-current liabilities	34	8,677	521,175	39	514,867
Total Non-Current Liabilities		**6,559,252**	**6,369,176**	**6,326,184**	**6,232,820**
Current Liabilities:					
Trade and other payables	35	1,643,977	2,191,734	1,521,495	1,910,528
Dividends payable	28	17	17	17	17
Income tax payable	13	78,590	221,169	62,908	207,985
Short – term borrowings	36	46,483	30,000	30,000	30,000
Current portion of long – term borrowing	29	714,757	500,378	714,767	500,378
Accrued and other current liabilities	38	787,278	435,228	785,313	381,307
Short-term contract liabilities	37	216,693	-	216,693	-
Total Liabilities from Discontinued Operations	4	122,594	-	-	-
Total Current Liabilities		**3,610,389**	**3,378,526**	**3,331,193**	**3,030,215**
Total Liabilities and Equity		**14,112,721**	**15,358,241**	**13,482,403**	**14,740,889**

- The Group and the Parent Company have applied IFRS 15 and IFRS 9 using the cumulative effect method from January 1st 2018. According to this method, comparative information is not amended (Note 3)
- The figures of Discontinued Operations concern the Lignite spin-off.
- The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2018

(All amounts in thousands of Euro)

		GROUP					GROUP						
	Note	Share Capital	Share Premium	Legal Reserve	Revaluation Surplus	Fixed Assets Statutory Revaluation Surplus	Fair value of financial assets through other comprehensive income	Foreign Exchange Differences, Tax-free and Other Reserves	Other Reserves Total	Retained Earnings	Total	Non-Controlling Interest	Total Equity
Balance, January 1, 2017		**1,067,200**	**106,679**	**117,524**	**4,748,192**	**(947,342)**	**-**	**(84,273)**	**(84,273)**	**851,600**	**5,859,580**	**95**	**5,859,675**
Net profit for the year		-	-	-	-	-	-	-	-	237,704	237,704	13	237,717
Other comprehensive income for the year after tax		-	-	-	-	-	157	31,998	32,155	-	32,155	-	32,155
Total Comprehensive income for the year after tax		**-**	**-**	**-**	**-**	**-**	**157**	**31,998**	**32,155**	**237,704**	**269,859**	**13**	**269,872**
IPTO Subsidiary Sale		(491,840)	-	-	(639,712)	-	-	17,779	17,779	595,567	(518,206)	-	(518,206)
Transfers from retirements of fixed assets		-	-	-	(61,763)	-	-	-	-	61,763	-	-	-
Legal Reserve Formation		-	-	10,793	-	-	-	-	-	(10,793)	-	-	-
Other movements		-	-	-	-	-	-	-	-	(802)	(802)	-	(802)
Balance, December 31, 2017		**575,360**	**106,679**	**128,317**	**4,046,717**	**(947,342)**	**157**	**(34,496)**	**(34,339)**	**1,735,039**	**5,610,431**	**108**	**5,610,539**
Balance, January 1, 2018		**575,360**	**106,679**	**128,317**	**4,046,717**	**(947,342)**	**157**	**(34,496)**	**(34,339)**	**1,735,039**	**5,610,431**	**108**	**5,610,539**
IFRS 9 effect	3	-	-	-	-	-	-	-	-	(37,068)	(37,068)	-	(37,068)
IFRS 15 effect	3	-	-	-	-	-	-	-	-	(584,259)	(584,259)	-	(584,259)
Total IFRS effect	**3**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(621,327)**	**(621,327)**	**-**	**(621,327)**
Net (loss) for the year		-	-	-	-	-	-	-	-	(903,861)	(903,861)	26	(903,835)
Other comprehensive income/(loss) for the year after tax		-	-	-	-	-	(700)	48,965	48,265	-	48,265	-	48,265
Total Comprehensive income/(loss) for the year after tax		**-**	**-**	**-**	**-**	**-**	**(700)**	**48,965**	**48,265**	**(903,861)**	**(855,596)**	**26**	**(855,570)**
Transfers from retirements of fixed assets					(40,920)	-	-	-	-	40,920	-	-	-
Impairment of assets held for sale	4				(189,735)	-	-	-	-	-	(189,735)	-	(189,735)
- Other movements										(827)	(827)	-	(827)
Balance, December 31, 2018		**575,360**	**106,679**	**128,317**	**3,816,062**	**(947,342)**	**(543)**	**14,469**	**13,926**	**249,944**	**3,942,946**	**134**	**3,943,080**

- The Group and the Parent Company have applied IFRS 15 and IFRS 9 using the cumulative effect method from January 1st 2018. According to this method, comparative information is not restated (Note 3)
- The accompanying notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2018

(All amounts in thousands of Euro)

		COMPANY				COMPANY					
	Note	Share Premium	Share Premium	Legal Reserve	Revaluation Surplus	Fixed Assets Statutory Revaluation Surplus	Fair value of financial assets through other comprehensive income	Tax-free and other Reserves	Other Reserves Total	Retained Earnings	Total Equity
Balance, January 1, 2017		**1,067,200**	**106,679**	**117,524**	**4,016,613**	**(947,342)**	**-**	**5,650**	**5,650**	**1,371,473**	**5,737,797**
Net profit for the year		-	-	-	-	-	-	-	-	215,876	215,876
Other comprehensive income for the year after tax		-	-	-	-	-	155	15,597	15,752	-	15,752
Total Comprehensive income for the year after tax		**-**	**-**	**-**	**-**	**-**	**155**	**15,597**	**15,752**	**215,876**	**231,628**
Transfers from retirements of fixed assets		-	-	-	(60,347)	-	-	-	-	60,347	-
IPTO Subsidiary Sale		(491,840)	-	-	-	-	-	-	-	-	(491,840)
Legal reserve formation		-	-	10,793	-	-	-	-	-	(10,793)	-
Other movements		-	-	-	-	-	-	-	-	269	269
Balance, December 31, 2017		575,360	106,679	128,317	3,956,266	(947,342)	155	21,247	21,402	1,637,172	5,477,854
Balance, January 1, 2018		575,360	106,679	128,317	3,956,266	(947,342)	155	21,247	21,402	1,637,172	5,477,854
IFRS 9 effect	3	-	-	-	-	-	-	-	-	(37,314)	(37,314)
IFRS 15 effect	3	-	-	-	-	-	-	-	-	(584,259)	(584,259)
Total IFRS effect	3	-	-	-	-	-	-	-	-	(621,573)	(621,573)
Net (loss) for the year		-	-	-	-	-	-	-	-	(874,687)	(874,687)
Other comprehensive income/(loss) for the year after tax		-	-	-	-	-	(418)	34,407	33,989	-	33,989
Total Comprehensive income/(loss) for the year after tax		**-**	**-**	**-**	**-**	**-**	**(418)**	**34,407**	**33,989**	**(874,687)**	**(840,698)**
Transfers from retirements of fixed assets		-	-	-	(39,702)	-	-	-	-	39,702	-
Impairment of assets held for sale	4	-	-	-	(189,735)	-	-	-	-	-	(189,735)
Other movements		-	-	-	-	-	-	-	-	(822)	(822)
Balance, December 31, 2018		**575,360**	**106,679**	**128,317**	**3,726,829**	**(947,342)**	**(263)**	**55,654**	**55,391**	**179,792**	**3,825,026**

- The Group and the Parent Company have applied IFRS 15 and IFRS 9 using the cumulative effect method from January 1st 2018. According to this method, comparative information is not restated (Note 3)
- The accompanying notes are an integral part of these financial statements.

CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018

(All amounts in thousands of Euro)

		GROUP		COMPANY	
	Note	01.01.2018-31.12.2018	01.01.2017-31.12.2017	01.01.2018-31.12.2018	01.01.2017-31.12.2017
Cash flows from operating activities					
Profit/(Loss) before tax from continuing operations		(505,654)	145,274	(474,915)	308,018
Profit/(Loss) before tax from discontinuing operations		(343,176)	125,284	(327,565)	(84,595)
Profit/(Loss) before tax		**(848,830)**	**270,558**	**(802,480)**	**223,423**
Adjustments:					
Depreciation and amortization	8	687,215	721,138	673,709	706,234
Impairment of fixed assets held for sale	4	242,691	4,272	235,803	-
Amortization of customers' subsidies		(13,286)	(71,979)	(13,089)	(71,783)
Income from long-term contract liabilities	33	(85,167)	-	(85,167)	-
Income from PSOs	12	-	(359,773)	-	(359,773)
Profit from IPTO's sale	4	-	-	-	(198,602)
Share of loss (profit) of associates	17	(2,701)	(507)	253	-
Interest income and dividends		(105,216)	(109,826)	(111,478)	(110,223)
Sundry provisions	31	143,837	76,982	70,824	73,882
Unrealized foreign exchange (gains)/losses on loans and borrowings		(717)	4,089	(717)	4,089
Accrued Income	5	49,902	31,093	47,763	31,093
Retirements of fixed assets and software		18,155	54,693	16,381	54,693
Amortization of loan origination fees		8,878	7,079	8,878	7,079
Interest expense		159,825	175,023	159,521	175,023
Operating profit before working capital changes		**254,586**	**802,842**	**200,201**	**535,135**
(Increase)/decrease in :					
Trade receivables	20	609,412	(754,384)	425,697	(423,850)
Income from PSOs	12	359,773	-	359,773	-
Other receivables	22	24,291	(38,044)	(16,948)	31,109
Materials, spare parts and supplies	19	41,688	(80,236)	66,181	(73,489)
Increase/(decrease) in :					
Trade payables	35	(547,757)	907,939	(389,033)	45,572
Other non–current liabilities	34	196,056	(62,520)	193,726	(43,452)
Accrued/other liabilities excluding interest	38	384,032	170,614	420,690	74,111
Income tax paid	13	(160,501)	(8,698)	(144,369)	(8,698)
Discontinued operations	4	(73,671)	(760,700)	(69,820)	-
Net Cash from Operating Activities		**1,087,941**	**176,831**	**1,046,098**	**136,438**

- The Group and the Parent Company have applied IFRS 15 and IFRS 9 using the cumulative effect method from January 1st 2018. According to this method, comparative information is not amended (Note 3)
- The accompanying notes are an integral part of these financial statements.

		GROUP		COMPANY	
	Note	01.01.2018-31.12.2018	01.01.2017-31.12.2017	01.01.2018-31.12.2018	01.01.2017-31.12.2017
Cash Flows from Investing Activities					
EInterest and dividends received		105,216	202,770	111,478	203,167
Capital expenditure for tangible and intangible assets	14,15	(865,424)	(427,470)	(806,403)	(422,885)
Proceeds from long-term contract liabilities	33	63,332	1,799	63,332	1,799
Investments in subsidiaries and associates		910	58	(4,766)	(150)
Proceeds from the sale of subsidiary	4	-	623,208	-	623,208
Net Cash used in Investing Activities		**(695,966)**	**400,365**	**(636,359)**	**405,139**
Cash Flows from Financing Activities					
Net change in short-term borrowings	36	16,483	-	-	-
Proceeds from long-term borrowing	29	272,794	352,601	272,794	352,601
Principal payments of long-term borrowing	29	(570,061)	(690,170)	(570,061)	(690,170)
Interest paid and loans' issuance fees		(164,211)	(195,001)	(163,278)	(190,240)
Dividends paid		-	(46)	-	(46)
Net Cash used in Financing Activities		**(444,995)**	**(532,616)**	**(460,545)**	**(527,855)**
Net increase/(decrease) in cash and cash equivalents		(53,020)	44,562	(50,806)	13,722
Cash and cash equivalents at beginning of the year		251,596	207,034	163,136	149,414
Cash and cash equivalents at the end of the year		**198,576**	**251,596**	**112,330**	**163,136**

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Notes to the Financial Statements

Notes to the Financial Statements

December 31, 2018
(All amounts in thousands of Euro unless otherwise stated)

1. CORPORATE INFORMATION

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

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

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

It is noted that from November 29th 2017 at the request of the Parent Company, the deletion of the Company's Global Depository Receipts (GDRs) and the cessation of their trading on the London Stock Exchange took place.

On June 15th 2017 the Parent Company lost control of the subsidiary IPTO SA while on June 20th 2017 the full ownership unbundling of IPTO SA was completed as provided for in articles 142 et seq. Of Law 4389/2016.

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

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

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

At December 31st 2018, the number of staff employed by the Group was 16,747 (2017: 17,519). At December 31st 2018, 89 employees of the Group (2017: 89), have been transferred to several State agencies (ministries, organizations, etc.), out of which, 85 were compensated by PPC (2017: 88). The total payroll cost of such employees, for the twelve month period ended on December 31st 2018 amounted to Euro 3,434 (2017: Euro 3,527). Additionally, PPC's transferred employees in EFKA (Greek Single Social Security Institution) amounted to 223 on December 31st 2018, for which payroll amounted to Euro 9,684.

PPC Group generates electricity in its own 60 main power generating stations of the Parent Company, from 3 belonging to its wholly owned subsidiaries "LIGITIKI MELITIS SA" and "LIGNITIKI MEGALOPOLIS SA", and from the additional stations which belong to its wholly owned subsidiary PPC Renewables and distributes electricity to consumers through its own distribution lines for Medium and Low voltage of 239,119 kilometres and 989 kilometres Network of High Voltage lines pertaining to Distribution facilities that are managed by its wholly owned subsidiary "Hellenic Distribution Network Operator (HEDNO S.A.)".

PPC Group has also constructed approximately 162 kilometres of urban fibre optics network.
Lignite consumed by the Parent Company's lignite-fired power stations is extracted, mainly, from its own lignite mines.

2. LEGAL FRAMEWORK

CHANGES IN THE LEGAL FRAMEWORK OF THE ELECTRICITY MARKET FOR THE TWELVE MONTHS OF 2018

Auctions of Regulated Term Products (NOME)

- With Decision No. 77 of the Government's Council for Economic Policy (O.G. B58/18.01.2018) the NOME Auction Implementation Scheme was approved, concerning:

1. According the provisions of Law 4512/2018, the following ammendments of L. 4389/2016 took place:

- The introduction of new Eligibility Criteria for the participation of Eligible electricity suppliers in auctions, namely to maintain or develop a retail supply activity, submitting a business plan for their growth and development in the retail market upon registration in the Eligible Suppliers Register and with a new control mechanism during the month of conducting the auction based on load declarations or the business plan submitted for new Eligible Suppliers.
- The modification of the procedure for the adjustment of the annual quantity to be auctioned due to the deviation of PPC's share in the retail market of the interconnected system, with an increase/decrease in the next two auctions following the relevant RAE Decision.

2. Adjustment of the deadline regarding the transition period of the Greek energy market model from the current mandatory pool model to the Target Model, setting August 2018 (instead of December 2017) as the date of implementation.

3. Change in the time limit for resale of sub-products by Alternative Suppliers, from two (2) to three (3) business days prior to the Monthly sub-product Declaration Process, within the secondary market.

4. The additional Semi-annual Impact Report from February 2018 and thereafter every semester, jointly undertaken by the Greek Authorities and the Institutions, which takes into account, among others:
"… (a) The introduction of the Target Model in the Electricity Market and the Forward Energy Market, (b) The timely adaptation of the NOME mechanism in order to compensate for the lignite structural measures. This adaptation will include the gradual decrease of the quantities to be auctioned along with the implementation of the lignite structural measures, the decrease ultimately being proportionate to the lignite potential that will be divested upon completion of the divestment from PPC's part, and (c) The possible need to adopt additional structural measures in line with the characteristics of PPC's productive portfolio. "

- In accordance with RAE's Decision 850/2017, and with respect to the Code of Transactions for the Sale of Forward Electricity Products, the following are now applicable:

- For the year 2017, the administratively set Minimum Use Rate of Distributed Quantities for Forward Electricity Products is set at 30%.
- For the first half of 2018 and for gradual adjustment purposes, the administratively set Minimum Use Rate of Distributed Quantities of Forward Electricity Products is set at 50%.
- For the second half of 2018 and up to the submission of the proposed Impact Report by the Market Operator, the administratively set Minimum Use Rate of Distributed Quantities of Forward Electricity Products is set at 70%.
- Specifically for new Eligible Suppliers which have not yet submitted load declarations within the DAS, the administratively set Minimum Use Rate of Distributed Quantities of Forward Electricity Products is set at 30% for 2018 and will be revised according to the recommendation of the Market Operator (EMO). The Market Operator's (EMO's) recommendation for setting the administratively set Minimum Use Rate of Distributed Quantities of Forward Electricity Products will be submitted to RAE in December each year.

Additionally, the possibility of submitting purchase orders under the condition of satisfying the quantity requested as a whole by the participants, is restored and it is stipulated that in the case of the zero provisionally allocated quantity of a current valid purchase order, the submitted new purchase order is considered valid in the following cases:

i) It increases the price and the numerical value of the quantity requested is greater than zero.
ii) It maintains the price level and increases the numerical value of the quantity requested.

- According to Law 4549/2018 (O.G. A 105/14.06.2018) entitled "Provisions for the Completion of the Agreement on Budgetary Targets and Structural Reforms - Medium Term Financial Framework 2019-2022 and other provisions", in article 42 "Adjusted quantities of electricity to be auctioned by means of auctions of forward electricity products with physical delivery", it is provided that:
  - In accordance with Law 4533/2018 regarding the structural measures for access to lignite and in relation to their timely implementation, the quantities of electricity that may be auctioned, by a RAE decision based on the reduction of PPC's share according to article 135 of Law 4389/2016 (adjustment of the quantities to be auctioned), are reduced by 50%.
  - With the signing of the share purchase agreements, the mechanism for adjusting the quantities to be auctioned pursuant to article 135 of Law 4389/2016 is abolished.
  - The annual quantity of electricity to be auctioned for 2019 (as set by Law 4472/2017 by amendment of Law 4389/2016) is reduced from 22% to 13% of the total quantity of electricity of the interconnected system for the previous year, after the pre-requisite operations for each party (new investors) have been implemented.

  Within January 2019, the Hellenic Energy Exchange (HEnEx SA) will submit to RAE a proposal for the amendment of the Code of Transactions for Future Products (CBC) for the compatibility of the mechanism with the launch of the New Electricity Market (according to Law 4425/2016 for the reorganization of the Greek Electricity Market in implementation of the legislation for the completion of the single European electricity market), in particular regarding the declarations of the use of forward products quantities, the system declaration of programs of HEnEx S.A. and the obligations of physical delivery and the balancing of the parties.

- With Decision No. 85 of the Government's Council for Economic Policy (O.G. B2266/15.06.2018) the NOME Auction Implementation Scheme was approved in order for the Greek Authorities to initiate the implementation of the roadmap following the EU target model for the electricity market, which must be completed by April 2019. The amendment of the NOME Auction Implementation Scheme concerns paragraphs 1.3, 2.2 and 3.1.9 in order to comply with the provisions of article 42 of Law 4549/2018 relating to the updating of futures electricity products under auction and following the Law. 4533/2018 on structural measures for access to lignite.
- The RAE Decision 1248/2018 (20.12.2018) establishes the annual quantity of electricity available through auctions for the sale of futures products with physical delivery, the distribution of quantity in individual futures products and the Schedule of auctions for the year 2019. More specifically, the annual quantity for 2019 amounts to 1,273 MWh/h and is allocated to annual futures products, which will be auctioned quarterly according to the auction schedule. The RAE, with its next Decision 164/2019 (January 28th 2019), adjusted the annual amount of electricity available through the auctions for the sale of futures products with natural delivery for the year 2019, due to the deviation from the annual target The share of PPC, under par. 2 and 4 of article 135 of L. 4389/2016 as applicable (Deviation Quantity 524 MWh/h) and amending the RAE Decision 1248/2018

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

Decision 57/2017 (O.G. 72/A/19.5.2017) of the Government's Council for Economic Policy, concerning the structural measures for PPC's access to lignite was published, which Greece will propose to the Commission's Directorate General for Competition (DG Comp.) until November 2017 and will be implemented by June 2018 in compliance with Decisions C (2008) 824 and C (2009) 6244 of the European Commission on PPC's access to lignite, which became irreversible after the (2016) 733 and (2016) 748 decisions of the General Court of the European Union. The binding remedial structural remedies will be designed in accordance with the following principles :

I. The measures would include PPC's disinvestment of lignite power generating units to existing or new alternative suppliers and other investors.

II. PPC would have no involvement or connection with any element of disinvestment, including preferential electricity supply. In line with the Commission's communication on structural measures acceptable under Regulation 139/2004 and Regulation 802/2004, the purchaser (s) a) would be independent of and will not have any association with PPC and its affiliated companies; b) should possess the financial resources, proven know-how and incentive to maintain and develop the disinvested portfolio of power generating units as a viable and active competitive power in relation to PPC and other competitors, and c) on the basis of the information available, they would not cause or threaten to cause prima facie competition concerns and they would not create a risk of delay in the implementation of the structural measures.

III. Disinvestment will account for about 40% of PPC's lignite power generating capacity. The exact percentage would be determined during technical discussions with the European Commission in accordance with the abovementioned decisions. The disinvestment would include the associated lignite reserves, in accordance with paragraph 248.1 of the Commission's Decision C (2008) 824, which states that "the Hellenic Republic could reallocate some of the rights currently enjoyed by PPC in this case and given that the lignite reserves are connected to the nearby electricity generating units, access to the lignite reserves should be combined with the transfer of the ownership or the franchise of the respective unit

This obligation of the Hellenic Republic was also included in the Supplementary Memorandum of Understanding agreed and signed in July 2017 by the Hellenic Republic and the European Commission on behalf of the European Stability Mechanism.

In this context, in January 2018, the Hellenic Republic proposed to the European Commission's Directorate-General for Competition as a binding structural measure the disinvestment of three (3) existing PPC's lignite units, namely Meliti 1 (330 MW installed capacity), Megalopolis 3 (300 MW) and Megalopolis 4 (300 MW), as well as the production license for a new lignite unit (Meliti 2, 450 MW), together with the exploration and exploitation rights of the lignite mines (Megalopolis mine for the units Megalopolis 3 and 4 and Kleidi mine, Meliti hills and Vevi for Meliti). The Directorate-General for Competition conducted a market test for the abovementioned commitment by the Hellenic Republic and made it definitively acceptable and legally binding.

- In order to fulfill the Hellenic Republic's commitment to the European Commission's Directorate-General for Competition to take structural measures regarding PPC's access to lignite, the Greek Parliament passed Law 4533/2018 (G.O. A 75/27.4.2018) entitled «Structural measures for access to lignite and the further opening of the wholesale electricity market and other provisions ".

  According to the provisions of the above mentioned Law, PPC undertakes the obligation to proceed to the disinvestment of three (3) existing PPC lignite units, namely Megalopolis 3 (300 MW of installed capacity), Megalopolis 4 (300 MW of installed capacity), Meliti 1 (330 MW installed capacity), the production license for a new lignite unit (Meliti 2, 450 MW of installed capacity), together with the exploration and exploitation rights of the related lignite mines (Megalopolis mine for the units Megalopolis 3 and 4 and Kleidi mine, Meliti hills and Vevi for Meliti), as well as the related mining equipment. The disinvestment will take place through the spin-off and contribution of two (2) lignite branches of PPC S.A. in two (2) new companies (one in Meliti and one in Megalopolis). Furthermore the Law provides for disinvestment procedure, the framework of the international tender procedure for the sale of the shares that PPC SA will acquire from the two (2) new companies, the labor relations of employees in two (2) spin-off branches, PPC's responsibilities and the responsibility of the two (2) new companies.

  According to the above, the Law refers to the creation of two (2) new sociétés anonymes from the perspective of assets, liabilities and human resources, with the sole shareholder being PPC.

  In particular, it is provided that, in the first company to be set up, PPC contributes as a branch the assets, rights and obligations related to its lignite power generation activity in the area of Meliti Florina and in the wider region where public lignite deposits are located and in the second company to be also set up, PPC contributes as a branch the assets, rights and obligations related to its lignite power generation activity in the area of Megalopolis Arcadia.

- PPC will transfer all the obtained shares that the new companies will issue, to legal entities interested in acquiring them, which will become preferred investors in an open, international bidding tender. The tender will be carried out with PPC's care and expenses, in accordance with the Greek State's commitments to the European Commission referring to structural measures in the lignite-fired power generation sector.

  The tender will be launched through an open, international, public invitation by PPC until May 31st 2018 and will be completed by signing the share purchase agreement and other contracts within six (6) months from the date of entry into force of the European Commission's decision.

  The tender procedure will take place in two stages: At first, PPC will issue an Invitation to submit an Expression of Interest ("EoI) until May 31st 2018, which will lead to the pre-selection of investors who meet the technical, financial and legal criteria set. At a second stage, pre-selected investors will be invited to sign a Confidentiality Agreement relating to the tender process and become "Eligible Participants" and will then receive the Invitation to submit a Binding Offer, in order to participate in the 2nd Phase of the Process, where they will gain access to the Virtual Data Room (VDR), that will be set up and will conduct a due diligence in order to submit binding offers.

  In this tender procedure, interested parties may submit bids either for the acquisition of all the shares of the two new companies or for the acquisition of all the shares of one of them.

  In order to ensure the fair valuation of the market value of the sectors contributed, PPC will, subject to the prior approval of the European Commission, appoint a sufficiently qualified and appropriately accredited international independent valuator to determine the fair value range of the commercial value of each sector. This assessment will remain confidential until the financial offers of the participants in the tender are opened and then it will be handed over to PPC's Board of Directors and to the European Commission's Monitoring Agent.

  In the event that financial bids fall short of this assessment, PPC may request the submission of improved final financial bids to safeguard both its legitimate financial interests as well as those of its shareholders.

  In the context of the tender timetable and within a reasonable time from the submission of the final financial bids, which will be specified in the relevant tender notice by PPC and in any case before taking a final decision on the selection of the preferred bidder(s), PPC's BoD may obtain a "fairness opinion" from another international independent valuator, such as an international investment bank, on the submitted bid.

  Furthermore, PPC is required to hire a Monitoring Trustee to act on behalf of the European Commission, in order to ensure the economic viability and competitiveness of the branches, until the completion of their disinvestment from PPC's part and to monitor the procedures of the tender according to the provisions of EU laws regarding compliance with competition law.

  For the safe and orderly technical, commercial and administrative operation of both new companies and PPC as well, both before and after the completion of the proposed disinvestment, the possibility of entering into any service level agreement and/or leasing contract of real estate which is necessary is provided, on the basis of cost effectiveness and with transparent and ordinary for such contracts other commercial, technical, financial and legal terms and conditions.

  PPC has undertaken all the actions required by the Law to fulfill the Hellenic Republic's commitment to the European Commission.

In particular, following the relevant decisions of the Board of Directors and the Extraordinary General Meeting of Shareholders of PPC of June 26th 2018, the two Notarial Acts for the formation of Sociétés Anonymes were signed with the contribution of the decommissioned PPC Branches and on June 30th 2018 the registrations were announced in the General Commercial Registry (GEMI) of the two new 100% subsidiary companies of PPC SA "LIGNITIKI MELITIS SA" and "LIGNITIKI MEGALOPOLIS SA".

The international tender required by the Law was launched on May 31st 2018 with the publication by PPC of a Call for Expressions of Interest, in which a total of six (6) interested parties responded, all of which were evaluated as fulfilling the pre-selected criteria, qualified as Eligible Participants and were invited to submit their binding offers for the acquisition of 100% of PPC's shareholding in the share capital of the subsidiaries "Lignitiki Melitis SA" and/or "Lignitiki Megalopolis SA". Following the formation of a consortium between 2 of the Participants during the tender procedure, 3 interested parties eventually became active. The final date for submission of tenders, after extensions given with the consent of the European Commission, was finally set on February 6th 2019, on which date two of the three interested parties submitted a binding offer. Of these offers, one was considered ineligible as it did not meet the criteria of the Invitation to Tender, while the second was judged to be economically unprofitable by PPC's Board of Directors. Following the above, the relevant tender process was declared barren.

On March 7th 2019 the Hellenic Parliament voted and on March 9th 2019 published (OG A 45) the Law 4602/2019, which amended and supplemented the Law 4533/2018. With the new provisions, PPC is invited to call for a repeat competitive bidding process, inviting the candidates who participated in the previous tender procedure and other investors who wish to show interest in the acquisition of the shares of "Lignitiki Megalopolis SA" and/or "Lignitiki Melitis SA". within 7 days of the invitation. Pursuant to the aforementioned provisions of the Law, following a relevant decision of the Board of Directors, PPC on March 8th 2019 proceeded to post on its website the Joint Invitation for Expressions of Interest & Invitation to Submit Binding Tenders, inviting investors to initially express interest to take part in the tender procedure until March 15th 2019. They will then sign a Confidentiality Convention, gain access to the Virtual Data Room (VDR), and conduct due diligence in order to reach bids, while in the meantime they must provide the necessary supporting documents to prove the fulfillment of the technical, financial and legal criteria set out, which are the same as those set out in the previous procedure.

Moreover, Law 4602/2019 provides that the contract for the purchase of the shares of each new company is legally valid, while regarding the estimation of the value of the new companies there is a change in the provision of Law 4533/2018, and PPC may designate a valuator to determine a fair value range of the market value of each of the sectors contributed. In this case, the appraiser shall take into account relevant transactions on the European market and the results of the previous tender. On the contrary, PPC SA is required to designate an appraiser in order to obtain an opinion on the fairness of the offer, but that appraiser shall not take into account any assessment made under the preceding paragraph.

In the aforementioned Joint Call for Expressions of Interest and Invitation to Submit Binding Bids, on March 15th 2019 six (6) interested parties responded, five (5) of whom had expressed their interest in the previous tender procedure, and one (1) new. All the above interested parties were considered as eligible in principle, subject to their submission of the necessary supporting documents to demonstrate that the pre-selection criteria were met within the deadline. The due diligence process is already in progress by all participants.

Special fee for lignite exploration and exploitation rights

According to the aforementioned Law 4533/2018, on December 31st 2018 the "Fee for the development of industrial areas where electricity is produced from lignite fired plants" referred to Article 20 of Law 2446/1996 (A '276), as amended and in force, is repealed and it is replaced from January 1st 2019 by the “Special Fee for lignite exploration and exploitation rights” in favor of the Western Macedonia and Peloponnese regions and at the expense of electricity producers by means of lignite fired plants, which own or have been granted in any way lignite exploration and exploitations rights on lignite areas within the Greek Territory.

The above mentioned special fee of €1.40 per megawatt (€/MWh) of electricity produced from lignite will not be included in the variable cost of lignite power plants and will be recovered by the lignite units through a relevant charge added to the surcharge charges of the wholesale electricity market.

The funds resulting from the imposition of the above special fee will be used to fund infrastructure, development and environmental protection projects, as well as relocation projects for the settlements of the Arcadia, Kozani and Florina Regional Units.

By a decision of the Minister of Environment and Energy, the manner, the instruments, the criteria and the procedure for the collection, distribution and payment of the fee in the above Regions, the procedure for its adjustment, as well as any other relevant issue will be determined. The same decision will determine the fines imposed in the event of non-payment of the fee or non-compliance with the other obligations provided for therein.

Energy Exchange

- Law 4512/2018 (O.G. A5/17.01.2018) entitled "Regulations for the implementation of the structural reforms of the Economic Adjustment Program and other provisions" and in particular Articles 73-99 regulates issues related to the Establishment and Operation of the Energy Exchange through amendments to various Laws and in particular:
- Law 4425/2016 (O.G. A185/30.09.2016), which includes provisions regarding the reorganization of the Greek electricity market in accordance with the legislation for the completion of the single European electricity market (establishment of Electricity Markets-Purchase of Future Electricity Products, Next Day Market, Intraday Market and Balancing Market-and their characteristics, the jurisdiction and the responsibilities of Market Operators, as well as issues relating to Market Codes as well as to Clearing/Transactions within these).
- Law 4001/2011 (O.G A179/22.08.2011) entitled "Operation of Electricity and Natural Gas Markets, for Hydrocarbon Research, Production and Networks and other regulations".
- The Hellenic Energy Exchange (EnEx SA) was established, with share capital of € 5,000,000 and the partnership of the following legal entities: 1) EMO (22%), 2) IPTO (20%), 3) DESFA (7%), 4) ATHEX Athens Exchange 31%), and 5) EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT ("EBRD") (20%). It is noted that the "Cyprus Stock Exchange" has agreed to participate in the share capital of EnEx SA. immediately after the required approval by the Cyprus Parliament with a 10% stake, which will be transferred to it by ATHEX SA. The first Board of Directors will last for three years. On June 18th 2018 with the appropriate registration at the Greek General Commercial Registry the spin-off of a branch of EMO and the establishment of the company EnEx SA were completed. Thereafter, the latter undertakes and is solely responsible for the operation of the Daily Energy Planning (DAS).

  On November 2nd 2018 was established as a company with the name of the EnergyExchangeClear SA and with the distinctive title EnexClear. EnexClear has sole shareholder in the Hellenic Energy Exchange SA and its purpose is the liquidation of transactions in the next day and intraday markets of the Greek Energy Exchange S.A. as any other related activity in accordance with European regulation (EU) 2015/1222 and N. 4425/2016. It is clarified that the liquidation of the Energy Financial market transactions (derivatives market) of the Hellenic Energy Exchange SA will be carried out by the company Athexclear belonging to the Athens Stock Exchange Group and operates as a central contractor.

They were approved by the decisions of RAE 1090/2018 and 1116/2018, (OG B΄5910/31.12.2018 and OG B΄5914/31.12.2018 with release date January 3rd 2019 and January 7th 2019 respectively) the balancing market regulations, next day market and intraday Market.

By decision 1090/2018 "approval of the balancing market regulation, in accordance with articles 17 and 18 of Law 4425/2016 (OG A 185), as applicable", the balancing market regulation, the opening of the balancing market on June 6th 2019, are adopted, and the submission by the Administrator of the following recommendations to the RAE for approval in accordance with paragraph 4 of article 18 of L. 4425/2016 is decided, on the basis of the following timetable:
Until December 31st 2018: methodology for the determination of zonal/systemic balancing power needs, methodology of calculation of load portfolio Reference, calculation methodology of variable cost of thermal production units, methodology for calculating variable cost of hydro-electric production units, methodology of netting, calculation methodology of the balancing market.
Until February 15th 2019: Rules for the suspension and restoration of market activities, rules of liquidation in case of suspension of market activities, terms and conditions of Contracting Parties with responsibility for balancing, methodology Maximum continuous production capacity calculation.
Until March 31st 2019: Methodology for calculating activated energy balancing, methodology for calculating loss coefficients of ESMO as well as the table of coefficients of loss of ESMEE, which will apply from the start of the balancing market, balancing service provider terms and conditions.

With the decision RAE 1116/2018 "approval of the rules of operation of the next day market and the intraday market, in accordance with articles 9, 10 and 18 of Law 4425/2016 (OG A΄ 185), as applicable" the regulation of the Hellenic Energy exchange for the Operation of the next day market and the intraday market, the operation of the next day market and the intraday market on June 6th 2019, the commencement of which is subject to the approval by the RAE of the operating conditions of the Company "Hellenic Energy Exchange S.A." and it is decided to submit from the era the following suggestions to the RAE for approval, in accordance with article 18 (4) of L. 4425/2016 and on the basis of the following timetable:
Until December 31st 2018: Methodology for the determination of the administrative defined (max-minimum priority values) orders of the next day market and the intraday market, methodology for determining the fees and charges of ERA S.A. to the participants regarding With the operation of the next day market and the intraday market, a purchase/sale order cutting methodology with acceptance of price and execution priority, methodology for the determination of maximum and minimum price limits for market liquidation Next day, for which ERA SA examines the possibility of conducting a second auction, according to the provisions of the next day market and the intraday market.
Until 28 February 28th 2019: Methodology for determining regulatory parameters Calculation of non-compliance charges for sales orders, methodology for determining the regulatory parameters for calculating charges for non-compliance of energy financial instruments, methodology for determining the administrative fine Statement of the position of energy financial instruments, procedures regarding the physical settlement and the liquidation in the next day market for the quantities of energy related to transactions concluded in the framework of the application of L. 4389/2016, Trading system for the futures of electricity products and the transaction code of Futures auctions.

The Transitional Flexibility Compensation Mechanism

- Law 4559/2018 established and implemented the Transitional Flexibility Compensation Mechanism, namely the availability of the Flexibility Service to the HELLENIC ELECTRICITY TRANSMISSION SYSTEM (HETS) for the provision of which the HETS Operator pays compensation to the eligible allocated generation units (eligible Flexibility Providers) which are capable of rapidly increasing or decreasing their capacity, in order to meet the demand of HETS, following the Allocation Orders of the HETS Operator.
- The duration of the Transitional Flexibility Compensation Mechanism, was set at a maximum by December 31st 2019 or, if this occurs earlier, until the application of the Long-Term Flexibility Compensation Mechanism and is divided into two periods, in which at least one Tender Procedure is conducted. The first period starts from the entry into force of this Law and expires on March 31st 2019 and the second one from April 1st 2019, scheduled date of commencement of the electricity market's operation, until December 31st 2019. The first auction under the Transitional Flexibility Compensation Mechanism will be held by September 30th 2018 at the latest.
By Ministerial Decision No. ΥΠΕΝ/ΥΠΡΓ/53028/7626, the methodology for calculating the Flexible Capacity of the allocated Hydroelectric Units, namely the capacity at which the Flexibility Provider allocated Hydroelectric Unit, can be registered upon request to the HETS Operator in the Flexible Providers Register. By RAE's Decision 780/2018, the provisions of the Greek Grid Control Code For Electricity regarding the Transitional Flexibility Compensation Mechanism were amended accordingly. IPTO published the Table for the Initial Available Capacity of the Eligible Generation Units for their participation in the Transitional Flexibility Compensation Mechanism- setting a deadline of fifteen calendar days for filing an objection by any production license holder in relation to its Units. PPC filed an objection against the publication of the said table and, in particular, on the one hand, against the determination of the Initial Available Capacity of the Unit Megalopolis V and on the other hand, against of the total of hydroelectric units, which was rejected by IPTO. PPC submitted applications for registration in the Flexible Providers Register maintaining reservations.

RAE with its Decision 780/2018 (Government Gazette B3974/13.09.2018), entitled "Modification of the provisions of the Greek Electricity Transmission System Management Code (GG B '103/31.01.2012) regarding the Transitional Flexibility Compensation Mechanism" amended and replaced articles 295-300 of the Code and introduced Article 301. These articles concern the TFCM (Flexible Suppliers Register, Calculation of Available Power, Flexibility Auction, Flexibility Service Compensation Calculation, Load Representative Charges Calculation, and Non-Compliance Sanctions on Generation Units with the obligations arising from their participation in TFCM) and the addition of Annex B to the Code entitled "Auction Rules for the Power Availability for the Provision of Service Flexibility".
RAE Decision 405/09.05.2018 entitled "Determination of the Administrative Defined Maximum Offer Prices for the Provision of Capital Buffer Reserve and Secondary Regulatory Range as defined in Article 71 of the Electricity Transactions Code" has been published, which determines the sums of the Administrative Defined Offer Prices for the Provision of Capital Buffer Reserve and Secondary Regulatory Range at (50 €) per Megawatt (50 €/MW) starting from the bids concerning the Dispatch Day of October 1st.

HELLENIC ELECTRICITY TRANSMISSION SYSTEM (HETS)

- RAE, with its Decision 1023/2017 (Use of Congestion Income, from the country's international interconnections access rights, for the year 2018), approved the use of Euro 35.6 mil., from the Reserve Account (Interconnections Transfer Capacity Allocation according to article 178 of the Greek Grid Control Code For Electricity) that IPTO keeps, for the reduction of the Annual Cost for the use of the Transmission System, for the year 2018.
- According to the Decision of the Minister of Environment & Energy ΗΛ/ΒΦ8/2954 οικ. 184578 (O.G. B 4450/18.12.2017), the total project of the Interconnection of Crete, Phase I and Phase II, which has been included in the Ten Year Development plan of the Electricity Transmission System (2017–2026), has been classified as a project of high importance to the country's economy, since it aims at securing electricity supply of the islands, reducing the cost of producing electricity in the islands, the decrease of the charges that consumers pay (PSOs) and therefore every effort should be made for the timely licensing and implementation of both Phases I and II of the Interconnection project.

HELLENIC ELECTRICITY DISTRIBUTION NETWORK (HEDN)

- By RAE Decision 908/2017 (O.G. B4461/19-12-2017), it was decided to disengage all Non-Interconnected Islands (NII) from the derogation regime of the European Commission's Decision 2014/536 and to open the Market from January 1st 2018, concerning the supply of electricity, while the infrastructure will be the one provided for the transitional period of applying the NII Code, in the same way as it is already done in the systems of Crete and Rhodes.
- With the Decision of RAE 1242/2018, the new numerical values of the network loss coefficients, which correspond to the MV and LV consumption increase factors due to losses, were approved with effect from February 1st 2019, so that the quantities of electricity consumed per voltage category to be bound to the boundary between the System and the Network.
- In Law 4495/2017 entitled "Control and Protection of the Structured Environment and Other Provisions", (O.G. A 167/03.11.2017), article 135 brings about an amendment of article 125, par. 4, entitled "Personnel of the HEDNO S.A." of Law 4001/2011, as amended by paragraph 10 of article 15 of Law 4425/2016 (A 185), on the ability of PPC to support the operation of the HEDNO by providing services, at a reasonable price covering the costs involved, until the end of the year 2019 in order to facilitate the full development of HEDNO's Services. Specifically, for NIIs till the end of the year 2019, in order to facilitate the full development and support of the operation of the local power management infrastructures of the NII electrical systems, PPC may provide to HEDNO (a) supportive services relating to the operation and management of such systems, without this entailing responsibility or jurisdiction for such management; and (b) services for contingencies.
- Hellenic Electricity Distribution Network's (HEDN) annual cost (€ 743,685) and required revenue (€ 752,784) for the year 2018 were approved by RAE Decision 545/2018 (June 19th 2018).

SPECIAL FEE FOR THE REDUCTION OF CO_2 EMISSIONS (ETMEAR-ex RES Fee) and RES Special Account (ELAPE)

- By RAE's Decision 1101/2017, (O.G. B 4670/29.12.2017), entitled "Numerical values of the coefficients for the allocation of the Special Fee of article 143 par. 3 of Law 4001/2011, as in force, for the calendar year 2018", the unit charges of the Special Fee for the reduction of CO_2 EMISSIONS (ETMEAR) as of January 1st 2018 are determined by customer category.
  According to article 12 of Law 4533/2018 "Structural measures for access to lignite and the further opening of the wholesale electricity market and other provisions", (OG A 75 / 27.04.2018), article 143 of Law 4001/2011, as replaced by Article 80 of Law 4427/2016, which deals with the charging of load representatives as income of the Electricity Market Sub-Account of the RES and CHP of the Interconnected System and Network (Load Representatives Uplift Charge for RES Special Account) for the added value of the energy from RES-CHP stations as determined by the substitution of corresponding conventional production is amended. According to the amendment, the Uplift Charge is calculated for the first quarter of 2018 at 100% of the charge resulting from the application of the methodology whereas from April 1st 2018 it is reduced to sixty five percent (65%). In particular, for 2018, RAE reduced the above percentage, considering the projected surplus of the Special Account for RES and CHP of the Interconnected System and Network, following the formation of a special reserve for extraordinary expenses amounting to Euro seventy million (€70,000,000).
- According to Law 4549/2018 (OG A 105/14.06.2018) entitled "Provisions for the Completion of the Agreement on the Financial Objectives and Structural Reforms - Medium-Term Framework of the Financial Strategy 2019-2022 and other provisions", the following are provided in Article 40 "Regulation of issues concerning the Special Account for RES and CHP " including:
- ETMEAR unit costs for the years 2018, 2019 and 2020 will be adjusted through RAE's Decisions, taking into account the amounts of the surplus returned to the Load Representatives (over and above the special reserve).
- Through the amendment of Article 25 of Law 3468/2006 (as amended by Law 4369/2016), the percentage of revenues from auctions of unallocated CO_2 emission rights, which is a revenue of the Special Account, is increased for the years 2019 and 2020 to at least 65% from 60% which was until today.
- L.4585/2018 (OG Α΄ 216/24.12.2018), and in particular article 4, amends articles 118, 143, 193 of L. 4001/2011. In detail:

- By April 1st 2019 the clearance and collection of the ETMEAR and the weighted variable cost of thermal units is the responsibility of ex-EMO (currently DAPEEP)
- By April 1st 2019, DAPEEP is subject to all rights, obligations and legal relations of IPTO relating to the responsibilities of revenue management of the RES and CHP Special Account.
- By April 1st 2019 transaction management procedures of ETMEAR are specified in the Code of DAPEEP
- The Ministry of Energy's defines the type, method of providing guarantees or other equivalent assurance by the suppliers and self-supplying customers to DAPEEP. A decision by RAE establishes the methodology for calculating the amount of guarantees or other equivalent collateral in favor of the DAPEEP.
- By January 1st 2019, reduced rates of ETMEAR are determined by a decision of the Ministry of Energy per customer category, as well as any other relevant detailed (e.g. maximum and minimum charge of individual consumer). Especially for the year 2019 and until the issuance of the ministerial decree, the unit charges of ETMEAR as defined by the decision RAE 1101/2017 (OG b 4670/29.12.2017) are in force for the year 2018.
- The threshold of EUR 1 million (€1,000,000) for the annual customer charge is abolished, which was adjusted annually by a decision of the RAE in accordance with the annual difference in the consumer price index.
- By January 1st 2019 the Additional Charge on Load Representatives (income of the special account of RES and CHP) is abolished. Initially, according to L 4549/2018 the Additional Charge was expected to decrease to 50% by January 1st 2019 and 30% by January 1st 2020 of the charge that would be calculated based on RAE's decision.
- By January 1st 2019 the Special Fee on Lignite Production (income of the special account of RES and CHP EURO 2/ MWh of energy generated with Lignite) is abolished.
- For the year 2018, a refund of any resulting annual cumulative accounting surplus of the special RES and CHP Account to the Load Representatives, plus the formation of the Special Emergency Safety Reserve, is foreseen. Expenditure of EUR 70 million (€70,000,000), according to the clearance of the month of December 2018.

PUBLIC SERVICE OBLIGATIONS (PSOs)

- RAE with its Decision 10/2017, issued an opinion to the Ministry of Energy on the cumulative deficit (income) of the PSO account created in the period 2012-2016 due to the fact that the revenue remained stable since 2012 on the basis of Law 4067/2012.
  In this context, revenue from PSOs was recognized for the years 2012-2016 amounting to Euro 359.773 thousand, which was collected in the first quarter of 2018.
- According to Law 4508/2017 entitled "Licensing of space activities Registration in the National Register of Space Objects - Establishment of Hellenic Space Organization and other provisions" (O.G. A 200/22.12.2017) the following are provided regarding PSOs:

  - In Article 55 the provisions of Law 4067/2012 (A'79) (Article 36) are amended on:
    (a) The calculation of the PSO compensation as of January 1st 2018. New unit charges are introduced and a provision is introduced to the effect that if the four-month electricity consumption exceeds the consumption thresholds of a certain scale in the LV household categories, only the excess consumption is charged according to the unit charge of the next scale.
    (b) the persons responsible for the payment of the PSO compensation, the determination of the consumption of each consumer, the payment of the PSO compensation to the special PSO account, the case of an annual deficit or surplus of the PSO special account and the full or partial state budget subsidy of the cost for providing PSOs.

- Article 56 amends the provisions of Law 4001/2011 (A179) regarding assignment to HEDNO of the function of the sole Administrator of the PSO special account in the Greek territory from January 1st 2018.
- Article 57 regulates the substitution of the management of the PSO special account by HEDNO from January 1st 2018.

- Pursuant to paragraph 7 of article 55 of Law 4001/2011, the limit of the annual charge of electricity customers for covering the costs of providing Public Service Obligations (PSO's) is adjusted in the first quarter of each year by a RAE's Decision. With its Decision 243/2018 RAE decided to adjust the upper limit for the maximum annual customer charge per consumption point to cover PSO's costs in 2018 to € 782,307.
- Article 41 "Amendment of Article 36 of Law 4067/2012", of Law 4549/2018 (OG A' 105/14.06.2018), entitled "Provisions for the Completion of the Agreement on Financial Objectives and Structural Reforms - Medium Term Framework Financial Framework 2019-2022 and other provisions ", amends article 36 of Law 4067/2012 (as amended by Law 4508/2017 and Law 4512/2018) and the financing by the State Budget of part of the cost of providing PSO's, with a corresponding inflow to the Special Account for PSOs, is set up to an amount of €59,000,000 for the year 2019 and up to an amount of Euro 68,000,000. for the year 2020.
- Article 124 "Amendment of Article 36 of Law 4067/2012" of Law 4549/2018, (OG A' 105/14.06.2018) entitled "Provisions for the Completion of the Agreement on Financial Targets and Structural Reforms - Medium Term Financial Framework 2019-2022 and other provisions', amends paragraph 2 of article 36 of Law 4067/2012, as amended by article 400 of Law 4512/2018, where, according to this amendment, the unit charges for PSO compensation is adjusted in June and December each year (and not in December as previously applicable) in the event of a deficit or surplus of the annual economic outturn of the PSO Special Account in the context of its monitoring, following RAE's recommendation to the Minister of Environment and Energy in May and November, and taking into account the recommendation of the competent Market Administrator in March and September respectively. The adjustment will eliminate the expected deficit for the current and the following year, incorporating in the following year any deficit of the previous year.

OTHER ISSUES

- RAE, after its Decision 573/2017, by which it issued a call for expression of interest and after the amendment of the relevant terms and of the procedure applied for the selection of the Last Resort Electricity Supplier for the period of three (3) years starting from March 23rd 2018 and its Decision 1089/2017 announcing that there was no expression of interest for the particular tender, decided by its Decision 240/2018 (O.G. B 1148/29.03.2018) the appointment of PPC as the Last Resort Electricity Supplier from March 23rd 2018 to March 22nd 2019.
- According to this Decision, PPC is required to publish the tariffs applicable by customer category or the methodology for calculating the charge applied if there is no published tariff for a particular customer category for the provision of the Last Resort Electricity Supplier service. RAE also approved the following uplift rates on PPC's tariffs (competitive charges), as the Last Resort Electricity Supplier: a) five per cent (5%) for the HV customers on the wholesale market cost and b) ten per cent (10%) for MV and LV customers on the current PPC's customer tariffs (competitive charges).
- RAE, after its Decision 574/2017, by which it issued a call for expression of interest and after the amendment of the relevant terms and of the procedure applied for the selection of the Universal Service Electricity Supplier for the period of three (3) years starting from March 23rd 2018 and its Decision 1090/2017 announcing that there was no expression of interest for the particular tender, decided by its Decision 241/2018 (O.G. B 1148/29.03.2018) the appointment of PPC as the Universal Service Electricity Supplier from March 23rd 2018 to March 22nd 2019. According to this Decision, PPC is required to publish the tariffs that will be applied for the particular LV customers (residential customers, as well as small businesses with power not greater than 25kVA) for the provision of the Universal Service Electricity Supplier service. RAE also approved the uplift rate of twelve per cent (12%) on PPC's tariffs (competitive charges), for the particular LV customers (residential customers, as well as small businesses with power not greater than 25kVA) for the provision of the service.
- According to Article 352 of Law 4512/2018 (O.G. A 5/17.01.2018) entitled "Regulations for the implementation of the structural reforms of the Economic Adjustment Program and other provisions" by a decision of the Minister of Finance the Greek State may grant cash advances to electricity suppliers in relation to the total annual obligations of each year for the payment of electricity bills of General Government entities and up to the amount of the corresponding total expense (cost) for the previous year. These advances are reimbursed after the obligations have been repaid by the entities, through a deposit in a special account.
- Law 4541/2018 (OG A' 93/31.05.2018) entitled "Amendment of Law 3190/1955 on Limited Liability Companies and other provisions" includes Article 19, which sets the provisions regarding the payment of overdue debts of General Government entities to electricity suppliers, which had become overdue until April 30th 2018 and which can be paid from the State budget and in particular from the budget of the Ministry of Finance.
- The Decision 2/42245/ΔΛΓΚ was issued by the Ministry of Finance and determines the procedure, the terms, the conditions and other issues related to the provision of cash advances to electricity suppliers against the total annual obligations for the payment of electricity bills of General Government entities. In implementation of this decision a five-year Memorandum of Understanding between the Ministry of Finance and PPC was signed. Subsequently, the Decision 2/47779/ΔΛΓΚ was issued by the Ministry of Finance and determines the procedure, the terms, the conditions and other issues related to the provision of cash advances to Public Power Corporation (PPC S.A.) against the total annual obligations for the payment of electricity bills of General Government entities.
- With the Decision of the Ministry of Finance, Number. Eco. 2/18754/ΔG, (GOVERNMENT Gazette B' 843/08.03.2019), entitled "Determination of the procedure, terms, conditions and other issues relating to the granting of financial advances to PPC SA, against the total annual liabilities of the current use for expenditure Payment of electricity bills of the bodies of the General Government", is granted to PPC SA a financial advance of five hundred fifty million seven hundred thousand (550.7 million) euro, against the total liabilities for the use of the year 2019 for the reimbursement of electricity bills of the General Government bodies. The amount of the financial advance was determined on the basis of the corresponding total expenditure of the previous year of the General Government bodies, as attested by the official data of PPC, reduced by the amount of the discount attributable to the Electricity supply to the Greek Government, PPC grants to the Greek State discounts against the above financial advance. The discounts are calculated on the value of the electricity supply consumed by the General Government bodies, while the percentage of the total discount is determined by PPC and the Greek State at 27% and is analyzed as follows: 6% discount A prepayment, 15% consistency discount and 6% volume discount. The procedure, conditions, conditions and other matters relating to the granting of such advances to PPC are also determined.
- In law 4508/2017 entitled "Licensing of space activities registration in the national Registry of space objects-establishment of the Hellenic Space Agency and other provisions" (Government Gazette A 200/22.12.2017) and in particular article 36 provides for the Establishment of a special account, administered by HEDNO, as an one-off special aid, to support low-income consumers who have been disconnected from the electricity supply network due to overdue debts, to meet their energy needs. The beneficiaries, the criteria, the amount and the allocation of the amount of the special aid, the procedure, the time and the method of payment, the manner of control of the beneficiaries and their overdue debts, the services involved and their individual responsibilities, and any other necessary detail were laid down in the Joint Ministerial Decree number. 7408/1228 (Government Gazette B΄474/14.02.2018), as amended by the Joint Ministerial Decree (CFAS) number. 43213/6382, (Government Gazette B΄2752/10.07.2018) and the Joint Ministerial Decree number. 7408/1228 (Amendment of Articles 2.3 and 4 and addition of article 5) and applies. The amount of the special aid will be paid by the HEDNO, who has been appointed as Administrator of the special account set up for this purpose, directly to the last electricity supplier in which his debts are outstanding. Beneficiary of that provision. The electricity supplier will be informed to issue a reconnection order, which will be forwarded to HEDNO for execution, which will implement the reconnection without charge of reconnection fees.

- The Social Residential Tariff (SRT) was established for the protection of vulnerable consumer groups and is provided according to the Decision of the Ministry of Environment, Energy and Climate Change, Δ5-ΗΛ/Β/Φ29/16027/06.08.2010 (OG B′ 1403/06.09.2010), as amended and in force. With a newer Decision of the Ministry of Environment, Energy and Climate Change ΥΠΕΝ/ΥΠΡΓ/892/152, as published in the Official Gazette (OG B′ 242 / 01.02.2018), Decision No Δ5-ΗΛ/Β/Φ29/16027/06.08.2010 entitled "Application of Social Residential Tariff" is amended. This Decision amends the categories of beneficiaries of the SRT, the eligibility criteria and the rebate granted to beneficiaries and the decision of the Committee on Prices and Incomes (no. 2153 / 3.4.96), which established the special tariff for multimember families is abolished.

SRT applications are now submitted to the website of IDIKA SA (Electronic Management of Social Security S.A.) and not to the one of HEDNO.

- With Law 4513/2018 (O.G. A 9/21.01.2018) the Energy Communities are established. The Energy Community is a fully-fledged urban cooperative society with the aim of promoting the social and solidarity economy, innovation in the energy sector, the fight against energy poverty and the promotion of energy sustainability, production, storage, own consumption, distribution and supply of energy, strengthening energy self-sufficiency and security in island municipalities, as well as improving energy efficiency end-use at local and regional level, through its activities in the fields of Renewable Energy Sources (RES), High Efficiency Combined Heat and Electricity, rational use of energy, energy efficiency, sustainable transport , management of demand and production, distribution and supply of energy. The members of the Energy Community, the purpose, the object of activity, the financial incentives, the supporting measures and other elements of its operation are defined by this Law. Laws 3468/2006, 4001/2011, 4067/2012, 4178/2013, 4203/2013, 4414/2016 and 4447/2016 are also amended by the provisions of this Law.

In the same Law 4513/2018, article 26 provides for the granting of State Budget aid to household consumers in the Region of Western Macedonia and the Municipality of Megalopolis due to the burden of lignite activity which cannot be exceeded forty two (42) euro per megawatt (MWh) of the invoiced electricity consumption and is credited to the Beneficiary's accounts as a deduction from the Suppliers of Electricity. Following the above mentioned Law was adopted the Joint Ministerial Decision ΥΠΕΝ/ΥΠΡΓ/26359/4101, (Government Gazette B 1936 / 30.05.2018) entitled "Implementation of the Environmental Household Electricity Invoice for the consumers of the Region of Western Macedonia and the Municipality of Megalopolis of the Regional Unity Arcadia ", which determines:

- Establishment of a special environmental aid bill with EMO Operator, to which the amount is transferred from the State Budget.
- Beneficiaries of the aid: Domestic consumers within the administrative boundaries of the Region of Western Macedonia and Megalopolis Municipality of Arcadia Regional Unity with a quarterly consumption of electricity up to 2400 kWh (In the case of a 4-month consumption exceeding the limit of 2400 kWh, the aid is granted up to this limit). Excludes: the beneficiaries of the Social Household Invoice , the beneficiaries of the Special Household Income for Large Families, beneficiaries of a special tariff for electricity consumption according to Employee Code of PPC SA and those defined in the CA 127/1990, the integrated self-producers in an energy netting or virtual energy netting program and those benefiting from a virtual energy netting program in accordance with paragraph 10 of Article 11 of Law 4513/2018, as in force.
- Methodology for calculating the aid: the aid is calculated for each beneficiary on the basis of the measured energy consumption data as the product of the measured electricity consumption on the amount of the unit aid. The deduction is granted to the first account issued for each beneficiary of the aid after the sending of measurement data by HEDNO to the Power Supplier representing it.

- By decision of the Ministry of Environment and Energy (RIS) number. Ministry/78337/224 (Government Gazette B′ 5030/13.11.2018), amended by No. D5-il/β/F. 1.21/Eco. 12112/20-06-2013, entitled: "Categories, criteria and procedure for the integration of customers into vulnerable electricity customers" (b ' 1521/2013) as it applies to articles: Article 2 "concept of vulnerable customers" (categories A, B and C), Article 3 "Procedure for inclusion in the Register" (replaced) and article 4 "Required supporting Documents" (repealed). It is also stipulated that customers who are already included in the registry of vulnerable customers are required to apply on the basis of the criteria and procedures set out in that decision unless they have already joined the CTO and for the first implementation of Decision, customers if they do not meet the criteria or do not apply are automatically unincorporated on December 31, 2018. The decision is valid from the date of its publication for the customers who are included in the second and third categories and from their accession to the CTO for the customers who are part of the first category of this decision.

- RAE with its Decision 756/2018 (OG B3522/21.08.2018) updated its annual reimbursable fees for the year 2018, which are imposed on companies operating in the energy sector, according to the Δ5/ΗΛ/Β/Φ1 / OIK.591/12.01.2001 Decision of the Ministers of Finance and Development (OG B43/22-1-2001) to be paid during 2018.

  With regard to the electricity and gas sector: (1) the annual reimbursable fee payable by licensees to supply electricity to customers, depending on the total amount of electricity absorbed by the System or by the Network by their Customers in the year 2017, is set at € 0.068354 which is rounded to seven minutes (€ 0.07) per MWh absorbed, 2) The amount of the reimbursable annual fee charged to the electricity generation license holders is set at the amount of € 8.04191 which is rounded € 8.04 per MWatt of maximum net power and 3) the amount of the annual reimbursable fee charged to those entitled to import natural gas is set at € 0.24123 and is rounded to Twenty-four Cents (€ 0.24) per thousand cubic meters.

- RAE published its Decision 931/2018 (OG B' 5794/21.12.2018), on the determination of the values the regulatory parameters and the Methodology for the Calculation of Variable Costs of Hydroelectric Units for the period until March 30th 2019 and in particular as follows:
  The values of the regulatory parameters according to the provisions of paragraph 6 of the variable cost calculation methodology of hydro-electric units (RAE 207/2016, OG B ' 2763/02.09.2016) shall be determined, in accordance with article 44 (1). 5 of the CCI, at the same height that applied in 2017 and in particular as follows:
  (a) TOLup, i = tolup, i = 5% for all reservoirs
  (b) VCmax = €150/mwh
  (c) K1 = K2 = 3 for all reservoirs

  The values of the maximum reservoir safety level (RSEC), according to the provisions of paragraph 6 of the variable cost calculation methodology of hydroelectric plants as well as article 262 of the Kdesmie, are set out in accordance with the table annexed In that decision for each of the prices are valid until September 30th 2019.

- With N. 4342/2015, a system of imposing energy efficiency obligations was introduced as of 1 January 2017, ensuring that energy distributors and/or retail energy companies designated as obliged parties achieve a Cumulative energy saving target in the final use by 31 December 2020 and provides for a decision of the Minister for the Environment and energy in which the list of obliged parties is defined and specified, the precise sharing of the target in Obliged Parties, the procedures necessary for the implementation of enforcement regimes, the system for the measurement, control and verification of energy efficiency improvement measures applied by obliged parties, on the basis of which at least one Statistically significant percentage and representative sample of them, as well as any related matter. With the decision of the Ministry of Environment and Energy number. DPAP/C/ECO. 179033, (Government Gazette B΄ 4288/27.09.2018), amending the number decision. DHEA/C/ECO. 172818/21.03.2018 (Government Gazette B ' 1117/27.03.2018) and specifying the parties responsible for the application of the scheme in the reference year 2018 and the cumulative target of year 2018 shall be allocated to the parties liable, as defined in article 5 of Eco. 174063/28.3.2017 Decision of the Minister of Environment and Energy "regulation of the operation of an energy performance obligation", within the meaning of article 9 of L. 4342/2015 (harmonization of Greek legislation with Directive 2012/27/EU on the Energy efficiency). This amendment concerns the allocation of a cumulative target of year 2018 to parties liable for mineral oils. According to the relevant table of the decision, for electricity, the following applies:

Debtor part	Percentage (%)	Cumulative target year 2018 (Ktoe)
PPC SA	**32.57**	**43.32**
Mitilineos SA	1.03	1.37
Heron SA	1.04	1.39
ELPEDISON SA	0.97	1.29

With the aforementioned Law 4585/2018 and in particular Article 3, amends articles 25 and 25a of Law 3468/2006 are amended. Specifically:

- The exemption for the payment of the special charge, which is borne by the production units from Res, for large photovoltaic plants, of a capacity of more than 20MW, of at least 400 acres.
- The possibility of financing from the proceeds from auctions of available greenhouse gas emission allowances for the period up to 2020, projects and actions for a fair transition to a low-carbon economy, reinforcing local economies Which are expected to be affected more, regional units of Kozani, Florina and Megalopolis municipality.
- Regarding the allocation and attribution of the special levy charged to the production units from Res:
    - The amount up to a third (1/3) of the special fee to the holders of a supply license supplying electricity to residential consumers of the municipalities in which RES stations operate, with the aim of providing the above amount to the household consumers through of electricity consumption bills (applicable: Amount up to 1% of the pre-VAT sales price of electricity from res)
    - The amount corresponding to one tenth (1/10) of the special levy in favor of the Green Fund (applicable: Amount 0.3, 1% on the pre-VAT sales price of electricity from res in favor of a special fund for the implementation of regulatory and environmental projects (ETERPS))
- Establishment of the Special Fee Sharing Committee and the examination Committee
- the special charge for hydropower stations corresponds to:
    - at a rate of one percent (1%) On, before VAT, the sale price of electricity for stations receiving fixed compensation
    - at a rate of one percent (1%) The reference value for stations receiving operating aid under L. 4414/2016.

NATURAL GAS

The Decision of the Ministry of Environment and Energy No. 174842, was published (OG B' 1969 / 01.06.2018), regarding the issuance of the Natural Gas Supply Code to Customers, which defines and regulates the rights and obligations of Suppliers and Customers, both at the stage of negotiations and the conclusion of the contract between them, as well as during the fulfillment of their contractual obligations.

In summary: As a Customer is defined the natural gas final customer, i.e. the natural or legal person which purchases Natural Gas exclusively for its own use. Based on the purpose of the end-use of Natural Gas that is procured, Final Customers are classified as Residential Customers and Non-Residential which are further classified as Commercial, Industrial and Electricity Producers. Subcategories of the main categories include, in particular, Customers which purchase Natural Gas for Cogeneration and Air Conditioning as well as Customers outside the Transmission System and Distribution Network.

The following Natural Gas sales do not fall into the provisions of the above mentioned Code:

(a) sales of Natural Gas delivered to the Virtual Statement of Evidence or the Virtual Transaction Point where there is no Natural Gas Meter;

(b) Natural Gas Sales to Natural Gas Supply License Holders,

(c) sales of Natural Gas to NNGS and Distribution Networks Managers.

The Natural Gas Licensing Regulation was approved by the Decision of the Ministry of the Environment and Energy no. OIK178065 (OG B 3430 / 17.08.2018) governing the granting, modification, transfer and revocation of the Independent System of Natural Gas License, the Natural Gas System Management License, the Natural Gas Distribution License, the Natural Gas Network Management License and the Natural Gas Supply to Customers License.

Law 4549/2018 (OG A' 105/14.06.2018) entitled "Provisions for the Completion of the Agreement on Budgetary Targets and Structural Reforms - Medium-Term Framework of the Financial Strategy 2019-2022 and other provisions", Article 125 "Electronic Auction Programs of natural gas quantities", provides that Suppliers with a high market share (covering 40% or more of the total annual quantity of Natural Gas supplied to Greece the Eligible Customers) are obliged to implement an electricity auctioning of gas quantities per year until December 31st 2020.

The quantities to be auctioned are determined a RAE's Decision, following cooperation with the Competition Commission, in proportion to the market share of each Supplier with a high market share and at a maximum of 20% of the amount allocated by the Supplier in the previous calendar year to Eligible Customers.

RAE, with its Decision 500/2018, approved the Preventive Action Plan in accordance with Regulation (EU) 2017/1938 on measures to safeguard security of natural gas supply and repealing Regulation (EU) 994/2010, which aims at presenting appropriate measures (actions) to reduce or eliminate the risks that may affect the security of supply of the Country with natural gas.

With the Decision RAE 1287/2018, entitled "Regulation of management issues of the National Natural Gas System for the implementation of Action Δ5 of the Preventive Action Plan for the safeguarding of the security of supply with Natural Gas", (OG B΄5900/31.12.2018 The adoption of specific regulatory measures to complement the relevant provisions of the ESFA Management Code, exclusively for the period during which the Power generators keep LNG safety stock at the LNG Facility of Revithousa Island during Defined in Action "Δ5" of the Preventive Action Plan (in the context of implementation of the Actions of the Preventive Action Plan, in accordance with Regulation (EU) 2017/1938 on measures to safeguard the security of gas supply and which was approved by The Decision RAE 500/2018).

3. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

3.1. 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 31, 2018 on April 23, 2019. These financial statements are subject to approval by the Parent Company's General Shareholders Meeting.

Basis of preparation of financial statements

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

During the year ended December 31st 2018, the Group and Parent Company recorded losses that are mainly attributable to the following factors:

1) a provision of € 164 million relating to the initial recognition of the actuarial liability for severance payment to employees leaving service to retire (Law 4533/2018),
2) a negative impact of € 196 million from the additional charge for suppliers for the special RES account, which is by law abolished since 1.1.2019,
3) the increased cost by € 146 million from the increase in CO_2 prices (resulting to higher System Marginal Price), most of which was not passed on to consumers as there is no clause regarding CO_2 or System Marginal Price in PPC's Low Voltage invoices
4) the negative impact of NOME type auctions of forward electricity products at prices below the System Marginal Price, which amounted to € 223.8 million,
5) a provision of € 78.7 million for interest on overdue amounts claimed by IPTO through an extrajudicial letter due to PPC's participation in the wholesale electricity market.

At the same time, the Group's and the Parent Company's total short-term liabilities exceed the total short-term assets by approximately Euro 708 million and Euro 949 million, respectively. This difference is mainly due to the decreased operating profitability, the obligation to repay long-term debt of € 725.8 million within year 2019, and also, an important part is due to to the additional obligation for purchases of CO_2 rights due to the rapid increase in international prices within 2018 . It is noted that the Group and the Parent Company as at December 31st 2018 are in full compliance with the terms of all their loan contracts.

Based on the projected cash flows of the Group and the Parent Company for a period of 12 months from the date of preparation of financial statements and in order for the Parent Company to be able to meet its obligations it has proceeded to the following actions:

1) Securing long term borrowings and a release (guarantees because of borrowing) of blocked deposits totaling € 690.4 million in 2019, while the long-term loan repayment liability will be limited to € 681.6 million due to a loan refinancing with a Greek bank. PPC's loan drawdowns include an amount of € 155 million in January 2019 from a total approved credit line of € 255 million from EIB, an amount of € 162 million from a credit line from KFW IPEX BANK for the construction of the Ptolemaida V plant and an amount of €200 million from a credit line by a consortium of Greek Banks for the repayment of the international bond with maturity in 2019. Moreover, PPC's Board of Directors and Black Sea Trade & Development Bank's Board of Directors have approved the financial terms of a new € 160 million loan with a duration of five years, with an one-off repayment at the loan maturity and a competitive rate. The loan will be used to finance PPC's investment plan.
2) Collection from the Greek State in March 2019 of an amount of € 550.7 million, as a prepayment for electricity consumption of its entities for the year 2019. This prepayment by the Greek State is expected to be repeated in the first quarter of 2020 on the basis of a five-year agreement signed with the Greek State on 14.6.2018.
3) In March 2019, the Parent Company reduced the discount rate for the timely payment of electricity bills from 15% to 10% for electricity bills issued from April 1 2019, which will result in an annual expected earnings growth of € 60 million.

4) The annual cumulative surplus of the Interconnected System and Network Special RES Account (ELAPE) is expected to be refunded to electricity suppliers. Based on the published ELAPE's Bulletin following the December 2018 clearing, this surplus amounts to € 191 million, of which € 121 million will be returned to suppliers in 2019, thus providing a security reserve of € 70 million, in accordance with Law 4585/2018. Given that PPC's retail electricity market share for 2018 was around 82%, it is estimated that the relevant amount will stand to approximately € 100 million. The prerequisite for the return of this amount is the approval by RAE of the relevant methodology proposed by the Operator (ex EMO, DAPEEP), hence the exact date of the return is still not known.

It is also noted that in the signed contract for the refinancing of the two bond loans, which the Parent Company concluded in 2018 with a consortium of Greek banks, it is stipulated that 70% of the proceeds from the sale of the two lignite subsidiaries established under the provisions of Law 4533 / 2018 will be directed to the repayment of the aforementioned loan obligations, while in case of a successful outcome of the tender for the sale of the aforementioned subsidiaries during the first half of 2019 the quantities of forward NOME products which will be auctioned in the second half of 2019 will be reduced. This will contribute to an improved profitability and cash flows. These assumptions are not currently integrated into the projected cash flows of the Parent Company.

Taking into consideration the resulting cash flows from the approved Budget and all available information for the foreseeable future, Management considers that the Group and the Parent Company have ensured that they will continue to operate as a going concern. In particular, their consolidated and separate financial statements were prepared on the basis of the going concern principle as the Management does not intend to liquidate the Group or the Parent Company or to cease their transactions and under no circumstances is forced to do so.

Consequently, the Management concluded that the basis of the going concern is the correct one for preparing the Group's and the Parent Company's financial statements, after having taken into consideration a broad range of factors. However, it should be noted that assuming that short-term liabilities continue to exceed short-term receivables in the future, that cash flows resulting from operations will be reduced and due to the lack of a cost recovery mechanism, the Group and the Parent Company are exposed to the risk of potential significant increases of international CO_2 emission prices and / or System Marginal Price and to mitigate this risk additional actions will be required. The above mentioned assumptions indicate the existence of a substantial uncertainty and to counter this uncertainty additional actions will be required in the very near future

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 policies adopted by the Group. It is noted that certain of the abovementioned requirements have not a retrospective effect, and due to this reason the following differences are carried forward in certain instances from the previous basis of consolidation:

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

In case that the Group loses control of a subsidiary then the following are:
Derecognized :

- The assets (including the surplus value) and liabilities of the subsidiary
- The book value of the non-controlling interest
- The accumulated exchange differences, which have been recorded in Equity

Recognized:

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

3.2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

New standards, amendments to standards and interpretations adopted

The accounting policies on the basis of which the annual separate and consolidated financial statements were prepared for the year ended December 31st 2018 were consistent with those used in the preparation of the annual saperate and consolidated financial statements for the year ended 31st of December 2017 with the exception of the following amendments and standards, which were adopted by the Group and the Parent Company on the January 1st 2018. The Group and the Parent Company adopted for the first time IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial Instruments. The nature and effect of these changes are analyzed below in accordance with the requirements of IAS 8. Various other amendments and interpretations were adopted for the first time in 2018 but did not have a material impact on the consolidated financial statements for the year ended December 31st 2018.

• IFRS 9 Financial Instruments

The Group and the Parent Company have elected to adopt the new standard on January the 1st 2018 without restating the relevant comparative figures. The impact of the adjustments resulting from the adoption of the new standard was recognized directly in retained earnings as at January the 1st 2018.

The table below shows the adjustments made for each separate line item in the Statement of Financial Position. Any line amounts not affected by the changes introduced by the new standard are not included in the table. These adjustments are described below in more detail. Impact on the Statement of Financial Position (increase /(decrease)) of 31st of December 2017 as posted:

	GROUP			
Part from Statement of Financial Position	**Adjustments**	**Balance 31/12/2017**	**Effect of IFRS 9**	**Balance 01/01/2018**
Non–Current Assets				
Investments available for sale	(a)	1,531	(1,531)	-
Financial assets measured at fair value through other comprehensive income	(a)	-	1,531	1,531
Current Assets				
Trade and Other receivables	(b)	2,138,995	(49,506)	2,089,489
Equity:				
Retained earnings	(b)	1,735,039	(37,068)	1,697,971
Non–Current Liabilities:				
Deferred tax liabilities	(b)	142,791	(12,438)	130,353

	COMPANY			
Part from Statement of Financial Position	**Adjustments**	**Balance 31/12/2017**	**Effect of IFRS 9**	**Balance 01/01/2018**
Non–Current Assets				
Investments available for sale	(a)	1,044	(1,044)	-
Financial assets measured at fair value through other comprehensive income	(a)	-	1,044	1,044
Current Assets				
Trade and Other receivables	(b)	2,519,316	(49,759)	2,469,557
Equity:				
Retained earnings	(b)	1,637,172	(37,314)	1,599,858
Non–Current Liabilities:				
Deferred tax liabilities	(b)	205,855	(12,445)	193,410

(a) Classification and measurement

In accordance with IFRS 9, financial assets are subsequently measured at amortized cost, fair value through profit or loss, or fair value through other comprehensive income on the basis of the enterprise's business model for the management of financial assets and their contractual cash flows.

With the exception of trade receivables which are initially measured at transaction value, the Group and the Parent Company initially measure a financial asset at its fair value plus transaction costs in case of a financial asset that is not measured at fair value through profit or loss .

To sum up, at the initial application of IFRS 9, the Group and the Parent Company proceeded to the following adjustments:

	GROUP			
December 31st 2017 (IAS 39)	Measurement categories based on IFRS 9			
	Values	At fair value through profit or loss	At amortized cost	At fair value through other comprehensive income
Trade and other receivables	2,138,995	-	2,138,995	-
Financial assets available for sale	1,044	-	-	1,044

	COMPANY			
December 31st 2017 (IAS 39)	Measurement categories based on IFRS 9			
	Values	At fair value through profit or loss	At amortized cost	At fair value through other comprehensive income
Trade and other receivables	2,519,316	-	2,519,316	-
Financial assets available for sale	1,531	-	-	1,531

(b) Impairment

The adoption of IFRS 9 led to a change in the Group's and Parent's Accounting Policy relating to impairment losses on financial assets as the treatment of IAS 39 for the recognition of incurred losses was replaced with the recognition of expected credit losses.

With respect to 'Trade receivables', the Group and the Parent Company applied the simplified approach to the standard and calculated the expected credit losses over the life of the receivables. For this purpose, a table was used to measure expected credit loss provisions in a way reflecting past experience, as well as forecasts of the future financial situation of customers and the economic environment.

For other financial assets the expected credit losses are calculated over a 12-month period. The expected credit losses for the 12-month period are the proportion of expected credit losses over the life of the financial asset arising from credit events that are likely to occur within 12 months of the balance sheet date. In any case, if there is a significant increase in credit risk since the initial recognition of the asset, the provision will be based on the expected credit losses over the life of the financial asset.

The Group considers that non-recovery 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 Public and broader public sector entities for more than 365 days

However, in specific cases, the Group and the Parent Company may assess for certain financial assets that there is a credit event when there is internal or external information indicating that the collection of the amounts determined under the relevant contract is unlikely to be fully collected.

The table below shows the reconciliation of the impairment provision according to IAS 39 with the corresponding provision as calculated according to IFRS 9:

	GROUP		
	Provision for impairment according to IAS 39 at December 31st 2017	Adjustment	Expected credit loss according to IFRS 9 at January 1st 2018
Trade Receivables	2,828,467	(5,733)	2,822,734
Contract Assets	26,873	44,026	70,899
Other Receivables	90,885	-	90,885

	COMPANY		
	Provision for impairment according to IAS 39 at December 31st 2017	Adjustment	Expected credit loss according to IFRS 9 at January 1st 2018
Trade Receivables	2,728,484	(5,997)	2,722,487
Contract Assets	26,873	44,026	70,899
Other Receivables	89,497	-	89,497

• IFRS 15 Revenue from Contracts with Customers

IFRS 15 establishes a five-step model applicable to revenues arising from contracts with customer agreement (with limited exceptions), regardless of the type of revenue transaction or the industry. The requirements of the Standard also apply to the recognition and measurement of gains and losses on the sale of certain non-financial assets that are not produced by the entity's ordinary activities (eg, sales of property, plant and equipment or intangible assets). Extensive disclosures are required, including the analysis of total revenue, information on performance obligations, changes in contract asset balances and contractual obligations between periods and key judgments and estimates.

The Group and the Parent Company proceeded on 01/01/2018 in the adoption of IFRS 15, following the modified retrospective approach, recognizing the cumulative effect of the adoption of the new standard on the opening balance of "Retained Earnings", without readjusting the comparative figures for the previous reporting period.

In accordance with IFRS 15, an entity's income is recognized when its customer acquires control of the goods or services by specifying the time that the control is transferred either at a specific moment or over time. The underlying principle is that an entity recognizes revenue in a manner that reflects the transfer of the goods or services to customers at the amount it expects to be entitled to in exchange for those goods or services through the application of five steps.

- Identify the contract(s) with a customer
- Identify the performance obligations in the contract on behalf of the entity,
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract on behalf of the entity
- Recognise revenue when (or as) the entity satisfies a performance obligation.

The Group's and Parent Company's main revenue categories for which the impact of IFRS 15 has been assessed concern:

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. Given the particular characteristics of electric
ity, the Group and the Parent Company consider that their customers to which they sell simultaneously receive and consume on the benefits resulting from the sale of electricity as the Parent Company fulfills its contractual obligations and therefore revenue from sales of electricity will continue to be recognized in the same way as in previous years in accordance with IAS 18, using the same accounting policy. For this reason, revenue recognition (as long as the collection of the total amounts is considered probable) is made at the point of issuing the electricity bill/invoice.

Revenue from electricity distribution services

The Group offers electricity distribution services to all Medium Voltage (MV) and Low Voltage (LV) consumers in Greece, collecting a fee for the provision of this service. The parent company PPC SA (the owner of the Hellenic Electricity Distribution Network - HEDN) and its 100% subsidiary HEDNO SA, (administrator of the HEDN) receive an annual fee (collectively referred to as "HEDN's Required Revenue"), which is identified and approved by RAE 's decision and is distributed among the the owner and the administrator of the HEDN.

The Required Revenue for HEDN is determined on the basis of data submitted to RAE by HEDNO S.A. and aims at the following:

a) Coverage of the return on capital invested in Hellenic Electricity Distribution Network.

b) Coverage of the cost of depreciation of Hellenic Electricity Distribution Network's fixed assets.

c) Coverage of HEDNO's operational costs (as administrator of the Hellenic Electricity Distribution Network).

The Annual Hellenic Electricity Distribution Network's Required Revenue is recovered through charges paid by Network Users (Medium and Low Voltage Power Customers) for using Hellenic Electricity Distribution Network. Those charges are also approved by RAE's decision.

Part of the above revenue recovered by HEDNO S.A. is paid to PPC SA (the owner of the Hellenic Electricity Distribution Network) based on RAE 's decision with which the amount and percentage of distribution among the Owner and the Administrator of the Hellenic Electricity Distribution Network was approved.

Concerning IFRS 15, the Group has concluded that revenue from electricity distribution services will continue to be recognized in the same way as in previous years in accordance with IAS 18, using the same accounting policy, as its customers receive and spend at the same time the services provided by the Group.

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 conserned, 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 "Short-term contract assets".

Additionally, at each reporting date, the Parent Company estimates the value of the consumed and non-invoiced electricity 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 tranferring the goods or services to the customer, it is recording the contract as a contractual obligation to the customer, either when the payment is made or when it becomes chargeable (whichever comes first).

For the Group, contract liabilities come mainly from:

- Customers contributions
- Payments in advance against electricity consumption paid by customers at the time of signing the electricity supply contract.
- An advance payment of 3% or 5% on the value of the electricity provided through NOME auctions, which are paid by the electricity supplier participants in the NOME auctions to the Parent Company.
- Prepayments paid by customers against future consumption of electricity.

The first two of the above categories have been recorded and included in Statement of Financial Position until 31.12.2017 as "Other non – current liabilities", whereas the other two as "Accrued and other current liabilities".

The Group reached the following by examining the provisions of IFRS 15:

Customer contibutions

Consumers or producers connected to the distribution network are required to participate in the initial cost of connecting to the network (meters, lines, substations, etc.) or other types of infrastructure by paying institutionally fixed amounts of money or by contributing fixed assets (extremely rare cases). It is noted that all the facilities that are constructed are under the exclusive ownership and possession of the parent company by contract, and in case a customer leaves a facility and a new customer enters, that new customer is not obliged to pay for a new participation.

Until December 31, 2008, due to the lack of defined accounting treatment by IFRS, the Parent Company recorded the amounts of participations received from customers for the construction of the fixed assets required for their connection to the network upon collection and depicted them in Statement of Financial Position as Deferred Income. Their depreciation was calculated on the basis of the remaining useful life of the corresponding assets funded and included in depreciation in the Statement of Income (the accounting principle applied to grants). As of January 1st, 2009, the Parent Company, by earlier implementation of IFRIC 18 "Transfers of Assets from Customers" recognized all of the amounts and assets received from customers as part of their network connection at fair value in the Statement of Income. For the amounts received until December 31st 2008, it followed the accounting policy that was in force until December 31st , 2008.

The Parent Company on 01/01/2018 reviewed the accounting treatment of the above received amounts of customers' contributions under IFRS 15 and concluded that, customers' contributions refer to the initial and continuous connection in 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 is transferred to the customer, that is over time. Customers' contributions are classified as "Long – term contract liabilities", while revenue from customers' contributions is recognized on the basis of the remaining useful life of distribution network's fixed assets will be included in "Revenue".

To sum up, during the initial application of IFRS 15, the Group and Parent Company made the following adjustments:

	GROUP		
	December 31st 2017	Adjustment	January 1st 2018
Customers' Contributions	1,127,089	779,010	1,859,109
Deferred tax liabilities	142,791	(194,751)	(51,962)
Retained earnings	1,735,039	(584,259)	1,150,780

	COMPANY		
	December 31st 2017	Adjustment	January 1st 2018
Customers' Contributions	1,127,089	779,010	1,859,109
Deferred tax liabilities	205,855	(194,751)	(11,104)
Retained earnings	1,637,172	(584,259)	1,052,913

Advanced Payments 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 account following the request for suspention of electricity supply to the customer. Concidering that these amounts are settled in a period over 12 months, the Group classified them since 01.01.2018 as "contract liabilities". Group and Parent Company concluded that these prepayments are not an important part of funding as they are given for collateral purposes.

Advance payments of 3% or 5% on the value of the electricity provided through NOME auctions, which are paid by the participants in the NOME auctions to the Parent Company

During the NOME-type auctions for futures products, which are executed every three months and involve the Parent Company's sale of electricity futures on the wholesale market for a period of 12 months, the electricity suppliers pay in advance 3% or 5% of the value of electricity awarded to them. Under IFRS 15, as of 01/01/2018, these amounts are initially recognized as "short-term contract liabilities" as they are settled within 12 months, while the recognition of revenue is made monthly by the 1/12 amortization, wheras the Parent Company sells the electricity to other electricity suppliers. In case an electricity supplier does not exercise all his rights to purchase electricity on the wholesale market, the unamortized amount of the advance payment is recognized in the Statement of Income (IFRS 15 B45). As far as the amortized amount of advance payments received until 31/12/2017 is conserned, it was reclassified as "short-term contract liabilities".

Prepayments paid by customers against future consumption of electricity

By decisions of the Parent Company's Board of Directors, it is possible for Medium & Low Voltage customers (for High Voltage customers this possibility is included in the contract) to pre-pay the annual electricity consumption against a discount on the price of electricity. Since 01/01/2018, those received amounts are recognized initially as "short-term contract liabilities" as they are settled within 12 months, whereas the revenue is proportionally recognized at the date of invoicing the customers (IFRS 15 §106). The non-settled amounts that were collected until 31/12/2017 and have not been settled were reclassified to "short-term contract liabilities ".

• IFRS 15: Revenue from Contracts with Customers (Clarifications)

The objective of the Clarifications is to clarify the IASB's intentions when developing the requirements in IFRS 15 Revenue from Contracts with Customers, particularly: a) the accounting of identifying performance obligations amending the wording of the "separately identifiable" principle, b) of principal versus agent considerations including the assessment of whether an entity is a principal or an agent as well as applications of control principle and c) of licensing providing additional guidance for accounting of intellectual property and royalties.
The Clarifications also provide additional practical expedients for entities that either apply IFRS 15 fully retrospectively or that select to apply the modified retrospective approach.

The table below shows the effect on the Group and Parent Company's financial position since the application of IFRS 15 on 01/01/2018.

	GROUP			COMPANY		
Effect	**Balance 31/12/2017**	**Effect of IFRS 15**	**Balance 01/01/2018**	**Balance 31/12/2017**	**Effect of IFRS 15**	**Balance 01/01/2018**
Current Assets						
Trade receivables	1,325,746	(568,897)	756,849	1,300,090	(568,897)	731,193
Contract assets	-	568,897	568,897	-	568,897	568,897
Equity:						
Retained earnings	1,735,039	(584,259)	1,150,780	1,637,172	(584,259)	1,052,913
Non – Current Liabilities						
Deferred tax liabilities	142,791	(194,751)	(51,960)	205,855	(194,751)	11,104
Customers' contributions and subsidies	1,335,807	(1,335,807)	-	1,331,698	(1,331,698)	-
Contract liabilities	-	2,420,927	2,420,927	-	2,420,927	2,420,927
Subsidies of non – current assets	-	208,719	208,719	-	204,610	204,610
Other non – current liabilities	521,175	(514,829)	6,346	514,867	(514,829)	38
Current Liabilities						
Accrued and other current liabilities	435,228	(11,644)	423,584	381,307	(11,644)	369,663
Contract liabilities	-	11,644	11,644	-	11,644	11,644

The table below shows the effect on December 31st 2018 in the Statement of Financial Position and Statement of Income for the Group and Parent Company if IAS 18 was in effect instead of IFRS 15.

	GROUP			COMPANY		
STATEMENT OF FINANCIAL POSITION	**Balance 31/12/2018**	**Effect of IFRS 15**	**Balance 31/12/2018 Based on IAS 18**	**Balance 31/12/2018**	**Effect of IFRS 15**	**Balance 31/12/2018 Based on IAS 18**
Non – Current Assets						
Deferred tax asset	159,487	(194,751)	(35,264)	97,314	(194,751)	(97,434)
Current Assets						
Trade receivables	723,688	482,342	1,206,030	639,907	484,482	1,124,389
Contract assets	482,342	(482,342)	-	484,482	(484,482)	-
Equity						
Retained earnings	340,874	584,259	925,133	270,721	584,259	854,980
Non – Current Liabilities						
Customers' contributions and subsidies	-	1,241,630	1,241,630	-	1,238,144	1,238,144
Contract liabities	2,376,124	(2,376,124)	-	2,376,124	(2,376,124)	-
Subsidies of non – current assets	172,240	(172,240)	-	168,754	(168,754)	-
Other non – current liabilities	8,677	491,861	500,538	39	491,861	491,900
Current Liabilities						
Accrued and other current liabilities	787,246	216,693	1,003,939	785,313	216,693	1,002,006
Contract liabilities	216,693	(216,693)	-	216,693	(216,693)	-
STATEMENT OF INCOME (Continuing Operations)						
Other sales	483,447	(23,183)	460,264	360,273	(23,259)	337,014
Depreciation and Amortization	644,863	(57,698)	587,165	631,554	(57,698)	573,856

- **IFRS 2: Classification and Measurement of Share based Payment Transactions (Amendments)**

The Amendments provide requirements on the accounting for a) the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments, b) for share-based payment transactions with a net settlement feature for withholding tax obligations and c) for modifications to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. There is no impact to the financial statements of the Group or/and the Parent Company's from these amendments.

- **IAS 40: Transfers to Investment Property (Amendments)**

The Amendments clarify when an entity should transfer property, including property under construction or development into or out of investment property. The Amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of that change in use. A change in management's intentions for the use of a property does not provide evidence of a change in use. There is no impact for the financial statements of the Group or/and the Parent Company's from these amendments.

- **IFRIC INTERPETATION 22: Foreign currency transactions and prepayments**

The interpretation clarifies the accounting treatment of transactions involving the collection or payment of an advance payment in foreign currency. The interpretation deals with foreign currency transactions in which an entity recognizes a non-monetary asset or a non-monetary liability arising on the collection or payment of an advance payment before the initial recognition of the relevant asset, expense or income. The Interpretation indicates that the transaction date for determining the exchange rate is the date of initial recognition of a non-monetary prepayment or a deferred income. If there are multiple payments or prepayments, the entity must set the transaction date for each payment and prepayment. There is no impact on the financial statements of the Parent Company and/or the Group.

The **IASB issued the Annual Improvements to IFRSs 2014 – 2016 Cycle**, which is a collection of amendments to IFRS's. There is no impact on the financial statements of the Parent Company and/or the Group.

- **IAS 28 Investments in associates and joint ventures:** The amendments clarify that the option to measure at fair value through profit or loss, an investment in an associate or a joint venture held by an entity that is an investment fund management entity or similar entity may be carried out separately for each investment in an associate or joint venture, at initial recognition.

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

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

- **IFRS 16: Leases**

The standard is effective for annual periods beginning on or after January 1st 2019. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, which are the customer ('lessee') and the supplier ('lessor'). The new standard requires lessees to recognize most leases on their financial statements. Lessees will have a single accounting framework for all leases, with some exceptions. Lessor accounting is substantially unchanged. The Standard will mainly affect the accounting treatment of the Group's and Parent Company's operating leases.

Group management expects the Standard to have an impact in all assets and liabilities at the point of it's first application due to the capitalization of operating leases as assets and the recognition of the corresponding liabilities.

Main categories of operating leases are:
a) Buildings.
b) Facilities.
c) Chartering of ships for the transport of fuels in non-interconnected islands in order to produce electricity
d) Car rentals.
e) Fixed-term contracts at Group and the Parent Company 's facilities through supplier's fixed assets.

Before applying IFRS 16, the Group and the Parent Company recognized operating leasing expences as a fixed amount throughout the leasing period.

The Group and the Parent Company will apply IFRS 16 for the first time on January 1st 2019 using the modified retrospective approach. According to this approach, (a) a long-term interest bearing liability will be recognized initially, which will measure the present value as a result of discounting the lease payments remaining at the borrowing rate in force on the day of initial application, the outstanding balance of which will be reduced by the payment of the lease payments remaining, plus interest expense,and (b) a right to use a fixed asset will be initially recognized by measuring that right in an amount that will be equal to the corresponding liability recognized.

After initial recognition, the Group and the Parent Company for new leases that will be signed after January 1st, 2019 a) will measure the rights to use fixed assets and will depreciate them at a constant rate throughout the duration of the lease and b) will measure the corresponding liability, forming the open balance in a way that will reflect interest and lease payments respectively.

Any impact of the application of the standard will be recognized as an adjustment to retained earnings as at January 1st 2019, without any change in comparative information.

Exceptions
The Group and the Parent Company will make use of the exemption provided by the standard regarding the determination of leases, in other words will apply the requirements of IFRS 16 in all contracts in effect on January 1st 2019 and were recognized as leases according to IAS 17 and IFRIC 4. In addition, the Group and the Parent Company will use the exemptions of the standard for leases with a residual maturity of less than 12 months at the date of the original application of the standard and for leases of low value fixed assets (less than € 5,000.00).

Prepayment Rate
The discount rate to be used will be the current weighted average interest rate applicable on January 1st 2019, which the Parent Company uses in order to draw long-term borrowed funds.

Financial statements impact.
In order to estimate the impact on financial statements of the Group and the Parent Company in 2019, an exercise was carried out conserning the existing lease agreements on December 31st 2018.

The initial estimation of expected impact for fiscal year 2019 on Statement of Financial Position and Statement of Income of the Group and the Parent Company is analyzed as follows:

- An estimated Initial Recognition of Right of Use assets and equivalent obligations from operating leases of approximately € 121,006.09 for the Group and € 50,543.38 for the Parent Company respectively,
- An estimated net decrease in operating expenses for lease payments of approximately € 32,211.37 for the Group and approximately € 16,460.90 for Parent Company respectively,
- An estimated increase in financial cost of use of approximately € 4,605.18 for the Group and approximately €2,014.70 for Parent Company respectively,
- An estimated increase in depreciation of approximately € 29,522.25 for the Group and approximately €15,363.16 for Parent Company respectively.

- **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 applying the amendments to its financial statements.

- **IFRS 9: Prepayment with negative compensation (Amendment)**

  The Amendment is effective for annual reporting periods beginning on or after January 1st 2019, while earlier application is permitted. The amendment specifies that pre-paid financial assets that allow or require a party to either pay or receive reasonable compensation for the early termination of the contract (in the sense that the asset owner may be charged due to early repayment) may be measured at amortized cost or at fair value through the statement of other comprehensive income. The Amendment is not expected to have a substantial effect on the Group's and the Parent Company's financial statements.

- **IAS 28: Long-Term Investments in Associates and Joint Ventures (Amendments)**
  The amendments are effective for annual reporting periods beginning on or after January 1st 2019, while earlier application is permitted. The amendments relate to whether the measurement (and, in particular, impairment) of long-term investments in associates and joint ventures, which are in fact part of the net investment in the associate or joint venture, is governed by IFRS 9, IAS 28 or a combination of the two standards. The amendments clarify that an entity applies IFRS 9 before applying IAS 28 to those long-term participations for which the equity method does not apply. When applying IFRS 9, an entity does not take into account any adjustments in the carrying amount of long-term investments arising from the application of IAS 28. The Group is in the process of assessing the effect of applying the amendments to its financial statements.

- **IFRIC INTERPETATION 23: Uncertainty over Income Tax Treatments**
  The Interpretation is effective for annual reporting periods beginning on or after January 1st 2019, while earlier application is permitted. The Interpretation clarifies the accounting for income taxes when tax treatments involve uncertainty. The Interpretation provides additional guidance on considering uncertain tax treatments separately or together, examination by tax authorities, the appropriate method to reflect uncertainty and accounting for changes in facts and circumstances. This Interpretation has not yet been endorsed by the EU. The Group is in the process of assessing the impact of applying the amendments to its financial statements.

- **IAS 19: Plan Amendment, Curtailment or Settlement (Amendments)**

  The Amendments are effective for annual reporting periods beginning on or after January 1st 2019, while earlier application is permitted. The amendments require entities to use updated actuarial assumptions to determine current service cost and net interest for the remainder of the annual reporting period after a plan amendment, curtailment or settlement has occurred. The amendments also clarify how the accounting for a plan amendment, curtailment or settlement affects applying the asset ceiling requirements. This Interpretation has not yet been endorsed by the EU. The Group is in the process of assessing the impact of applying the amendments to its financial statements.

- **Conceptual Framework of IFRS standards**

  The IASB issued the revised Conceptual Framework for Financial Reporting on March 29th 2018. The conceptual framework sets out a comprehensive set of concepts for financial reporting. These concepts help to define standards, guidance for preparers in developing consistent accounting policies and assistance to others in their efforts to understand and interpret the standards. IASB also issued a separate accompanying document, Amendments to References to the Conceptual Framework in IFRS Standards, which sets out the amendments to affected standards in order to update references to the revised Conceptual Framework. It's objective is to support transition to the revised Conceptual Framework for companies that develop accounting policies using the Conceptual Framework when no IFRS Standard applies to a particular transaction. For preparers who develop accounting policies based on the Conceptual Framework, it is effective for annual periods beginning on or after January 1st 2020.

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

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

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

  The amendments are effective for annual reporting periods beginning on or after January 1st 2020, while earlier application is permitted. The amendments clarify the definition of materiality and the way it should be applied. The new definition states that "Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." In addition, the explanations accompanying the definition of significance have improved. The amendments ensure that the definition of materiality is consistent across all IFRS standards. The amendments have not yet been adopted by the European Union. The Group is in the process of assessing the effect of applying the amendments to its financial statements.

- The **IASB has issued the Annual Improvements to IFRSs 2015 – 2017 Cycle**, which is a collection of amendments to IFRSs. The amendments are effective for annual reporting periods beginning on or after January 1st 2019 while earlier application is permitted. The following amendments are not expected to have a material impact on the Group's financial statements unless otherwise stated.

  - **IFRS 3 Business Combinations and IFRS 11 Joint Arrangements:** The amendments to IFRS 3 clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business. The amendments to IFRS 11 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business.

  - **IAS 12 Income Taxes:** The amendments clarify that the tax consequences of payments on financial instruments classified as equity should be recognized according to where the past transactions or events that generated distributable profits have been recognized.

  - **IAS 23 Borrowing Costs:** The amendments clarify paragraph 14 of the standard so that when a qualifying asset is ready for its intended use or sale, and a portion of the borrowing made specifically to obtain that qualifying asset remains outstanding at that point, that outstanding borrowing should be treated as part of the funds that were borrowed generally.

3.3. 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 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 an actuarial model on the basis of economic and actuarial assumptions.

b) Pursuant to the provision of article 25 of Law 4491/66 "On the Insurance of PPC Staff", insured employees concluding their service on PPC who are entitled to pension, are paid an one-off aid, in proportion to the years of their actual service to PPC, which, according to the express provision of paragraph 3 of the same article, is offset against any compensation paid due to the termination of the contract of employment or reach of the age limit or another reason for leaving, according to the law.

Moreover, in the Personel Code of PPC, ratified by Article 2 of Law 210/1974 which is in force, and in particular Articles 34, 35, 36 and 37 thereof, it is stipulated that for the regular personnel of the Company, having for whatever reason their contract terminated (automatically or on termination of a contract of employment), compensation allowance is not due if they are entitled to a lump sum benefit from their insurance institution. If the lump sum benefit is less than the allowance, only the difference between the allowance and the lump sum is paid.

In any case, and when an employer is, in accordance with Article 2 § 1 of Law 173/1967, "The Greek Government or a Public Entity or Utility (PPC, OTE etc)" the severance pay of Law 2112/1920 which would be paid, if this was not the case, at the point of employees' withdrawal in any way from the Company, in subject to the aforementioned limitations that in accordance with article 33 of Law 1876/1990, as amended by the provisions of Article 21 § 13 of Law 3144/2003, is currently set at the amount of fifteen thousands (15,000) euros'.
By virtue of Law 4533/2018 (OG A 7527/4/2018) the provision of paragraph 3 of Article 25 of Law 4491/1966 (OG A '1) was abolished as well as any other general or specific provision of law or regulation providing for the offsetting of the severance allowance of the employees with the lump-sum allowance to which they are entitled by their insurers.

Therefore, PPC and its subsidiaries will henceforth pay severance, which may not exceed Euro 15 (fifteen thousand Euro) to the insured employees who leave due to termination of their employment contract or reach the age limit, or any other reason the law provides.

This 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 upon the entry into force of the aforementioned law (through which the obligation to pay severance is triggered), calculated using actuarial methods, is a past service cost for a service provided in prior periods and amounted to Euro 104 million (Parent Company) and Euro 167 million (Group) and fully accounted for the results of the second quarter of 2018. Furthermore, the above mentioned obligation has been updated on December 31st 2018, using of the same actuarial methods.

Details of the underlying assumptions and estimates of the above mentioned post - retirement benefits are included in Note 30.

Fair value and useful lives of property, plant and equipment
The Group carries its property, plant and equipment 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 assumptions, estimates and judgements with respect to the ownership, the value in use and the existence of any economic, functional and physical obsolescence of property, plant and equipment. On December 31st 2014, the Group has conducted its latest revaluation of property, plant and equipment. The management of the Group believe that any change in the fair value of tangible fixed assets will not have a significant impact on the accompanying separate and consolidated financial statements of December 31st, 2018. Furthermore, the management makes estimates regarding the total and the remaining useful life of fixed assets which are subject to periodic review. Useful lives as estimated are included in Note 3.4.

Impairment of property, plant and equipment
The Group assesses at each reporting date whether there is an indication that a long – term asset may be impaired. The determination of whether such indications exists, requires from Management to make 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.

Cost of dismantling of property, plant and equipment

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".

The management estimates that the cost of dismantling may, especially in the cases of lignite fired power plants as well as gas fired stations, be funded by the proceeds of the materials that will result from such a dismantling and, on that basis has not made any provision for such costs for all categories of the above mentioned power plants.

Provisions for risks

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

Provisions for trade receivables

With the adoption of IFRS 9 as of 01/01/2018, the Group and Parent Company apply the simplified approach set out in the Standard for the Calculation of Expected Credit Losses, according to which the provision for impairment is always measured in amount equal to the expected credit losses over the life of customer receivables. The provision for doubtful customer debts is formed for high voltage customers on a personalized basis in the assessment of the expected credit loss per customer, while for the estimation of the expected credit losses from middle and low voltage customers, credit loss provisioning tables are used based on the maturity of the balance, based on historical data of the Group and the Parent Company for credit losses and adjusted for future factors in terms of debtors and the economic environment. Additional details are contained in Notes 3.2 and 20.

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 tax assessments 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 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 year 2018 is ongoing and the relative tax conformity report will be issued after the publication of the financial statements for the year 2018. 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 taxes are recognized on carried forward tax losses to the extent that it is probable that future taxable profits will occur to offset carried forward tax losses. Deferred tax receivables that are recognized, require Management to make assessments as to the time and level of realization of future taxable profits.

Provision for unbilled revenue

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue from all types of electricity sales is accounted for on an accrual basis. Especially for low voltage customers at each balance sheet date, unbilled revenue is recorded to account for electricity delivered and consumed by these customers but not yet billed. Unbilled revenue is estimated using certain assumptions with respect to quantities of electricity consumed, network losses and average electricity sale prices. The actual amounts that will be finally billed, may differ from those provided for. (Note 5)

Recognition of revenue from customers' contributions

The Group and Parent Company 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 is transferred to the customer. As the contract with the client is not of a specific time duration, the revenue is recognized based on the useful life of the distribution network fixed assets (35 years).

3.4. 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 dates, monetary assets and liabilities that are denominated in other 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 elements 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 the same way as the profit or loss from the conversion of fair value of these elements.

Intangible assets

Intangible assets include software and CO_2 emission rights allowances.

Software

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

CO_2 Emissions Rights

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

Tangible Assets

Tangible assets are initially recognised at their acquisition cost which includes all direct attributable expenses for their acquisition or construction. Subsequent to their initial recognition, tangible assets (with the exception of mines and lakes which are valued at cost minus accumulated depreciation and eliminations) 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.

The latest estimate of fixed assets' was carried out on December 31st 2014. Any value increase is credited to the revaluation surplus net of deferred taxes. At the date of revaluation, accumulated depreciation is offset against pre depreciation accounting values and net amounts are restated according to revalued amounts. Any decrease is first offset against an earlier valuation increase in respect of the same fixed asset and thereafter charged to the Statement of Income. Upon disposal of a revalued tangible asset, the relevant portion of the revaluation surplus is released from the revaluation surplus directly to retained earnings.

Repairs and maintenance are charged to expenses as incurred. Subsequent expenditure is capitalized if the criteria for recognizing them as tangible asset are met. For all assets withdrawn or sold, their acquisition cost and depreciation are written – off when sold or withdrawn. Any gain or loss resulting from the write – off is included in the Statement of Income.

Borrowing cost

Since January 1st 2009, borrowing costs that are directly attributable 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 cost of aquiring that asset. The new accounting policy is implemented on fixed assets recognized from January 1st 2009 onwards (new constructions). All other borrowing costs are recognized as expenses in the period in which they are incurred.

Depreciation

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

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

Mining activities

The Group and the Parent Company own and operate open-pit 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 fiscal year they occured. A provision for land restoration is established for the Group's estimated current obligation for restoration and is calculated based on the surface disturbed to date and the average cost of restoration per metric unit. That provision is recorded at present value of the related liability to restore land to a beneficial use and is included both in fixed assets (mines) and in provisions.

Investments in subsidiaries

In the separate financial statements, investments in subsidiaries are valued at cost less any impairment losses. The spin off and contribution of an activity from the Parent Company to a wholly owned subsidiary in exchange for shares, is accounted for as a transaction between companies under common control. In cases of such transactions the shares received are recognised as an addition to the cost of investment in the subsidiary with a value equivalent to the carrying value of the net assets contributed at the transaction date.

Investments in associates

These are entities in which the Group has significant influence and which are neither a subsidiary nor a joint venture of the Group. The Group's investments in associates are accounted for under the equity method. Investments in associates are carried on the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associate, less possible provisions for any impairment in value. In case that the Group's share in an associate's losses is equal, or exceeds its participation in the associate, the Group does not recognise the losses exceeding its participation.

The Statement of Income reflects separately the Group's share on the results of its associates, while amounts that are recorded by the associates directly to their equity are recognized directly to the Group's equity. Non – realised profit or loss resulting from the transactions of the Group with said associates is eliminated to the extent of the interest in the associates. The associates' accounting principles are adjusted, when necessary, in order to comply with those adopted by the Group. In the separate financial statements such investments are accounted for at cost less any accumulated impairment losses.

Impairment of 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 cannot exceed the carrying amount that would have been determined (net of depreciation), if no impairment loss had been recognized for the asset in prior years. Such reversal is recognized in profit and loss unless the asset is carried at fair value amounts in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, to be divided equally to future time spans on a systematic basis over its remaining useful life.

Fair value measurement

The Group measures financial instruments such as derivatives, and fair value through other comprehensive income at each reporting date and non-financial assets such as property, periodically (every 3-5 years) at fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group.
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.
The fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.
The Group determines policies and procedures applied for both recurring measurements and assets held for distribution on operations held for sale.
Assets of substantial value, as tangible assets as well as substantial value liabilities are evaluated by the Group and the Parent Company with the assistance of external valuators. External valuators involvement needs, are annually decided by the Group, the selection criteria being market knowledge and expertise, reputation, independence and observance of professional standards.
On each reporting date, the Group, according to its accounting policies, assesses if there is any change on the carrying values of assets and liabilities being subject to periodic reassessment and revaluation. For the above mentioned assessment, the management verifies considerable inputs applied to the last asset or liability evaluation, confirming data used for the evaluation against contracts and other relevant documents. For disclosing fair values, the Group's assets and liabilities are categorized according to their nature, characteristics, potential risks stemming from specific asset or liability categories, as well as fair value hierarchy described above.

Investments and financial assets

Financial assets that fall under and are governed by the provisions of IFRS 9 are classified on initial recognition as financial assets measured at amortized cost, financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss. The classification of financial assets at initial recognition depends on the contractual characteristics of cash flows of the financial asset and the Group's business model for the management of that financial asset.

With the exception of trade receivables and receivables from electricity customers that do not contain a significant financial component, the Group initially evaluates the financial assets at their fair value plus, in case of a financial asset that is not valued through profit or loss, transaction costs. Trade receivables that do not have a significant financial component and also receivables from electricity customers are valued at the transaction price determined in accordance with IFRS 15. In order for a financial asset to be classified and measured at amortized cost or at fair value 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 comprehensive Statement of Income. Equity instruments that are measured at fair value through other comprehensive income are not subject to impairment.

The Group chose to classify as of 01/01/2018 in financial assets measured at fair value through other comprehensive income all debt securities classified as " Investments Available for sale" on December 31st 2017 according to IAS 39.

Financial assets measured at fair value through profit or loss

A financial asset is measured at fair value through profit or loss, unless it is measured at amortized cost or at fair value through other comprehensive income. Any financial asset whose contractual terms do not result in specific cash flow dates that are only capital and interest payments on the outstanding initial capital are classified by the Group at fair value through profit or loss (unless it is an investment in an equity instrument that is classified at fair value through other comprehensive income). Since the option to determine a financial asset at fair value at its initial recognition is irrevocable, if a financial asset is designated as at fair value through profit or loss on initial recognition, the Group does not reclassify it as measured at amortized cost or fair value through other comprehensive income in case the business model changes.

Financial assets measured at fair value through profit or loss are transferred to the statement of financial position at their fair value, and changes in fair value between reporting dates are recorded in the Statement of Income. Financial assets measured at fair value through profit or loss are not subject to impairment.

Impairment of Financial Assets

Group assesses at each reporting date whether the value of a financial asset or group of financial assets has been impaired in accordance with provisions of IFRS 9.

Since January 1, 2018, the Group has adopted the expected credit losses model for (expected loss) for each of the following asset categories.

- Trade Receivables from the sale of electricity to customers
- Other financial assets measured at amortized cost.
- Contract assets
- Contract liabilities

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 as of January 1st 2018, 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 individualy.

ii) Regarding the receivables from Medium Volatage (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 for estimating the expected credit losses credit maturity forecasts are used 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.

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 for the next 12 months from the respective reporting date

Inventories

Inventories include consumables, materials, lignite and liquid fuel.

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 end 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 to plant, as appropriate, when installed.

Lignite (self-produced and purchased)

The cost of lignite inventories which have been excavated/purchased but not yet consumed at the date of the financial statements 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 end product in which they are incorporated with the cost being determined 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 fully issued and are in circulation. Any proceeds in excess of par value are recorded in share premium. Expenses related directly to new shares issuance are recognized directly to Equity net of proceeds.

De-recognition of financial assets and liabilities

Financial Receivables

Financial receivables (or, where applicable a part of a financial receivable or part of a group of similar financial receivables) are derecognized when: (1) the rights to receive cash flows from the asset have expired, (2) The Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement and (3) The Parent Company/ 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 or similar provision) 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 that in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, the extent of the Group's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

Financial liabilities

Financial liabilities are derecognized when the obligation under the liability is discontinued, cancelled or expires. In the event that an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss 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 expence expected to be required to settle the liability. Contingent liabilities are not recognised in the financial statements but are disclosed unless the possibility of an outflow of resources embodying economic benefits is minimal. Contingent claims are not recognised in the financial statements but are disclosed when the inflow of economic benefits is probable.

Post-retirement benefits

a) The Parent Company provides to employees and pensioners of the Group electricity at a reduced tariff. The reduced invoice to pensioners is recognized as a liability and is calculated as the present value of future retirement benefits deemed accrued by the end of the year on the basis of the rights of employees accumulated during their service and are calculated on the basis of an actuarial model on the basis of economic and actuarial assumptions.

b) PPC and its subsidiaries will pay, in accordance with Law 4533/2018 (OG A 7527/4/2018), retirement compensation, which may not exceed Euro 15 (fifteen thousand Euros) to insured persons who leave due to termination of the employment contract, due to the age limit, or other cause specified by the law (see Note 3.3 for further clarification). Net expence for the period is included in payroll cost in the Statement of Income and consist of the present value of the benefits earned in the year. The post-retirement benefit liability is not funded. Actuarial gains or losses are directly recognized in other comprehensive income.

Subsidies for fixed assets

The Group receives grants from the Greek State and the European Union (through the public investment program of the Greek State) in order to finance specific projects that are executed within certain time periods. Subsidies are accounted for when they are collected and are shown in the balance sheet as deferred income. Amortization is recognized based on the remaining useful life of the related assets and is included in depreciation in the Statement of Income.

Derivative financial instruments and hedging

The Parent Company uses derivative financial instruments to hedge the risks arising from fluctuations from exchange rates and liquid fuel prices it consumes.

The Group has not adopted the requirements arising from the adoption of IFRS 9 in respect of hedge accounting but has continued to apply IAS 39.

Such derivative financial instruments are valued at fair value at the balance sheet date. The fair value of such derivatives is determined by reference to fair values for similar instruments and is confirmed with the respective financial institutions with which the Parent Company has concluded the relative contacts. The effective part of hedges that qualify for hedge accounting is recognized to OCI if it is related to cash flow hedges while the ineffective part is charged to the separate Statement of Income. If the hedge is related to effective fair value hedges, the gain or loss from remeasuring the derivative hedging instrument at fair value is recognized in profit or loss and the gain or loss on the hedged item attributable to the hedged risk adjusts the carrying amount of the hedged item and is also recognized in profit or loss. Under cash flow hedge accounting, when the hedged transaction results in the recognition of non-financial asset or a non-financial liability, then, at the time the asset or liability is recognized the associated gains or losses that had previously been recognized in equity are included in the initial measurement of the acquisition cost or other carrying amount of the asset or liability. For all other cash flow hedges, the gains or losses that are recognized in equity are transferred to the Statement of Income in the same year in which the hedged transaction affects the net profit and loss. For derivatives that do not qualify for hedge accounting, any gains or losses arising from changes in fair value are taken directly to net profit or loss for the year.

Certain derivatives, although characterized as effective hedges based on the Group's policies, do not meet the criteria for hedge accounting in accordance with the provisions of IAS 39 and, therefore, gains or losses are recognized in the Statement of Income.

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 on the other companies of the Group as adjusted in their tax returns and, provisions for additional income taxes to cover potential tax assessments which are likely to occur from tax audits by the tax authorities, using the enacted or substantively enacted tax rates at the close of business on 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 reviewed at each balance sheet date and are reduced at the time where it is not considered possible that enough taxable profits will be presented 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 apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income tax relating to items recognized directly in other comprehensive income is recognized in other comprehensive income and not in the Statement of Income.

Defined contribution plans

The Parent Company and the Group recognize as an expense the contribution for the employees' services payable to EFKA (Greek Single Social Security Institution) (ex IKA –ETAM /TAP DEH, ETEA, TAYTEKO) (defined contribution plans) and as a liability the amount that has not been paid yet.

Revenue recognition

Revenue from the sale of electricity to customers

The Group and the Parent Company are active in the supply of electricity to high, medium and low voltage customers through the Operations electricity Supply Sector. Given the particular characteristics of electricity, the Group and the Parent Company consider that their customers buying electricity simultaneously receive and spend on the benefits 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 made at the point of issuing the electricity bill/invoice.

The Group and the Parent Company also estimate whether they pay the part of principal or representative in any relevant agreement. The Group's and the Parent Company's assessment is that they have the role of principal in all of its sales transactions.

If the price agreed under the contract also includes a variable portion, this amount is recognized as revenue to the extent that it is unlikely that that amount will be reversed in the future.

Revenue from NOME quantities

Revenue from futures products (NOME) is recognized at the time of delivery of those future products' quantities. The difference between the quantities of electicity delivered by the Company for fulfilling its liability for futures (NOME) is recognized at the time of delivery and not before that (for the total time of each auction), because this difference can not be measured reliably before delivery time.

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 conserned, 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 consumed and non-invoiced electricity 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 and the Parent Company reserves an unconditional right to a sum of money, before the Group and the Parent Company tranferring the goods or services to the customer, it is recording 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' contributions
- Payments in advance against electricity consumption paid by customers at the time of signing the electricity supply contract.
- An advance payment of 3% or 5% on the value of the electricity provided through NOME auctions, which are paid by the participants in the NOME auctions to the Parent Company.
- Prepayments paid by customers against future consumption of electricity.

Customers' contibutions

Consumers or producers connected to the distribution network are required to participate in the initial cost of connecting to the network (meters, lines, substations, etc.) or other types of infrastructure by paying institutionally fixed amounts of money or by contributing fixed assets (extremely rare cases). It is noted that all the facilities that are constructed are under the exclusive ownership and possession of the Parent Company by contract, and in case a customer leaves a facility and a new customer enters, that new customer is not obliged to pay for a new contribution.

Customers' contributions are classified as "Long– term contract liabilities". Revenue from customers' contributions is recognized on the basis of the remaining useful life of distribution network's fixed assets and is included in "Revenue".

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 account following the request for suspention of electricity supply to the customer. Concidering that these amounts are settled in a period over 12 months, the Group and Parent Company classified them as "Long – term Contract Liabilities"

An advance payment of 3% or 5% on the value of the electricity provided through NOME auctions, which are paid by the participants in the NOME auctions to the Parent Company.
During the NOME-type auctions for futures products, which are executed every three months and involve the Parent Company's sale of electricity futures on the wholesale market for a period of 12 months, the electricity suppliers pay in advance 3% or 5% of the value of electricity, awarded to them. These prepayments are classified as "Short – term contract liabilities" as they are settled in less than 12 months. Revenue is recognized on an equal basis per month according to the quantities delivered to alternative electricity suppliers.

Prepayments paid by customers against future consumption of electricity.
The Parent Company gives the opportunity to Medium & Low Voltage customers (for High Voltage customers this possibility is included in their contract) to pre-pay the annual electricity consumption against a discount on the price of electricity. The received amounts are classified as "Short – term Contract Liabilities " as they are settled within 12 months, whereas revenue recognition is based on the pricing of the consumed or estimated Electricity.

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.

Electricity
Electricity costs are expensed as purchased and presented separately in the Statement of Income.

Leases
The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right or use the asset.

Group as a lessee
Leases, which do not transfer to the Group substantially all the risks and rewards of ownership of the asset are classified as operating leases. Operating lease payments are recognized as an expense in the statement of income on a straight line basis over the lease term.

Group as a lessor
Leases where the Group does not transfer substantially all the risks and rewards of ownership of the asset are classified as operating leases. Operating lease payments are recognized as revenue in the statement of income on a straight line basis over the lease term.

Earnings/ (Losses) per share
The basic and diluted earnings per share, are computed by dividing net income by the weighted average number of shares outstanding during the relevant year. The weighted average number of shares is derived by adding the existing shares, that the share capital is divided, with the rights that the Parent Company owns and potentially could exercise.

Subsequent events
Post period-end events that provide additional information about the Group's position at the balance sheet date (adjusting events), are reflected in the financial statements. Post-period-end events that are not adjusting events are disclosed in the notes.

Non-current Assets Held for Sale and Discontinued Operations
The Group classifies a non-current asset (or disposal group) as held for sale, if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. In sale transactions, all exchanges of non–current assets for other non–current assets are included, if the transaction has a commercial substance.

The basic requirements for a non-current asset (or a disposal group) to be classified as held for sale are that it must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets/groups and its sale must be highly probable.

Immediately, before the original classification of the non - current asset or disposal group as held for sale , the current asset or disposal group is 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 will be measured at the lower of its carrying amount and fair value less costs 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 disposal group) from the date that is classified as held for sale.

Operating Segment
According to L. 4001/2011, the Group as a vertically integrated undertaking is obliged to prepare and integrate in its financial statements, accounting unbundled financial statements for each segment. These include the Parent Company's activities in the Sectors of Mines, Generation, Distribution and Supply. In 2011, the Transmission activity was transferred to IPTO which is a PPC's subsidiary, according to the model of the Independent Transmission Operator and all organizational units as well as activities of HTSO that pertained to management, operation, development and maintenance of the Transmission System apart from the Daily Ahead Schedule.
In 2012 the Distribution Activity was transferred to HEDNO. By the contribution of the General Division of Distribution as well as the Department of Islands' Region, to its subsidiary HEDNO, PPC has maintained the ownership of the fixed assets as well as the assets of the Distribution Network and the Non- Interconnected Islands' Network.

It is noted that as June 15th 2017, IPTO S.A, does not belong to the Group's subsidiaries and follows the model of the full onwership unbundled Transmission Operator, fully harmonized with Directive 2009/72 /EC.
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 1. and pertain only to continuing operations

4. DISCONTINUED OPERATIONS

4.1. IPTO'S OWNERSHIP UNBUDLING

As described in Note 2, of the Annual Financial Report 2017, on December 31st 2016 the process of the ownership unbundling of the subsidiary IPTO S.A. was in progress according to the provisions of Law. 4389/2016 (Articles 142-149 and 152).

The Group's and Parent Company's Management considered that as of December 31st 2016 the criteria of IFRS 5 "Non-current assets held for sale and discontinued operations" are met and as a consequence, investment in IPTO S.A. was classified as held for sale.

In this context, on 15.6.2017 (ex-rights date) the Group lost 51% of the voting rights on the share capital of the subsidiary IPTO SA, owned by its 100% subsidiary ADMIE (IPTO) HOLDING SA, through the transfer to the existing shareholders of PPC SA of the shares of the ADMIE (IPTO) HOLDING SA it held, while the full ownership unbundling was completed on 20.6.2017 with the transfer of 25% and 24% of the share capital of IPTO SA. to P.H.C. ADMIE (IPTO) S.A. and the Strategic Investor (State Grid Europe Limited) respectively, resulting in the transfer of all assets and liabilities that were classified as discontinued operations. The consideration for the transfer of 49% of the share capital of IPTO SA amounted to € 623,208, while taking into consideration the contribution in kind by PPC of 51% of the share capital of IPTO SA valued at € 491,770 in ADMIE (IPTO) HOLDING SA, the total consideration for the full ownership unbundling of IPTO SA amounted to € 1,114,978.

Profit in the Parent Company's Income Statement for the fiscal year 2017 due to the ownership unbundling of IPTO SA amounted to €198,602 and resulted from the following transactions:

- PPC's contribution at 31.03.2017 of the ADMIE (IPTO) HOLDING SA's residual equity amounting to €491,770, of a book value of €467,352 and of a fair value of €491,770, composed of PPC's 51% holding of IPTO SA's share capital. From this corporate action, a profit of €24,418 was recognized.
- PPC's sale at 20.06.2017 of IPTO SA's 25% share capital to "IPTO Public Holding Company" (IPTO PHC), of a book value of €229,094 for €295,608 consideration. A profit of €66,514 was recognized from this sale.
- PPC's sale at 20.06.2017 of IPTO SA's 24% share capital to the STATE GRID EUROPE LIMITED (SGEL), of a book value of €219,930 for a consideration of €320,000. At the same date STATE GRID EUROPE LIMITED (SGEL) paid €7,600 being interest between the date of the share purchase agreement and the date of the conclusion of the transaction. A profit of €107,670 was recognized from this sale.

On June 15th 2017 (the ex-rights date) when PPC lost control of its subsidiary IPTO SA, in order to calculate the profit on a Group level (consolidated) of IPTO SA full ownership unbundling, the net assets of the subsidiary were calculated as presented in the following table:

Non – Current Assets	
Property, plant and equipment and intangible assets	1,580,204
Other non – current assets	26,266
	1,606,470
Current Assets	
Materials, spare parts and supplies	46,815
Trade receivables and other current assets	1,120,864
Cash and cash equivalents	219,829
	1,387,508
Total Assets from discontinued operations	**2,993,978**
Non – Current Liabilities	
Long – term borrowing	473,972
Other non – current liabilities	448,324
	922,296
Current Liabilities	
Trade and other payables	1,124,319
Short – term borrowings	20,952
	1,145,271
Total Liabilities from discontinued operations	**2,067,567**
IPTO's net assets of June 15, 2017	926,411
Plus: Equity adjustments	16,331
Total IPTO's net assets	**942,742**

In the above amount of IPTO's net assets (the items being taken from its separate financial statements), a fixed assets revaluation surplus of an amount of Euro 639,712 as well as IPTO's recognized actuarial liability towards its personnel amounting to Euro 17,779 a included.

In the consolidated income statement for the fiscal year 2017 the profit from the full ownership unbundling of IPTO SA amounted to Euro 172,236 and its calculation is presented in the following table:

Consideration received	1,114,978
Less:	
Total net assets of IPTO SA	942,742
Profit from the full ownership unbundling	**172,236**

It is noted that in the separate PPC's statement of income for the year 2016 a revenue amounting to Euro 92.9 mil was recognized concerning a cash upstream from IPTO S.A. to PPC S.A., which was decided by the General Shareholders' Meeting of IPTO S.A in 2016 and was realized in 2017.

4.2. Spin-off of the lignite power generation branches

In continuation to what was mentioned in Note 2, under the title "Structural measures for access to lignite and the further opening of the wholesale electricity market", and pursuant to Law 4533/2018, on May 23th, 2018, the Parent Company's Board of Directors decided the spin-off the two PPC's lignite power generation branches and their related assets, liabilities and human resources and their contribution to two new companies.

Moreover, the Board of Directors' proposal to the Extraordinary General Meeting of PPC's shareholders, which was convened on June 26th, 2018, inter alia, for this purpose and approved the above, as well as any other relevant issue with the spin-off the two PPC's lignite power generation branches, was approved.
On 30.06.2018 the spin-off and contribution process of two lignite branches of PPC SA to two new companies with the sole shareholder PPC SA and with the main purpose of lignite extraction and the production of electricity using lignite, according to the provisions of the above mentioned Law was completed.

The "due diligence" process by the interested investors who responded to the iterative tender procedure published on 8.3.2019 is in progress.

On June 30th 2018, the Group's and Parent Company's Management classified the value of the participation in the two subsidiaries, which were created on the basis of the provisions of Law 4533/2018, as assets held for sale (Discontinued Operations).

In the Consolidated Income Statement for the period 01.01 - 31.12.2018 the results of discontinued operations include the results of the branches that were contributed on June 30th, 2018 to the two new 100% PPC's subsidiaries while for the period 01.01 - 31.12.2017 the results of discontinued operations include the results of the two branches contributed for the period concerned as well as the results of the subsidiary IPTO S.A., the control of which the Group lost on June 15th 2017. Respectively, in the Separate Income Statement for the period 01.01 - 31.12.2018 and 01.01 - 31.12.2017 the results of discontinued operations include the results of the branches that were contributed on June 30th, 2018 to the two new 100% PPC's subsidiaries.

The following table presents the analysis of the Group's Assets and Liabilities from Discontinued Operations as of December 31st, 2018:

	GROUP		
	LIGNITIKI MELITIS S.A. 31.12.2018	**LIGNITIKI MEGALOPOLIS S.A. 31.12.2018**	**Total 31.12.2018**
ASSETS			
Non – Current Assets			
Tangible assets	139,558	133,159	272,717
Intangible assets	4	297	301
Other non – current assets	233	7,002	7,235
	139,795	140,458	280,253
Current Assets			
Materials, spare parts & supplies net	14,443	37,513	51,956
Trade receivables	5,474	8,740	14,214
Cash and cash equivalents	23,538	28,901	52,439
Other receivables	2,848	687	3,535
	46,303	**75,841**	**122,144**
Total Assets	**186,098**	**216,299**	**402,397**
Non – Current Liabilities			
Provisions	4,232	23,772	28,004
Other non – current liabilities	23,741	14,085	37,826
	27,973	**37,857**	**65,830**
Current Liabilities			
Trade and other payables	22,861	33,901	56,762
Total Liabilities	**50,834**	**71,758**	**122,592**
Net Assets	**135,264**	**144,541**	**279,805**

	COMPANY		
	LIGNITIKI MELITIS S.A. 31.12.2018	**LIGNITIKI MEGALOPOLIS S.A. 31.12.2018**	**Total 31.12.2018**
ASSETS			
Non – Current Assets			
Tangible assets	152,748	176,445	329,193
Intangible assets	4	306	310
Other non – current assets	-	-	-
	152,752	**176,751**	**329,503**
Current Assets			
Materials, spare parts & supplies net	20,110	46,924	67,034
Trade receivables	6,152	4,986	11,138
Cash and cash equivalents	1	3	4
Other receivables	194	535	729
	26,457	**52,448**	**78,905**
Total Assets	**179,209**	**229,199**	**408,408**
Non – Current Liabilities			
Provisions	4,231	22,786	27,017
Other non – current liabilities	46,495	68,256	114,751
	50,726	**91,042**	**141,768**
Current Liabilities			
Trade and other payables	11,283	22,957	34,240
Total Liabilities	**62,009**	**113,999**	**176,008**
Net Assets	**117,200**	**115,200**	**232,400**

The cash flows of assets held for sale are presented in the following table:

	01.01.2018-31.12.2018
Cash flows from Operating activities	73,671
Cash Flows from Investing Activities	-
Cash Flows from Financing Activities	-
Total	**73,671**

On the basis of the provisions of IFRS 5, the Group and the Parent Company, before the classification of the two (2) new Subsidiaries which were created on the basis of the provisions of Law 4533/2018 as assets held for sale, proceeded on June 30th, 2018 to the valuation of their participation in these Subsidiaries, so that the net value to be stated at the lower one between their carrying amount and fair value after deducting the costs of their sale.
The valuation was carried out by an independent valuator using the discounted cash flow method. The above valuation resulted in a total impairment amounting to Euro 240.6 mil., which affected the results of the first half of 2018. Furthermore, on December 31st, 2018 a valuation of Group's and Parent Company's participation in these two (2) new Subsidiaries was carried out again by an independent valuator using the discounted cash flow method and resulted in an additional impairment of Euro 243 mil. in the Group and Euro 236 mil. in the Parent Company, which was recorded in the Income Statement for the year 2018.

5. REVENUES

	Group		Company	
	2018	2017	2018	2017
Energy sales				
- High voltage	403,025	334,348	388,757	334,236
- Medium voltage	623,961	660,571	626,385	662,737
- Low voltage	3,217,779	3,587,165	3,218,006	3,587,165
- Renewable Energy Sources	13,425	11,561	-	-
	4,258,190	**4,593,645**	**4,233,148**	**4,584,138**
- Customers' contributions	85,091	55,628	85,167	55,628
- Public Service Obligations	103,426	91,289	103,426	91,289
- Distribution Network Revenues	119,748	85,134	-	-
- Income from the sale of electricity				
from NII thermal units	119,946	62,275	119,946	62,275
- Other	55,236	55,528	51,734	53,259
	483,447	**349,854**	**360,273**	**262,451**
Total Continuing Operations	**4,741,637**	**4,943,499**	**4,593,421**	**4,846,589**
Discontinued Operations	241	23,957	101	447
Total	**4,741,878**	**4,967,456**	**4,593,522**	**4,847,036**

The analysis of Group's revenues by geographical region for the years 2018 and 2017 is presented in the following tables:

	2018			
	Greece		Abroad	Total
	Interconnected System	Non-Interconnected System		
Energy sales	3,686,840	557,082	14,268	4,258,190
Public Service Obligations	-	103,426	-	103,426
Customers' contributions	71,298	13,793	-	85,091
Income from the sale of electricity from NII thermal units	-	119,946	-	119,946
Distribution Network Revenues	103,340	16,408	-	119,748
Other	49,483	5,753	-	55,236
Total	**3,910,961**	**816,408**	**14,268**	**4,741,637**

	2017			
	Greece		Abroad	Total
	Interconnected System	Non-Interconnected System		
Energy sales	4,002,658	590,875	112	4,593,645
Public Service Obligations	-	91,289	-	91,289
Customers' contributions	45,426	10,202	-	55,628
Income from the sale of electricity from NII thermal units	-	62,275	-	62,275
Distribution Network Revenues	73,900	11,234	-	85,134
Other	51,074	4,454	-	55,528
Total	**4,173,058**	**770,329**	**112**	**4,943,499**

6. PAYROLL COST

	Group		Company	
	2018	2017	2018	2017
Payroll cost	608,638	627,547	372,310	386,150
Employer' social contributions	185,684	191,335	114,202	118,516
Provision for personnel's severance payment	148,802	-	90,670	-
Provision for reduced tariffs (Note 30)	(3,827)	(4,810)	(3,013)	(2,410)
Payroll cost included in fixed assets	(67,986)	(70,129)	(19,105)	(19,981)
Total Continuing Operations	**871,311**	**743,943**	**555,064**	**482,275**
Discontinued Operations	90,927	103,976	52,891	77,121
Total	**962,238**	**847,919**	**607,955**	**559,396**

7. ENERGY PURCHASES

	Group		Company	
	2018	2017	2018	2017
DAS and arrangements of differences	973,552	1,034,072	973,552	1,034,072
Energy imports from abroad	65,124	54,780	114,692	79,457
Other domestic energy purchases	99,525	100,511	112,338	114,813
Transitional flexibility assurance compensation	12,088	24,078	12,066	24,078
Purchase rights	23,612	8,267	23,828	8,497
Net charge for coverage of the generation variable cost recovery	(9,051)	4,956	(9,058)	4,956
Special taxes	22,220	23,900	22,221	23,900
Additional Suppliers' charge for Special RES account	196,349	353,550	196,290	353,550
Arrangement of losses	41,726	39,079	41,709	39,079
Average variable cost of thermal units	45,598	19,213	45,590	19,213
Net charge for ancillary services	43,216	35,343	43,427	35,343
Generation losses from the sale of NOME products	223,825	72,170	223,825	72,170
Other purchases	61,392	33,768	151	8,955
Total Continuing Operations	**1,799,176**	**1,803,687**	**1,800,631**	**1,818,083**
Discontinued Operations	(220,517)	(205,496)	(64,651)	(203,360)
Total	**1,578,659**	**1,598,191**	**1,735,980**	**1,614,723**

8. DEPRECIATION AND AMORTISATION

	Group		Company	
	2018	2017	2018	2017
Depreciation / Amortisation				
- Fixed assets (Note 14)	649,247	650,712	638,127	638,198
- Software (Note 15)	8,082	7,194	5,696	4,804
- Transfer from subsidies (Note 32)	(12,466)	(70,339)	(12,269)	(70,143)
Total Continuing Operations	**644,863**	**587,567**	**631,554**	**572,859**
Discontinued Operations (Notes 14 & 15)	29,066	90,810	29,066	61,592
Total	**673,929**	**678,377**	**660,620**	**634,451**

9. EMISSION ALLOWANCES (CO_2)

According to the current European and National legislation, during the 3rd implementation phase of the EU ETS (period 2013-2020), PPC is not entitled to free allocation of emission allowances for its bound stations, with the exception of allowances allocated for emissions corresponding to the generation of thermal power for district heating.

In accordance with its verified CO_2 emissions for 2017, the emission allowances that PPC delivered for the period January 1st 2017 to December 31st 2017 amounted to 31.74 Mt. During 2017, PPC has been allocated with about 62.77 thousand emission allowances for district heating emissions.

Based on provisional ex-post data, the total CO_2 emissions of the Parent Company's bound plants as well as of the disinvested subsidiaries "LIGNITIKI MELITIS S.A." and "LIGNITIKI MEGALOPOLIS S.A." for the period 01.01.2018 – 31.12.2018 amount to 29.52 Mt. It should be noted that the CO_2 emissions of 2018 will be considered final by the end of March 2019, when the verification of the annual emissions reports for the year 2018 by accredited third party verifiers will be completed. Based on the above, the total CO_2 emissions that PPC Group will have to deliver for the period 01.01.2018 – 31.12.2018 amount to 29.52 Mt. The CO_2 emission rights' deficit consumptions are as follows :

	2018	2017
Cover of emissions from purchased EUAS	301,368	181,208
Cover of prior year deficit	-	-
Managing expenses	37	7
Total	**301,405**	**181,215**

10. FINANCIAL EXPENSES

	Group		Company	
	2018	2017	2018	2017
Interest Expenses	146,901	168,156	146,597	168,156
Bank charges	2,843	5,344	2,273	628
Amortization of loans' issuance costs	8,878	7,079	8,878	7,079
Commissions on letter of guarantee	23,474	24,565	23,424	24,517
Finance cost on mines' restorations provision (Note 31)	1,384	894	1,384	894
Other	969	-	969	-
Total Continuing Operations	**184,449**	**206,038**	**183,525**	**201,274**
Discontinued Operations	21	10,074	14	(824)
Total	**184,470**	**216,112**	**183,539**	**200,450**

11. FINANCIAL INCOME

	Group		Company	
	2018	2017	2018	2017
Interest on outstanding energy receivables	99,330	97,468	99,330	97,468
Commission on subsidiary loans' guarantee	-	5,763	255	5,763
Interest on bank and time deposits (Note 24)	5,237	5,841	1,782	2,105
Dividends from subsidiaries	-	-	9,701	4,500
Other	615	754	410	387
Total Continuing Operations	**105,182**	**109,826**	**111,478**	**110,223**
Discontinued Operations	34	(4,748)	-	-
Total	**105,216**	**105,078**	**111,478**	**110,223**

12. OTHER (INCOME) / EXPENSE, NET

	Group		Company	
	2018	2017	2018	2017
OTHER EXPENSE				
Transportation and travel expenses	16,391	13,681	7,162	6,245
Taxes and duties	44,701	39,701	38,350	35,862
Losses on disposal of fixed assets	30,987	32,196	30,946	32,142
Consumable	6,563	4,897	5,542	4,805
Other	62,341	54,496	46,330	41,848
Total	**160,983**	**144,971**	**128,330**	**120,902**
OTHER INCOME				
Penalties to suppliers / contractors	(7,617)	(6,654)	(1,266)	(4,252)
Subsidies to expenses	(985)	(4,178)	(985)	(4,178)
Income from rentals	(1,432)	(2,477)	(11,422)	(12,412)
Income from ETMEAR	(105,248)	-	(105,248)	-
Other	(44,945)	(49,061)	(52,927)	(53,039)
Total	**(160,227)**	**(62,370)**	**(171,848)**	**(73,881)**
Total (income)/expense	**756**	**82,601**	**(43,518)**	**47,021**
Discontinued Operations	**596**	**7,320**	**929**	**6,376**
Total	**1,352**	**89,921**	**(42,589)**	**53,397**

13. INCOME TAXES (CURRENT AND DEFERRED)

	Group		Company	
	2018	2017	2018	2017
Current income taxes	15,780	187,771	-	204,503
Deferred income tax	39,225	(226,350)	72,207	(207,511)
Deferred income tax - Effect of change in tax rate	-	-	-	-
Additional taxes	-	10,555	-	10,555
Total Continuing Operations	**55,005**	**(28,024)**	**72,207**	**7,547**
Discontinued Operations	-	60,865	-	-
Total income tax	**55,005**	**32,841**	**72,207**	**7,547**

According to tax legislation, the income tax rate for legal entities residing in Greece, is 29% for 2018, and at the same time tax prepayment stands to 100%, while for the subsequent fiscal years on the basis of the recent law 4579/2018 article 23 is set (28%) on the income of the fiscal year 2019, (27%) on the income of the fiscal year 2020, (26%) on the income of the fiscal year 2021 and (25%) on the income of the fiscal year 2022 and of the subsequent years. Tax returns for the companies residing in Greece are filed annually but profits or losses declared for tax purposes remain provisional until the tax authorities audit the returns and the records of the company and a final assessment is issued.
The Group establishes a provision, if deemed necessary, on a case by case basis and per company, against an event of additional taxes being imposed by the tax authorities.

Based on the applicable Income Tax Code, since the fiscal year 2011, the Statutory Auditors issue an "Annual Tax Compliance Report" after conducting a tax audit at the same time with the financial audit. The tax audit is conducted on particular tax areas, specified by an audit program, according to the provisions of the tax law. Audit matters which are not covered by the above mentioned decision are dealt in accordance to the ISAE 3000 "Assurance Engagements other than Audits or Reviews of Historical Financial Information". From 01/01/2016 and onwards, according to Law 4410/2016, the issue of the tax certificate became optional, however, the Company continues to apply the procedure for its issue by the Statutory Auditors.

The tax audit of the Parent Company for the fiscal year 2017 was completed by its Statutory Auditors and the Parent Company received a tax certificate with "unqualified conclusions".

On December 29th 2017 the tax audit by the Centre for Auditing Big Companies of the Parent Company's fiscal years 2009, 2010 and 2011 was completed and the final assessment for the fiscal year 2011 was issued imposing taxes and fines of an amount of Euro 10.5 mil. Fiscal years 2009 and 2010 were time-barred.

The Parent Company paid the amount of taxes and fines imposed and it resorted to the Administrative Courts.

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	2013
PPC Renewables S.A.	Greece	2013
HEDNO S.A.	Greece	2013
Arkadikos Ilios Ena S.A.	Greece	2013
Arkadikos Ilios Dio S.A.	Greece	2013
Iliako Velos Ena S.A.	Greece	2013
Amalthia Energiaki S.A.	Greece	2013
SOLARLAB S.A.	Greece	2013
Iliaka Parka Ditikis Makedonias Ena S.A.	Greece	2013
Iliaka Parka Ditikis Makedonias Dio S.A.	Greece	2013
PPC FINANCE PLC	United Kingdom	2009
PPC BULGARIA JSCo	Bulgaria	2014
PPC Elektrik Tedarik ve Ticaret A.S.	Turkey	2014
PHOIBE ENERGIAKH S.A.	Greece	2013
Geothermikos Stochos S.A.	Greece	2017
WINDARROW MOUZAKI ENERGY S.A.	Greece	2018
EDS DOO Skopje	Republic of North Macedonia	2012
EDS DOO Belgrade	Serbia	2016
EDS International SK SRO	Slovakia	2013
EDS International KS LLC	Kosovo	2016
LIGNITIKI MELITIS S.A.	Greece	2018
LIGNITIKI MEGALOPOLIS S.A.	Greece	2018

For the unaudited tax years the Group establishes a provision on the basis of the findings of prior tax audits.
An analysis and numerical reconciliation between the tax expense and the result of multiplying the accounting profit by the nominal applicable tax rate is set out below:

	Group		Company	
	2018	2017	2018	2017
Profit / Loss before tax	**(848,830)**	**60,679**	**(802,480)**	**223,423**
Nominal tax rate	29%	29%	29%	29%
Income tax calculated at nominal tax rate	(246,161)	17,597	(232,719)	64,793
Provision for additional taxes	-	10,555	-	10,555
Non-deductible expenses	-	9,974	-	9,974
Non-taxable income	-	(94,014)	-	(105,639)
Items for which no deferred taxes have been recognized	85,278	27,864	85,278	27,037
Effect of deferred tax from the personnel's electricity tariff	-	-	-	827
Effect of change in tax rates	45,544	-	45,544	-
Held for sale	168,187	-	168,187	-
Other	2,157	-	5,917	-
Income tax	**55,005**	**(28,024)**	**72,207**	**7,547**

The movement of the deferred income tax account is as follows:

	Group		Company	
	2018	2017	2018	2017
At January 1st	**(142,791)**	**(342,788)**	**(205,857)**	**(152,398)**
Held for sale	168,187	-	168,187	-
Profit and loss account debit/(credit)	(39,224)	226,350	(72,207)	207,511
Other	(33,875)	-	-	-
Debit /(Credit) directly in other total income	207,190	(26,353)	207,190	(6,370)
Discontinued Operations	-	-	-	(254,600)
At December 31st	**159,487**	**(142,791)**	**97,314**	**(205,857)**

Deferred income tax receivables and liabilities are disclosed in the accompanying balance sheets as follows:

	Group		Company	
	2018	2017	2018	2017
Deferred income tax				
- Receivables	1,374,812	1,278,550	1,277,063	1,195,937
- Liabilities	(1,215,325)	(1,421,341)	(1,179,749)	(1,401,792)
Total	**159,487**	**(142,791)**	**97,314**	**205,855**

	Group		Company	
	2018	2017	2018	2017
Deferred tax receivables				
- Materials and spare parts	40,284	43,072	37,272	39,701
- Trade receivables	645,906	770,581	620,299	753,594
- Provision for risks and expenses	133,100	71,495	70,657	52,772
- Subsidies	186,704	196,601	186,704	196,601
- Customers' contributions (IFRS 15)	194,752	-	194,752	-
- IFRS 9 for trade receivables	12,438	-	12,438	-
- Fixed assets	78,591	78,654	78,591	78,654
- Available for sale	(437)	(45)	(437)	(45)
- Derivatives	1	1	1	1
- Post retirement benefits	82,130	117,717	82,130	74,184
- Other	1,343	475	(5,344)	475
Deferred tax receivables	**1,374,812**	**1,278,550**	**1,277,063**	**1,195,937**
Deferred tax liabilities				
- Long-term debt fees and expenses	(25,434)	(32,700)	(25,434)	(32,700)
- Depreciation and revaluation of assets	(1,327,897)	(1,374,808)	(1,306,090)	(1,369,028)
- Foreign exchange (gains)	(13,828)	(13,833)	(59)	(64)
- Subsidiaries and Associates	(16,353)	-	(16,353)	-
- Held for sale	168,187	-	168,187	-
Deferred tax liability	**(1,215,325)**	**(1,421,341)**	**(1,179,749)**	**(1,401,792)**
Deferred Tax Liability net	**159,487**	**(142,791)**	**97,314**	**(205,855)**

Deferred income tax charged in the statement of income is attributable to the following items:

	Group		Company	
	2018	2017	2018	2017
- Materials and spare parts	(3,873)	1,857	(2,429)	2,135
- Trade receivables	(131,201)	(23,786)	(133,295)	(21,671)
- Provision for risks and accruals	18,528	19,330	17,885	21,420
- Subsidies	(11,333)	21,914	(9,897)	21,914
- Fixed assets	(40)	(77)	(63)	(77)
- Derivatives	-	1	-	1
- Long-term debt fees and expenses	7,266	1,069	7,266	1,069
- Subsidiaries and associates	(16,353)	-	(16,353)	-
- Depreciation	92,303	(61,142)	62,938	(60,225)
- Foreign exchange (gains)	5	2	5	2
- Provision for CO_2	8	-	-	-
- Available for sale	(392)	(45)	(392)	(45)
- Tax losses	201	-	-	-
- Post retirement benefits- severance payment	37,550	(4,079)	22,667	(4,775)
- Post retirement benefits personnel's electricity tariff	(26,075)	-	(14,721)	-
- Other	(5,818)	16,706	(5,818)	(6,837)
- Income From IPTO S.A.	-	254,600	-	254,600
Deferred tax charge	**(39,224)**	**226,350**	**(72,207)**	**207,511**

14. TANGIBLE ASSETS

	GROUP				GROUP				
	Land	Mines	Lakes	Buildings and Technical Works	Machinery	Transportation Assets	Fixtures and Furniture	Construction in progress	Total
Net book value									
December 31, 2016	**410,870**	**362,125**	**23,724**	**1,852,126**	**7,691,142**	**41,537**	**59,887**	**1,495,428**	**11,936,838**
- Additions	-	4,866	-	1,279	122,179	685	9,773	277,623	416,405
- Depreciation expense	-	(50,588)	(781)	(99,762)	(546,858)	(6,495)	(9,442)	-	(713,925)
- Disposals	-	-	-	(910)	(53,542)	(86)	(467)	-	(55,005)
- Transfers from CIP	325	27,358	842	14,797	74,103	2	471	(122,805)	(4,907)
- Transfers	-	(706)	-	-	-	-	-	706	-
- Other movements	(2)	-	-	-	-	-	-	(18,474)	(18,476)
December 31, 2017	**411,193**	**343,055**	**23,785**	**1,767,530**	**7,287,024**	**35,643**	**60,222**	**1,632,478**	**11,560,930**
- Impairment of assets held for sale	(1,190)	(187)	-	(99,884)	(424,602)	(1,885)	(2,637)	(20,273)	(550,658)
- Assets held for sale	(589)	(93)	-	(49,468)	(210,287)	(934)	(1,306)	(10,040)	(272,717)
- Additions	592	452	-	951	122,284	2,476	5,107	601,041	732,903
- Depreciation expense	-	(51,177)	(788)	(97,802)	(513,921)	(6,304)	(9,080)	-	(679,072)
- Disposals	-	-	-	(5,421)	(12,265)	(36)	(432)	-	(18,155)
- Transfers from CIP	2,571	6,968	-	75,665	226,827	555	69	(318,626)	(5,971)
- Transfers	-	(1,003)	-	-	-	(125)	125	1,003	-
- Other movements	-	-	-	(5)	210	53	(90)	(9,415)	(9,247)
December 31, 2018	**412,577**	**298,015**	**22,997**	**1,591,566**	**6,475,270**	**29,443**	**51,978**	**1,876,168**	**10,758,014**
At December 31, 2016									
Gross carrying amount	410,870	924,188	39,405	2,082,898	9,011,164	56,194	133,225	1,495,428	14,153,373
Accumulated depreciation	-	(562,063)	(15,681)	(230,772)	(1,320,023)	(14,658)	(73,338)	-	(2,216,535)
Net carrying amount	**410,870**	**362,125**	**23,724**	**1,852,126**	**7,691,142**	**41,537**	**59,887**	**1,495,428**	**11,936,838**
At December 31, 2017									
Gross carrying amount	411,193	955,706	40,247	2,098,064	9,153,904	56,795	143,002	1,632,478	14,491,389
Accumulated depreciation	-	(612,651)	(16,462)	(330,534)	(1,866,880)	(21,152)	(82,780)	-	(2,930,459)
Net carrying amount	**411,193**	**343,055**	**23,785**	**1,767,530**	**7,287,024**	**35,643**	**60,222**	**1,632,478**	**11,560,930**
At December 31, 2018									
Gross carrying amount	412,577	961,843	40,247	2,019,901	8,856,071	56,900	143,837	1,876,168	14,367,546
Accumulated depreciation	-	(663,828)	(17,250)	(428,336)	(2,380,801)	(27,456)	(91,860)	-	(3,609,531)
Net carrying amount	**412,577**	**298,015**	**22,997**	**1,591,566**	**6,475,270**	**29,443**	**51,978**	**1,876,168**	**10,758,014**

	PARENT COMPANY								
	Land	Mines	Lakes	Buildings and Technical Works	Machinery	Transportation Assets	Fixtures and Furniture	Construction in progress	Total
Net book value									
December 31, 2016	**405,017**	**362,125**	**23,291**	**1,820,266**	**7,613,515**	**20,469**	**50,070**	**1,419,653**	**11,714,407**
- Additions	-	4,866	-	1,252	121,934	495	8,234	269,987	406,768
- Depreciation expense	-	(50,588)	(781)	(98,064)	(541,146)	(3,497)	(7,342)	-	(701,418)
- Disposals	-	-	-	(910)	(52,366)	(49)	(449)	-	(53,774)
- Transfers from CIP	325	27,358	842	14,562	73,616	2	198	(117,318)	(415)
- Transfers	-	(706)	-	-	-	-	-	706	-
- Other movements	-	-	-	-	-	-	-	(14,033)	(14,033)
December 31, 2017	**405,342**	**343,055**	**23,352**	**1,737,106**	**7,215,554**	**17,420**	**50,710**	**1,558,996**	**11,351,535**
- Spin-off of lignite units	(1,778)	(280)	-	(149,352)	(634,888)	(2,818)	(3,944)	(30,313)	(823,373)
- Additions	-	452	-	940	122,235	2,421	3,778	558,263	688,089
- Depreciation expense	-	(51,177)	(788)	(96,440)	(509,260)	(3,270)	(7,072)	-	(668,007)
- Disposals	-	-	-	(4,045)	(11,924)	(17)	(395)	-	(16,381)
- Transfers from CIP	2,571	6,968	-	75,566	226,668	-	599	(317,551)	(5,179)
- Transfers	-	(1,003)	-	-	-	-	-	1,003	-
- Other movements	-	-	-	-	-	-	-	(5,427)	(5,427)
December 31, 2018	**406,135**	**298,015**	**22,564**	**1,563,775**	**6,408,385**	**13,736**	**43,676**	**1,764,971**	**10,521,257**
At December 31, 2016									
Gross carrying amount	405,017	924,188	38,974	2,042,187	8,860,845	28,171	115,734	1,419,653	13,834,769
Accumulated depreciation	-	(562,063)	(15,683)	(221,920)	(1,247,330)	(7,702)	(65,664)	-	(2,120,362)
Net carrying amount	**405,017**	**362,125**	**23,291**	**1,820,267**	**7,613,515**	**20,469**	**50,070**	**1,419,653**	**11,714,407**
At December 31, 2017									
Gross carrying amount	405,342	955,706	39,816	2,057,091	9,004,029	28,619	123,717	1,558,996	14,173,316
Accumulated depreciation	-	(612,651)	(16,464)	(319,984)	(1,788,476)	(11,199)	(73,006)	-	(2,821,780)
Net carrying amount	**405,342**	**343,055**	**23,352**	**1,737,107**	**7,215,553**	**17,420**	**50,711**	**1,558,996**	**11,351,535**
At December 31, 2018									
Gross carrying amount	406,135	961,843	39,816	1,980,199	8,706,120	28,205	123,755	1,764,971	14,011,044
Accumulated depreciation	-	(663,828)	(17,252)	(416,424)	(2,297,736)	(14,469)	(80,078)	-	(3,489,787)
Net carrying amount	**406,135**	**298,015**	**22,564**	**1,563,775**	**6,408,384**	**13,736**	**43,677**	**1,764,971**	**10,521,257**

Revaluation of Fixed Assets:
Within 2014, the Group proceeded with the revaluation of its operating fixed assets as of December 31st, 2014. The revaluation was carried out by an independent firm of appraisers, according to IAS 16 and IFRS 13. The results of the above appraisal which excluded lakes, land for the extraction of lignite and construction in progress, were recorded in the Company's books on December 31st, 2014. The previous revaluation took place on December 31st, 2009.

The revalued amounts, from the appraisers' work, compared to the Net Book Value of the fixed assets, resulted to a net surplus for the Group, amounting to approximately Euro 672.4 mil., (Parent Company 627.5 mil.), which was credited directly in Revaluation Surplus in Comprehensive Income (Euro 848 mil. and Euro 818.6 mil. net of Deferred Taxes for the Group and the Parent Company, respectively). Additionally, an amount of Euro 44.8 mil. which was not offset by previous years' Revaluation Surplus was charged in the Statement of Income for the year ended at December 31st, 2014 (Parent Company: Euro 21.7 mil.).

Encumbrances on tangible assets: Tangible assets are held free from encumbrances and any claims against the Group's tangible assets are deemed as not substantial.

15. INTANGIBLE ASSETS, NET

	Group					
	31.12.2018			31.12.2017		
	Software	Emission Allowances	Total	Software	Emission Allowances	Total
Net book value, January 1	**17,587**	**59,038**	**76,625**	**15,820**	**42,218**	**58,038**
Assets held for sale (Note 4)	(301)	-	(301)	-	-	-
Additions	16,095	581,009	597,104	4,071	198,028	202,099
Consumptions	-	(462,316)	(462,316)	-	(181,208)	(181,208)
Depreciation (Note 8)	(10,879)	-	(10,879)	(7,206)	-	(7,206)
Disposals	(1)	-	(1)	(6)	-	(6)
Transfers	(10)	-	(10)	4,908	-	4,908
December 31	**22,491**	**177,731**	**200,222**	**17,587**	**59,038**	**76,625**

	Company					
	31.12.2018			31.12.2017		
	Software	Emission Allowances	Total	Software	Emission Allowances	Total
Net book value, January 1	**12,386**	**59,038**	**71,424**	**12,749**	**42,218**	**54,967**
Spin-off of lignite units (Note 4)	(310)	-	(310)			
Additions	5,532	581,009	586,541	4,043	198,028	202,071
Consumptions	-	(462,316)	(462,316)	-	(181,208)	(181,208)
Depreciation (Note 8)	(5,702)	-	(5,702)	(4,816)	-	(4,816)
Disposals	(1)	-	(1)	(6)	-	(6)
Transfers	-	-	-	416	-	416
December 31	**11,905**	**177,731**	**189,636**	**12,386**	**59,038**	**71,424**

The net carrying amount of software is further analyzed as follows:

	Group	Company
At December 31, 2016		
Gross carrying amount	78,036	64,060
Accumulated amortization	(62,089)	(51,311)
Net carrying amount	**15,819**	**12,749**
At December 31, 2017		
Discontinuing Operations	-	-
Gross carrying amount	86,881	68,513
Accumulated amortization	(69,295)	(56,127)
Net carrying amount	**17,586**	**12,386**
At December 31, 2018		
Assets held for sale	(301)	-
Spin-off of lignite units	-	(310)
Gross carrying amount	85,391	61,659
Accumulated amortization	(80,185)	(61,830)
Net carrying amount	**22,491**	**11,905**

16. INVESTMENTS IN SUBSIDIARIES

The direct subsidiaries of the Parent Company and the value of the investment are as follows:

	Company	
	31.12.2018	**31.12.2017**
HEDNO S.A.	56,982	56,982
PPC Renewables S.A.	155,608	155,438
PPC FINANCE PLC	59	59
PPC BULGARIA JSCo	522	522
PPC ELEKTRIK TEDARIK VE TICARET AS	1,350	1,350
PPC ALBANIA	150	150
EDS DOO Skopje	4,800	-
LIGNITIKI MELITIS S.A.	117,200	-
LIGNITIKI MEGALOPOLIS S.A.	115,200	-
	451,871	**214,501**

PPC's BoD following the completion of all required financial and legal actions, approved at its meeting on 13/4/2018 the acquisition of the Energy Delivery Solutions DOO (EDS), a power supply company based in the Republic of North Macedonia. The cost of the acquisition amounts to Euro 4.8 mil. The Share Purchase Agreement was signed on 25/04/2018 in Skopje while the Share Transfer Agreement was signed on 13/06/2018.

This acquisition is part of the internationalization strategy of PPC's business activities, particularly in the Balkan region, where it seeks to become a leading force in view of the forthcoming integration of the energy markets promoted by the European Union.

The Carrying amounts and fair values of Assets and Liabilities acquired on the acquisition date of EDS are presented in the following table:

	Carrying Amounts	Fair Values
Assets		
Tangible assets	55	55
Intangible assets, net	253	6,882
Other non – current assets	2	2
Cash and cash equivalents	1,620	1,620
Trade receivables	12,159	12,159
Other current receivables	432	432
Total Assets	**14,521**	**21,150**
Liabilities		
Short-term borrowing	15,584	15,584
Other current liabilities	261	261
Total Liabilities	**15,845**	**15,845**
Value of net assets acquired		**5,305**
Amount of the cost of acquisition paid up to 31.12.2018		**(4,577)**
Amount of the cost of acquisition to be paid after 31.12.2018		**(223)**
Net profit from acquisition		**505**

The above tables present that the cost of the acquisition is less than the value of the company's net assets acquired. The net profit from the acquisition of EDS amounting to Euro 505 affected positively the Group's results in 2018.

The consolidated financial statements include the financial statements of PPC and its subsidiaries (full consolidation):

	Ownership Interest			
Subsidiaries	**31.12.2018**	**31.12.2017**	**Country and Year of Incorporation**	**Principal Activities**
PPC Renewables S.A.	100%	100%	Greece, 1998	RES
HEDNO S.A.	100%	100%	Greece, 1999	HEDN
Arkadikos Ilios Ena S.A.	100%	100%	Greece, 2007	RES
Arkadikos Ilios Dio S.A.	100%	100%	Greece, 2007	RES
Iliako Velos Ena S.A.	100%	100%	Greece, 2007	RES
Amalthia Energiaki S.A.[1]	100%	100%	Greece, 2007	RES
SOLARLAB S.A.	100%	100%	Greece, 2007	RES
Iliaka Parka Ditikis Makedonias Ena S.A.	100%	100%	Greece, 2007	RES
Iliaka Parka Ditikis Makedonias Dio S.A.	100%	100%	Greece, 2007	RES
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 PHOTOVOLTAICS S.A	100%	100%	Greece, 2007	RES
PPC ALBANIA	100%	100%	Albania, 2017	Supply of power
Geothermikos Stochos S.A.[2]	100%	100%	Greece, 2017	RES
WINDARROW MOUZAKI ENERGY S.A.[3]	100%	-	Greece, 2018	RES
EDS DOO Skopje [4]	100%	-	Republic of North Macedonia, 2012	Supply of power
EDS DOO Belgrade [5]	100%	-	Serbia, 2016	Supply of power
EDS International SK SRO [5]	100%	-	Slovakia, 2012	Supply of power
EDS International KS LLC [5]	100%	-	Kosovo, 2016	Supply of power
LIGNITIKI MELITIS S.A.[6]	100%	-	Greece, 2018	Generation of power
LIGNITIKI MEGALOPOLIS S.A.[6]	100%	-	Greece, 2018	Generation of power

1. On August 1st 2017 Iliako Velos Dio S.A. was renamed to Amalthia Energiaki S.A.
2. This 100% subsidiary of PPC Renewables S.A. was established on November 9th 2017
3. This 100% subsidiary of PPC Renewables S.A. was established on January 18th 2018
4. EDS DOO Skopje was acquired on June 13th 2018
5. They are subsidiaries of the EDS DOO Group which was acquired on June 13th 2018
6. These 100% subsidiaries of the Parent Company were established on June 30th 2018 on the basis of Law 4533/2018

17. INVESTMENTS IN ASSOCIATES

The Group's and the Parent Company's associates as December 31st, 2018 and December 31st, 2017 are as follows (equity method):

	Group		Company	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
PPC Renewables ROKAS S.A.	2,540	2,327	-	-
PPC Renewables TERNA Energiaki S.A.	3,245	2,919	-	-
PPC Renewables NANKO Energy - MYHE Gitani S.A.	2,075	1,981	-	-
PPC Renewables MEK Energiaki S.A.	248	1,133	-	-
PPC Renewables ELTEV AIFOROS S.A.	2,820	2,616	-	-
PPC Renewables EDF EN GREECE S.A.	7,754	8,626	-	-
Aioliko Parko LOYKO S.A.	15	18	-	-
Aioliko Parko MBAMBO VIGLIES S.A.	17	21	-	-
Aioliko Parko KILIZA S.A.	22	25	-	-
Aioliko Parko LEFKIVARI S.A.	20	23	-	-
Aioliko Parko AGIOS ONOUFRIOS S.A.	23	26	-	-
Renewable Energy Applications LTD	-	27	-	-
OROS ENERGIAKI L.T.D.	193	193	-	-
ATTIKA GREENESCO ENERGIAKI S.A.	80	55	-	-
WASTE SYCLO S.A.	37	2	37	221
PPC Solar Solutions S.A.	960	967	960	980
	20,049	20,959	997	1,201

The full list of the Group's and the Parent Company's associates are as follows:

		Ownership Interest			
Associates	Note	31.12.2018	31.12.2017	Country and Year of Incorporation	Principal Activities
PPC Renewables ROKAS S.A.		49.00%	49.00%	Greece, 2000	RES
PPC Renewables TERNA Energiaki S.A.		49.00%	49.00%	Greece, 2000	RES
PPC Renewables NANKO Energy - MYHE Gitani S.A.		49.00%	49.00%	Greece, 2000	RES
PPC Renewables MEK Energiaki S.A.		49.00%	49.00%	Greece, 2001	RES
PPC Renewables ELTEV AIFOROS S.A.		49.00%	49.00%	Greece, 2004	RES
PPC Renewables EDF EN GREECE S.A.		49.00%	49.00%	Greece, 2007	RES
EEN VOIOTIA S.A.	1	46.60%	46.60%	Greece, 2007	RES
Aioliko Parko LOYKO S.A.		49.00%	49.00%	Greece, 2008	RES
Aioliko Parko BAMBO VIGLIES S.A.		49.00%	49.00%	Greece, 2008	RES
Aioliko Parko KILIZA S.A.		49.00%	49.00%	Greece, 2008	RES
Aioliko Parko LEFKIVARI S.A.		49.00%	49.00%	Greece, 2008	RES
Aioliko Parko AGIOS ONOUFRIOS S.A.		49.00%	49.00%	Greece, 2008	RES
Renewable Energy Applications LTD	4	-	49.00%	Cyprus, 2010	RES
Waste Syclo S.A.		49.00%	49.00%	Greece, 2011	Waste Management
PPC Solar Solutions S.A.		49.00%	49.00%	Greece, 2014	RES
OROS ENERGIAKI S.A.	2	49,00%	49,00%	Greece, 2017	RES
ATTIKA GREENESCO ENERGIAKI S.A.	3	49,00%	49,00%	Greece, 2017	En. Serv.

1. It is consolidated from the associate company PPC Renewables EDF EN GREECE S.A. as it participates by 95% in its share capital.
2. PPC Renewables S.A. on October 3rd 2017 purchased 49% of this entity
3. Amalthia Energiaki S.A., PPC Renewable's subsidiary, purchased 49% of this entity.
4. Renewable Energy Applications LTD has been deleted from the Cyprus Companies Registry since 16/5/2018.

The following table presents PPC's share (directly or indirectly) of its associates' financial figures as of 31.12.2018 and 31.12.2017 respectively:

	December 31, 2018		
	Assets	Liabilities	Equity
PPC Renewables ROKAS S.A.	3,142	913	2,229
PPC Renewables TERNA Energiaki S.A.	6,503	3,258	3,246
PPC Renewables NANKO Energy – MYHE Gitani S.A.	3,187	98	3,089
PPC Renewables MEK Energiaki S.A.	2,100	1,509	591
PPC Renewables ELTEV S.A.- SMIXIOTIKO	4,580	1,761	2,820
PPC Renewables EDF EN GREECE S.A.	19,758	14,889	4,869
Aioliko Parko LOYKO S.A.	16	2	15
Aioliko Parko MBAMBO VIGLIES S.A.	21	16	21
Aioliko Parko KILIZA S.A.	24	2	21
Aioliko Parko LEFKIVARI A.E.	21	1	20
Aioliko Parko AGIOS ONOUFRIOS S.A.	24	1	23
Oros Energiaki S.A.	1,077	975	102
ATTICA GREENESCO Energiaki S.A.	179	107	72
	40,632	**23,532**	**17,118**

	December 31, 2017		
	Assets	Liabilities	Equity
PPC Renewables ROKAS S.A.	3,012	835	2,176
PPC Renewables TERNA Energiaki S.A.	6,492	3,573	2,919
PPC Renewables NANKO Energy – MYHE Gitani S.A.	3,030	32	2,998
PPC Renewables MEK EnergiakiS.A.	2,517	1,041	1,476
PPC Renewables ELTEV S.A..- SMIXIOTIKO	4,145	1,529	2,616
PPC Renewables EDF EN GREECE S.A.	23,995	19,629	4,366
Aioliko Parko LOYKO S.A.	23	6	17
Aioliko Parko MBAMBO VIGLIES S.A.	30	10	20
Aioliko Parko KILIZA S.A.	30	6	24
Aioliko Parko LEFKIVARI A.E.	26	4	22
Aioliko Parko AGIOS ONOUFRIOS S.A.	30	5	25
Oros Energiaki S.A.	1,477	1,375	102
ATTICA GREENESCO Energiaki S.A.	52	3	49
	44,859	**28,048**	**16,810**

The following table presents PPC's share of its associates' revenue and results:

	December 31, 2018		December 31, 2017	
	Revenues	Profit/(loss)	Revenues	Profit/(loss)
PPC Renewables ROKAS S.A.	763	543	735	513
PPC Renewables TERNA Energiaki S.A.	1,493	866	818	236
PPC Renewables NANKO Energy – MYHE Gitani S.A.	701	306	478	95
PPC Renewables MEK EnergiakiS.A.	1,163	704	1,145	702
PPC Renewables ELTEV S.A..- SMIXIOTIKO	559	253	405	121
PPC Renewables EDF EN GREECE S.A	2,611	278	2,331	(11)
Aioliko Parko LOYKO S.A.	-	(3)	-	(3)
Aioliko Parko MBAMBO VIGLIES S.A.	2	(4)	-	(3)
Aioliko Parko LEFKIVARI A.E.	-	(3)	-	(2)
Aioliko Parko AGIOS ONOUFRIOS S.A.	-	(2)	-	(3)
Aioliko Parko KILIZA S.A.	-	(3)	-	(3)
Oros Energiaki S.A.	49	(1)	-	(9)
ATTICA GREENESCO Energiaki S.A.	90	(173)	-	(9)
	7,431	**2,761**	**5,912**	**1,624**

18. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

PPC balances with its subsidiaries and its associates as of December 31st, 2018 and December 31st, 2017 are as follows:

	December 31, 2018		December 31, 2017	
	Receivables	(Payables)	Receivables	(Payables)
Subsidiaries				
PPC Renewables S.A.	886	-	1,416	-
HEDNO S.A.	770,720	(1,044,145)	694,473	(520,059)
LIGNITIKI MEGALOPOLIS S.A.	27,481	(343)	-	-
LIGNITIKI MELITIS S.A.	18,023	-	-	-
PPC Finance Plc.	-	(3,259)	-	(4,648)
PPC Elektrik	-	(62)	-	(164)
PPC Bulgaria JSCO	-	(1,863)	-	(1,016)
PPC Albania	160	-	-	-
EDS DOO Skopje	1,230	(131)	-	-
	818,500	**(1,049,803)**	**695,889**	**(525,887)**

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

PPC's transactions with its subsidiaries for the period ended December 31st, 2018 and December 31st, 2017, respectively, are as follows:

	December 31, 2018		December 31, 2017	
	Invoiced to	Invoiced from	Invoiced to	Invoiced from
Subsidiaries				
PPC Renewables S.A.	2,387	(1)	3,191	(1)
HEDNO S.A.	1,689,607	(2,057,736)	1,826,373	(1,923,924)
LIGNITIKI MEGALOPOLIS S.A.	56,171	(277)	-	-
LIGNITIKI MELITIS S.A.	27,305	-	-	-
PPC Finance Plc	-	(22,606)	-	(30,770)
PPC Elektrik	2	(4,981)	13	(3,665)
PPC Bulgaria JSCO	113	(44,024)	53	(21,425)
PPC Albania	-	(210)	-	-
EDS DOO Skopje	260	(954)	-	-
	1,775,845	**(2,130,789)**	**1,829,630**	**(1,979,785)**

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

Guarantee in favor of the subsidiary PPC Renewables S.A.
As of December 31st, 2018, the Parent Company has guaranteed for a total credit line of up to Euro 8 mil., through overdraft facilities. As of December 31st, 2018 PPC Renewables S.A. has used from the above mentioned credit line an amount of Euro 858, concerning letters of guarantee.

Guarantee in favor of the subsidiary Energy Delivery Solutions EDS Doo (EDS)
As of December 31st, 2018 the Parent Company has guaranteed, for a total credit line for EDS Group's loans up to the amount of Euro 22 mil. concerning working capital. As of December 31st, 2018 EDS has used from the above mentioned credit line an amount of Euro 19.7 mil., concerning disbursed loan amounts.

Guarantee in favor of the subsidiary Energy Delivery Solutions EDS Doo (EDS), to Electricity Suppliers
The Parent Company has guaranteed for EDS's credit lines with the Electricity Suppliers, Grand Energy Distribution EOOD and Petrol D.D. up to Euro 3.9 mil.

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

	Purchases		Balance	
	1.1.2018-31.12.2018	**1.1.2017-31.12.2017**	**31.12.2018**	**31.12.2017**
ELPE, purchases of liquid fuel	187,381	262,597	27,700	45,426
DEPA, purchases of natural gas	357,518	409,132	77,068	86,835
	544,899	**671,729**	**104,768**	**132,261**
	December 31st 2018		**December 31st 2017**	
	Receivables	**(Payables)**	**Receivables**	**(Payables)**
DAPEEP S.A. (former EMO S.A.)	155,477	(133,144)	172,532	(124,905)
	1.1.2018-31.12.2018		**1.1.2017-31.12.2017**	
	Invoiced to	**Invoiced from**	**Invoiced to**	**Invoiced from**
DAPEEP S.A. (former EMO S.A.)	836,427	(1,211,599)	1,808,238	(2,858,476)
	December 31st 2018		**December 31st 2017**	
	Receivables	**(Payables)**	**Receivables**	**(Payables)**
HEnEx S.A.	16,325	(70,034)	-	-
	1.1.2018-31.12.2018		**1.1.2017-31.12.2017**	
	Invoiced to	**Invoiced from**	**Invoiced to**	**Invoiced from**
HEnEx S.A.	730,293	(1,507,581)	-	-
	December 31st 2018		**December 31st 2017**	
	Receivables	**(Payables)**	**Receivables**	**(Payables)**
IPTO S.A.	126,919	(658,645)	117,463	(1,212,179)
	1.1.2018-31.12.2018		**1.1.2017-31.12.2017**	
	Invoiced to	**Invoiced from**	**Invoiced to**	**Invoiced from**
IPTO S.A.	144,737	(888,753)	162,259	(1,571,490)
	December 31st 2018		**December 31st 2017**	
	Receivables	**(Payables)**	**Receivables**	**(Payables)**
LARCO S.A.	313,395	-	280,372	-
	1.1.2018-31.12.2018		**1.1.2017-31.12.2017**	
	Invoiced to	**Invoiced from**	**Invoiced to**	**Invoiced from**
LARCO S.A.	47,856	(8,501)	(2,793)	(9,461)
	December 31st 2018		**December 31st 2017**	
	Receivables	**(Payables)**	**Receivables**	**(Payables)**
ELTA S.A.	-	(6,353)	-	(8,265)
	1.1.2018-31.12.2018		**1.1.2017-31.12.2017**	
	Invoiced to	**Invoiced from**	**Invoiced to**	**Invoiced from**
ELTA S.A.	-	(19,193)	-	(20,234)

Within 2017 a credit invoice of Euro 61,850 was issued to LARCO regarding the revision of electricity bills for the period 1/7/2010-31/12/2013 under the Arbitration Decision No. 13/2017. It is also noted that PPC's total receivables from LARCO S.A. which concern electricity bills are entirely covered by a provision.

In addition to the above mentioned transactions, PPC enters into commercial transactions with many state-owned entities, both profit and nonprofit, within its normal course of business (sale of electricity, services received, etc.). All transactions with government owned entities are performed at arm's length terms and are not disclosed.

- On 02.07.2018 an amount of Euro 538,300 was paid by the State Treasury to PPC SA. This amount will be reimbursed gradually after the payment of the electricity bills by the General Government entities and will be completed on April 30th 2019. On 12.03.2019 an amount of Euro 550,700 was paid by the State Treasury to PPC SA and it will be reimbursed in the same way until April 30th 2020.
- For the collection of electricity bills, PPC also cooperates with the Hellenic Post (ELTA), which has the license required by law. The balance of the amounts collected from electricity bills that ELTA S.A. had not timely paid to PPC until 31.12.2018 amounted to Euro 15,686. The above amount includes all charges listed in the electricity bills issued by PPC. Within the first quarter of 2019, an amount of Euro 12,279, which concerned the total liability of ELTA S.A. from collection of electricity bills which were not paid to PPC, was offset with equal debts or payments by the parent company in the context of the provision of Postal Services for collection, sorting and distribution of PPC's postal items throughout the Hellenic Territory by ELTA.

Management remunerations
Management's remunerations (Board of Directors and General Managers) for the year ended December 31, 2018 and December 31, 2017 are as follows:

	Group		Company	
	2018	**2017**	**2018**	**2017**
Remuneration of Board of Directors' members				
- Remuneration of executive members	292	245	57	57
- Remuneration of non-executive members	177	71	-	-
- Compensation/Extraordinary fees	-	-	-	-
- Employer's Social Contributions	149	92	37	41
- Other Benefits	132	123	104	120
	750	**531**	**198**	**218**
Remuneration of Deputy Managing Directors and General Managers				
- Regular remuneration	622	686	456	519
- Employer's Social Contributions	173	204	127	155
- Compensation / Extraordinary fees	4	23	4	23
	799	**913**	**587**	**697**
Total	**1,549**	**1,444**	**785**	**915**

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

19. MATERIALS, SPARE PARTS AND SUPPLIES, NET

	Group		Company	
	2018	2017	2018	2017
Lignite	38,450	48,977	38,450	48,977
Liquid fuel	196,396	198,748	196,396	198,748
Materials and consumables	649,209	672,280	492,140	539,317
Purchased materials in transit	12,451	18,189	11,724	17,849
	896,506	**938,194**	**738,710**	**804,891**
Provision for materials' write down to recoverable amount	(182,184)	(206,799)	(169,644)	(194,610)
Total	**714,322**	**731,395**	**569,066**	**610,281**

During 2018, the Group from continued operations and the Parent Company established an additional provision for materials' and spare parts' write down amounting to Euro 7,440 and Euro 7,063 respectively, (2017: Euro 8,454 and Euro 7,357 respectively). Materials, spare parts and supplies of the Parent Company and the Group are held free of encumbrances.

20. TRADE RECEIVABLES, NET

	Group		Company	
	2018	2017	2018	2017
High voltage	500,373	474,808	490,875	474,808
Medium and low voltage	2,718,082	2,981,992	2,718,083	2,981,909
Customers' contributions	2,866	2,960	2,866	2,960
Other energy suppliers	192,239	125,556	-	-
	3,413,560	**3,585,316**	**3,211,824**	**3,459,677**
Unbilled revenue	-	595,770	-	595,770
	3,413,560	**4,181,086**	**3,211,824**	**4,055,447**
Provision for expected credit losses	(2,689,872)	(2,855,340)	(2,571,917)	(2,755,357)
Total	**723,688**	**1,325,746**	**639,907**	**1,300,090**

High voltage customer balances relate to (a) receivables from sales of energy to 58 companies with 91 installations (or power supplies), including large industrial companies, which are invoiced at the end of each calendar month, based on individual agreements and actual metering and (b) receivables from exports to customers abroad.

Medium voltage customers are mainly industrial and commercial companies. Billing is made on a monthly basis based on actual meter readings. Low voltage customers are mainly residential and small commercial companies. The majority of low voltage customers are billed every four months based on actual meter readings, while interim bills are issued every two months based mainly on the energy consumed during the corresponding period in the prior year.

There are different types of tariffs for both medium and low voltage customers with different tariff structures based on different types of energy use (commercial, residential, etc). On 01.01.2018 the Group and the Parent Company applying the provisions of IFRS 15, reclassified the "Unbilled revenue" to the "Contract Assets" (Note 3 & Note 21) 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 with respect to receivables from Medium and Low voltage customers, the Group and the Parent Company use credit loss provision table based on the ageing of the balances, based on the historical data of the Group and the Parent Company for credit losses, adjusted for future factors with respect to debtors and the economic environment.

The movement of the provision for expected credit losses is as follows:

	Group		Company	
	2018	2017	2018	2017
As at January 1	**2,855,340**	**2,826,231**	**2,755,357**	**2,726,495**
- Transfer part of provision to contract assets (effect of IFRS 15)	(26,867)	-	(26,867)	-
- Effect of IFRS 9	5,488	-	5,734	-
As at January 1	2,833,961	-	2,734,224	2,726,495
- Increase/(decrease) in provision	(144,089)	29,109	(162,307)	28,862
As at December 31	**2,689,872**	**2,855,340**	**2,571,917**	**2,755,357**

At December 31st, 2018 and January 1st, 2018, the ageing analysis of the invoiced trade receivables and the expected credit loss, is as follows:

Ageing analysis of the trade receivables balances (Group)

01.01.2018	Non Past due balance	< 45 days	45 – 90 days	90 – 180 days	180 – 365 days	>365 days	Total
Expected credit loss percentage	12.82%	26.39%	51.72%	75.25%	95.97%	94.87%	79.04%
Total receivables	332,537	270,794	143,170	267,950	464,394	2,106,471	3,585,316
Expected credit loss	42,647	71,475	74,050	201,630	445,681	1,998,478	2,833,961

31.12.2018	Non Past due balance	< 45 days	45 – 90 days	90 – 180 days	180 – 365 days	>365 days	Total
Expected credit loss percentage	14.21%	25.04%	52.46%	74.65%	95.16%	94.30%	78.80%
Total receivables	350,645	213,354	133,450	241,684	332,431	2,141,996	3,413,560
Expected credit loss	49,832	53,430	70,003	180,423	316,345	2,019,839	2,689,872

Ageing analysis of the trade receivables balances (Company)

01.01.2018	Non Past due balance	< 45 days	45 – 90 days	90 – 180 days	180 – 365 days	>365 days	Total
Expected credit loss percentage	12.82%	26.39%	51.72%	75.25%	95.97%	95.86%	79.03%
Total receivables	332,537	270,794	143,170	267,950	464,394	1,980,832	3,459,677
Expected credit loss	42,647	71,475	74,050	201,630	445,681	1,898,741	2,734,224

31.12.2018	Non Past due balance	< 45 days	45 – 90 days	90 – 180 days	180 – 365 days	>365 days	Total
Expected credit loss percentage	14.21%	25.04%	52.46%	74.65%	95.16%	98.02%	80.08%
Total receivables	350,645	213,354	133,450	241,684	332,431	1,940,260	3,211,824
Expected credit loss	49,832	53,430	70,003	180,423	316,345	1,901,884	2,571,917

21. CONTRACT ASSETS

	Group		Company	
	2018	2017	2018	2017
Unbilled revenue	545,868	-	548,008	-
Provision for expected credit losses	(63,526)	-	(63,526)	-
Total	**482,342**	-	**484,482**	-

Revenues from the supply of power to High, Medium and Low voltage customers during the interval from the last measurement or billing until the reporting date are accounted for as energy consumed but not yet billed (unbilled revenue). At each reporting date and taking into account that the billing which is based on measurement data of the last month of the period, is carried out in the first days of the next month with respect to High and Medium Voltage customers, the total value of energy of that month is recognized as accrued income for the period, which is reversed in the following month, after billing has already been accounted for. Additionally, at each reporting date, the Parent Company calculates the unbilled revenue from Low Voltage customers, having developed a specific calculation method. The resulting amounts are accounted for as accrued income for the periods ending until the reporting date and reversed in the next month. All accrued income from the energy consumed but not yet billed is impaired at each reporting date with provision for expected credit losses. This provision is calculated on the basis of the possibility of default for non-past due trade receivables, arising from the expected credit loss provision table.

On 01.01.2018 the Group and the Parent Company applying the provisions of IFRS 15, reclassified the "Unbilled revenue" from the “Trade Receivables” to the "Contract Assets" (Note 3 & Note 20)

The movement of the provision for expected credit losses on the value of the unbilled revenue is as follows:

	Group		Company	
	2018	2017	2018	2017
As at January 1	-	-	-	-
- Transfer part of provision for doubtful receivables (IFRS 15)	26,867	-	26,867	-
- Effect of IFRS 9	44,018		44,018	
As at January 1	**70,885**	-	**70,885**	-
- Increase/(decrease) in provision	(7,359)	-	(7,359)	-
As at December 31	**63,526**	-	**63,526**	-

22. OTHERS RECEIVABLES, NET

	Group		Company	
	2018	2017	2018	2017
Value Added Tax	69,456	90,019	65,876	89,172
Assessed taxes and penalties	27,323	31,223	40,310	37,639
Social security funds				
- in dispute	18,059	18,059	18,059	18,059
- current	3,195	3,195	3,195	3,195
State participation in employees' social security contributions	1,546	1,546	1,546	1,546
Pensioners' advances, in dispute	5,262	5,262	5,262	5,262
Loans to employees	7,357	8,905	4,495	5,886
Receivables from contractors	4,249	4,065	4,066	4,066
Receivables from PSOs	1	359,789	-	359,789
Receivables from IPTO S.A.	-	450,830	-	-
Receivables from HEDNO S.A.	-	-	886	199,687
Receivable from DAPEEP S.A. (former EMO S.A.)	22,333	87,677	22,333	87,677
Fiber optic rentals	5,548	4,556	5,548	4,556
Receivables from subsidiaries "LIGNITIKI MEGALOPOLIS" and "LIGNITIKI MELITIS"	-	-	40,885	-
Advances and prepayments	19,757	8,953	13,858	8,540
Accrued income	126,944	102,272	90,230	18,723
Other	104,630	108,104	72,439	84,605
	415,660	**1,284,455**	**388,988**	**928,402**
Provision for expected credit losses	(129,718)	(90,885)	(127,105)	(89,497)
Total	**285,942**	**1,193,570**	**261,883**	**838,905**

Assessed taxes and penalties:

The amount represents additional income taxes and penalties assessed to the Parent Company.

An amount of Euro 29,687 corresponds to a paid special consumption tax with recourse.
In the framework of an audit conducted by Audit Department of the Customs House for the period May 2010 to September 2012, an Imputation Act (Nr. 80/14/07.07.2015) of the Head of the 4th Customs Supervision Assembly of Piraeus was issued, which charged the Company with special consumption tax amounting Euro 9,790 which corresponds to self-consumption quantities for the audited period to Electricity Transmission System due to non-compliance with the terms and formalities mentioned in the Ministerial Decision (ΔΕΦΚ.5025777ΕΞ2010/17.6.2010) on the matter.

The Company paid the charged amounts and, at the same time, appealed against the aforementioned act before the Piraeus Administrative Court of Appeals, but since then compliant with the instructions of Ministry of Finance, PPC includes the self-consumption quantities of electricity in the Special Consumption Tax Statements which submits and pays with recourse the relevant tax, while simultaneously files a lawsuit.

An amount of Euro 10,555 corresponds to amounts paid, which were imposed by the regular audit from the Centre for Auditing Big Companies for the years 2009-2011
Following a regular tax audit from the Centre for Auditing Big Companies, various accounting differences were added to the Company's taxable profits for the fiscal year 2012 (reporting period 01.01.2011-31.12.2011) and an income tax plus an inaccuracy tax totaling Euro 462 was charged.

A Fine of Withholding Tax of Euro 9,855 was imposed on the ground that PPC in the same fiscal year 2012 issued false salary statements to its staff, since it did not include the employees' benefits from the supply of electricity at reduced tariffs. Finally, two fines of Euro 900.00 were imposed due to late issue of purchase invoices and Euro 500.00 due to providing incomplete data to audit. The surcharges amounted to Euro 237.

On 24.01.2018, against the aforementioned corrective acts an appeal was filed before the Dispute Resolution Division of the Independent Authority for Public Revenue. The latter did not issue a decision on the case and the Company filed an appeal before the Athens Administrative Court of Appeal on 25.06.2018. This appeal was heard on 19.01.2019 and the decision is pending.

For the amounts of Euro 29,687 and Euro 10,555 an equal provision has been established in the Financial Statements 2018.

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 (SSI i.e. Social Security Institute which is the major Greek social security fund) has been claimed by PPC.

Since the claim was not accepted by IKA, PPC resorted to the courts. Following an adverse court decision, PPC together with PPC – PIO (currently EFKA, Greek Single Social Security Institution) appealed against said decision. The court rejected PPC's appeal, whereas PPC – PIO's (currently EFKA, Greek Single Social Security Institution) appeal against IKA is still pending. For the abovementioned amount, an equal provision has been established at the attached financial statements.

Advances to Pensioners in Dispute
The amount of Euro 5,262 represents an advance payment made in 1993 to pensioners. An equal provision has been established of this amount.

State Participation in Employees' Social Security Contributions:
The amount represents the State's contribution to the social security contributions of employees who started working after January 1, 1993. For the above mentioned amount, an equal provision has been established.

The movement in the allowance for other receivables is as follows:

	Group		Company	
	2018	**2017**	**2018**	**2017**
As at January 1	**90,885**	**72,499**	**89,497**	**71,302**
- Provision charge	41,310	18,386	40,085	18,195
- Reversal of unused provision	(2,477)	-	(2,477)	-
As at December 31	**129,718**	**90,885**	**127,105**	**89,497**

23. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	Group		Company	
	2018	**2017**	**2018**	**2017**
- National Bank of Greece	8	22	8	22
- Evetam	250	241	250	241
- Euroasia Interconnector	51	51	51	51
- Attica Bank	262	1,217	157	730
Total	**571**	**1,531**	**466**	**1,044**

The balances of 31.12.2017 refer to debt securities that according to IAS 39 were classified as "Investments available for sale". On 01.01.2018, the Group and the Parent Company, using the provisions of IFRS 9, classified the above financial assets as "Measured at fair value through other comprehensive income" (Note 3). On 31.12.2018 the total change in fair value of above financial assets was recorded in "Other reserves" in Equity. (Note 27)

24. CASH AND CASH EQUIVALENTS

	Group		Company	
	2018	**2017**	**2018**	**2017**
Cash in hand	442	506	421	466
Cash at banks	122,783	133,832	88,909	71,670
Time deposits	75,351	117,258	23,000	91,000
Total	**198,576**	**251,596**	**112,330**	**163,136**

Interest earned on cash at banks and time deposits is accounted for on an accrual basis and amounted to Euro 5,237 (2017: Euro 5,841), for the continuing operations of the Group and to Euro 1,782 (2017: Euro 2,105) for the Parent Company and is included in financial income in the accompanying statements of income (Note 11). All cash and cash equivalents are denominated in Euro.

Additionally on December 31, 2018 the Group and the Parent Company kept in a pledged deposit account an amount of Euro 81,681 (2017: Euro 94,084). The amounts involved relate to (a) the pledged account kept in NBG in favor of the European Investment Bank (EIB) in order to cover existing financing lines and (b) the pledged account for a pledged deposit in favor of the Consortium of Banks for financing the project of Ptolemaida V. From the above amount, €1,976 is not related to loan agreements.

25. SHARE CAPITAL

Under Law 2773/1999 and P.D. 333/2000 PPC was transformed, into a société anonyme.
By the Legislative Act of 07.09.2012, which was ratified by art. 2 of L. 4092/2012, the obligatory participation of the Greek State with at least 51% of the company's share capital was abolished. The Extraordinary General Shareholders' Meeting, which was convened on November 30th, 2012 decided to abolish the article of incorporation which provided for the participation of the Greek State by at least 51% to the company's share capital. This amendment of the Articles of Incorporation on one hand harmonizes the articles with the legislation in effect, and on the other hand renders possible the reduction of the current participation percentage of the Greek State to the company's share capital.

At December 31st, 2016, PPC's share capital (fully authorised and issued) amounted to Euro 1,067,200 divided into 232,000,000 common shares of Euro four and sixty cents (Euro 4.60) per value each.

The Extraordinary General Shareholders' Meeting with its decision on 17.01.2017 and in the context of the distribution to the existing PPC's shareholders of the shares held by PPC in the "Holding Company ENERGIAKI S.A."(ENERGIAKI HOLDING S.A., and then ADMIE HOLDING) according to Law 4389/2016 (carve out), approved (a) the decrease of PPC's share capital by Euro 491,840 "with the purpose of the distribution in Kind to its shareholders" and (b) as a consequence of the above mentioned distribution in Kind, the transfer to its existing shareholders of the shares held by PPC in the "ENERGIAKI HOLDING S.A." in proportion to their participation in PPC's share capital.
This decrease achieved by means of decreasing the nominal value of the PPC's shares from Euro four and sixty cents (Euro 4.60) per value each to Euro two and forty-eight cents (Euro 2.48).

After this decrease, on 31.12.2017 PPC's share capital amounts to Euro 575,360 divided into 232,000,000 common shares of Euro two and forty-eight cents (Euro 2.48) per value each.

On March 20th, 2018, the automatic and free of charge transfer of 79,165,114 PPC's shares (34.123%) by the Greek State to Hellenic Corporation of Assets and Participations S.A. (HCAP) was completed, in implementing the provisions of par. 20 of Article 380 of L.4512 / 2018, as amended the paragraph 1 of Article 197 of Law 4389/2016.
It is noted that, following the above change, HCAP S.A. holds directly the 34,123% of PPC's shares and indirectly the 17% through HRADF. The total percentage of voting rights of HCAP S.A. is 51.123%.
The total percentage of the Greek State, remains indirectly as above 51.123%.

26. 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.

27. OTHER RESERVES

	Group		Company	
	2018	2017	2018	2017
Tax free	7,362	7,362	7,362	7,362
Specially taxed reserves	95,597	95,597	95,597	95,597
Actuarial losses of personnel benefits	(94,929)	(144,223)	(47,305)	(81,712)
Financial assets measured at fair value through total comprehensive income (Note 23)	6,634	7,405	(263)	155
Foreign exchange differences	(738)	(489)	-	-
Total	**13,926**	**(34,339)**	**55,391**	**21,402**

28. 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, in which shareholders representing half (1/2) of the paid-up capital are present or represented thereat, and obtained by 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. 4172/2013, the distributable earnings approved by the General Meetings are subject to a withholding tax of 15% since 01.01.2017. Following the latest amendment of tax law, the withholding tax is reduced to 10% since 01/01/2019.

Given that the fiscal year 2018 was closed at a loss, there is no mandatory the distributing of the minimum dividend, in accordance with article 161 of Law 4548/2018, as in force.

29. LONG-TERM BORROWING

	Group		Company	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Bank Loans	1,819,182	1,989,864	1,819,182	1,989,864
Bonds Payable	2,158,026	2,284,611	2,158,036	2,284,621
Unamortized portion of loan issuance fees	(71,945)	(35,243)	(71,945)	(35,243)
Total Long-Term Borrowing	**3,905,263**	**4,239,232**	**3,905,273**	**4,239,242**
Less current portion:				
- Bank Loans	223,182	190,682	223,182	190,682
- Bonds Payable	502,546	322,106	502,556	322,106
Unamortized portion of loan issuance fees	(10,971)	(12,410)	(10,971)	(12,410)
Total Short-Term portion of loans and borrowings	**714,757**	**500,378**	**714,767**	**500,378**
Total long term portion of loans and borrowings	**3,190,506**	**3,738,854**	**3,190,506**	**3,738,864**

It is noted that in the above table the short-term borrowing of Note 36 is ignored.

During 2018, the Parent Company proceeded to debt repayments amounting to Euro 570.06 mil. including the A Series of an International Bond issued in 2014 with a coupon of 5.5% and maturity in 2019, amounting to Euro 150 mil., as the Parent Company exercised its relative right at the price of 101.375%

From January 1st 2018 to December 31st 2018, the Parent Company has drawn a total amount of Euro 252.8 million from a Bond Loan of Euro 739 million to finance part of the construction cost of the new Lignite Unit “Ptolemaida V” with a consortium of foreign banks, supported by the German Export Credit Insurance Organization “Euler Hermes”.

A loan amounting to Euro 15 million, in the form of a Revolving Credit Facility–RCF, expiring on 2/2018, was extended by one year, ie 2/2019.

In June 2018, the Parent Company signed a second € 45 million loan agreement with the European Investment Bank (EIB) under a total funding of € 85 million. The EIB will finance 50% of the investments to support and modernize the Distribution Network of mainland and island Greece and the better provision of renewable energy from the national network (PPC High Voltage Substations & Smart Metering). In July 2018, the Parent Company obtained € 20 million from the European Investment Bank for the “PPC High Voltage Substations & Smart Metering” project from the above total funding line of € 85 million, guaranteed by the Hellenic Government.

In July 2018, as part of its active liquidity management, the Parent Company proceeded to a Bonds repurchase for the re-allocation of EUR 125 million in September 2018 from the Secured Joint Bond Loan with Greek Banks amounting to Euro 175 million, achieving a reduction in financial costs.

In October 2018, the Parent Company signed 2 Loan Agreements with a Consortium of Greek Banks to refinance two existing syndicated loans of Euro 1.1 billion and Euro 175 million. With this refinancing, the Parent Company achieves a significant prolongation of its loan obligations and strengthens its capital structure.

It is noted that the Parent Company has also agreed with the aforementioned Consortium for the provision of a new financing line of Euro 200 million, which can be used to repay its international bond maturiting in 2019.

The Parent Company monitors opportunities to access international capital markets. Consultants have been authorized to investigate such opportunities, including the issue of a Bond Loan of expected amount between Euro 300 and 400 million and an expected duration of 5 years, depending on the prevailing circumstances.

In September 2018, the European Investment Bank approved a new line of funding of € 255 million for investments in the period 2017-2020 aiming at the modernization and strengthening of the Distribution Network in mainland and island Greece.

In September 2018, PPC Renewables SA signed a bond covering agreement for an amount of up to € 17.5 million, effectively secured.
The Bond loan is complementary to the loan of up to € 85 million, which PPC Renewables SA has signed with the European Investment Bank and concerns the financing of 18 RES projects (wind and hydroelectric), of total power 87MW. Of these, 12 are old and rebuilt from the beginning, and the rest 6 are new projects. The decommissioning of old wind farms has almost been completed and installation works for new wind turbines are in progress.

This financing promotes the implementation of PPC Group's investment plan, aiming at increasing the production of electricity from RES. With the completion of the above projects, the PPC Group at the end of 2019 will have increased its installed capacity in RES projects by 37%.

In November 2018, the Parent Company approved the extension of the duration of a Bond Loan amounting to Euro 42.7 million, from the EIB that is used by EIB as a trust cover.

In the category "Bonds Payable" in the above table, the amount of Euro 439.7 is included which concerns the partial financing of the construction of the new lignite –powered unit “PTOLEMAIDA V” and which is registered in the category "Project Financing" of Floating Rate of the following table.

The total interest expense on total debt for the period ended December 31, 2018, is included in financial expenses in the accompanying statements of income (Note 10).

A further analysis of the long term borrowings of the Group and the Parent Company is presented in the table below:

	Group		Company	
	2018	**2017**	**2018**	**2017**
Bank loans and bonds				
- Fixed rate	349,800	499,800	349,810	499,810
- Floating rate	1,368,477	1,597,856	1,368,477	1,597,856
European Investment Bank				
- Fixed rate	1,559,182	1,719,030	1,559,182	1,719,030
- Floating rate	260,000	270,834	260,000	270,834
Project Financing				
- Fixed rate		-		-
- Floating rate	439,749	186,955	439,749	186,955
Total	**3,977,208**	**4,274,475**	**3,977,218**	**4,274,485**

Long-term borrowings represent unsecured liabilities of the Parent Company (excluding services of collateral in the form of pledged deposits provided by the Parent Company, totalling Euro 81.6 mil. on December 31st 2018).

It is noted that in the above analysis the unamortized expenditures of loans are not included, that according to IFRS reduces them.

The Syndicated Secured Common Bond Loan with Greek Banks amounting to Euro 175 million, maturing 2021, bears securing through pledge of PPC's business receivables from corporate customers’ contracts, totaling 250 mil.

Certain loan agreements, with an outstanding balance of Euro 1,700.5 mil. on December 31st, 2018, for the Parent Company, include financial covenants, the non-compliance of which may lead to an event of default.

For the provision of a guarantee by the Greek State in favor of PPC S.A. to all loans with the European Investment Bank, the Parent Company pays a guarantee commission to the Greek State.

The annual principal payments of the long-term borrowings required to be made subsequent to December 31st 2018 are as follows:

	Group		Company	
	2018	**2017**	**2018**	**2017**
Within one year	772,212	542,788	755,738	542,788
In the second year	362,432	2,009,729	362,432	2,009,729
Between three and five years	1,929,706	710,757	1,929,706	710,757
After five years	959,342	1,041,201	959,342	1,041,201
Total	**4,023,692**	**4,304,475**	**4,007,218**	**4,304,475**

In the above debt redemption program, an amount of Euro 42.7 is included which concerns specific purpose financing for using it as collateral for existing financing lines, and for which the Parent Company keeps an equal amount in a pledged deposit account (Note 24).

Credit rating of PPC from rating agencies
On December 31st 2018, PPC’s credit rating from S&P and ICAP credit houses is set “CCC+“ with positive outlook and “F” respectively.

30. EMPLOYEE BENEFITS

a) SUPPLY OF ELECTRICITY AT REDUCED TARIFFS

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

Net costs for the period are included in the payroll cost in the accompanying income statement consisting of the present value of the benefits earned in the year, interest cost on the benefit obligation, as well as prior service cost. The actuarial gains or losses are now recognized in other comprehensive income (OCI) based on the revised IAS 19 (effective from 2013). Retirement benefit obligations are not funded. Results of the actuarial study for the years December 31st 2018 and 2017, are as follows:

	Group		Company	
	2018	2017	2018	2017
Change in benefit obligation				
Liability at beginning of year	405,920	446,312	255,805	280,623
Discontinuing Operations	(11,060)	-	(11,060)	-
Current Service cost	4,015	4,620	2,535	3,041
Interest cost	6,713	8,033	4,161	5,051
Actuarial (gains)/losses	(55,375)	(35,142)	(34,407)	(21,967)
Benefits utilised	(15,698)	(17,903)	(9,707)	(10,943)
Liability, end of the year	**334,515**	**405,920**	**207,327**	**255,805**
Components of net service cost				
Current Service cost	4,015	4,620	2,535	3,041
Interest cost	6,713	8,033	4,161	5,051
Continuing Operations	10,728	12,653	6,696	8,092
Discontinuing Operations	574	-	574	-
Total	**11,302**	**12,653**	**7,270**	**8,092**
Statement of Comprehensive income				
Cumulative amount, beginning of year	203,131	238,273	115,088	137,055
Actuarial (gains)/losses	(55,375)	(35,142)	(34,407)	(21,967)
Cumulative amount , end of year	147,756	203,131	80,681	115,088

Assumption values, Actuarial Study (Continuing and Discontinuing Operations)

Valuation date	Discount rate	Tariff increases	Profit margin	Expectancy of future services
31/12/2018	1.60%	2019: 2.0% 2020: 0.0% 2021: 0.1%	2019: (0.8)% 2020: 9.6% 2021+: 11.3%	9.94
31/12/2017	1.70%	2018: 0% 2019: 0% 2020: 0% 2021: 0% 2022+: 0%	2018: (2.2)% 2019: 6.0% 2020: 6.0% 2021+: 6.0%	10.54

Sensitivity disclosures (Continuing and Discontinuing Operations)

	Actuarial liability	Percentage change
Increase in discount rate by 0.5%	319,858	(6.85)%
Decrease in discount rate by 0.5%	357,781	4.19%
Anticipated tariff increase rate by 1% for all years	412,176	20.03%
Anticipated tariff increase rate by 1% for 2018 - 2021	349,437	1.76%

b) PROVISION FOR SEVERANCE PAY

Pursuant to the provision of article 25 of Law 4491/66 "On the Insurance of PPC Staff", insured employees concluding their service on PPC who are entitled to pension, are paid an one-off aid, in proportion to the years of their actual service to PPC , which, according to the express provision of paragraph 3 of the same article, is offset against any compensation paid due to the termination of the contract of employment or reach of the age limit or another reason for leaving, according to the law.

Moreover, in the Personell Code of PPC, ratified by Article 2 of Law 210/1974 which is in force, and in particular Articles 34, 35, 36 and 37 thereof, it is stipulated that for the regular personnel of the Company, having for whatever reason their contract terminated (automatically or on termination of a contract of employment), compensation allowance is not due if they are entitled to a lump sum benefit from their insurance institution. If the lump sum benefit is less than the allowance, only the difference between the allowance and the lump sum is paid.

In any case, and when an employer is, in accordance with Article 2 § 1 of Law 173/1967, "The Greek Government or a Public Entity or Utility (PPC, OTE etc) "the severance pay of Law 2112/1920 which would be paid, if this was not the case, at the point of employees' withdrawal in any way from the Company, in subject to the aforementioned limitations that in accordance with article 33 of Law 1876/1990, as amended by the provisions of Article 21 § 13 of Law 3144/2003, is currently set at the amount of fifteen thousands (15,000) euros'.
By virtue of Law 4533/2018 (OG A 7527/4/2018) the provision of paragraph 3 of Article 25 of Law 4491/1966 (OG A'1) was abolished as well as any other general or specific provision of law or regulation providing for the offsetting of the severance allowance of the employees with the lump-sum allowance to which they are entitled by their insurers.

Therefore, PPC and its subsidiaries will henceforth pay severance, which may not exceed Euro 15 (fifteen thousand Euro) to the insured employees who leave due to termination of their employment contract or reach the age limit, or any other reason the law provides.

This 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 upon the entry into force of the aforementioned law (through which the obligation to pay severance is triggered), calculated using actuarial methods, is a past service cost for a service provided in prior periods and incurred entirely in the income statement for the second quarter of 2018. Furthermore, the above obligation has been updated by date 31/12/2018 using the same actuarial methods.

The actuarial study results for the calculation of the severance liability for the year ended December 31st 2018 are as follows:

	Group		Company	
	2018	2017	2018	2017
Changes in the Present Value of the Liability				
Liability, start of the period	-	-	-	-
Discontinued Operations	-	-	-	-
Current Service Cost	148,804	-	90,670	-
Financial Cost	-	-	-	-
Actuarial (Profit)/Loss	-	-	-	-
- Benefits Provided	-	-	-	-
Liability, period end	**148,804**	**-**	**90,670**	**-**
Components through Profit or Loss				
Current Service Cost	148,804	-	90,670	-
Financial Cost	-	-	-	-
Continuing Operations	**148,804**	**-**	**90,670**	**-**
Discontinued Operations	15,543	-	14,964	-
Total	**167,347**	**-**	**105,634**	**-**

Assumptions in the Actuarial Study (Continuing and Discontinued operations)

Valuation date	Discount Rate	Salary Increase	Inflation	Resignations	Future Service Expectancy
31/12/2018	1.6%	2.0%	2.0%	0%	11.24

Sensitivity Analysis (Continuing and Discontinued Operations)

	Actuarial Liability	Percentage change
Increase in the discount rate by 0.5%	157,913	(4)%
Decrease in the discount rate by 0.5%	171,266	4%
Increase in the expected salary increase by 0.5%	165,480	1%
Decrease in the expected salary increase by 0.5%	163,078	(1)%

In addition to the aforementioned benefits, the subsidiary PPC Renewables SA has recognized a provision of Euro 82 for severance of its directly recruited staff (2017: Euro 79).

31. PROVISIONS

	Group		Company	
	2018	2017	2018	2017
Litigation with employees / third parties (Note 39)	297,544	192,324	262,704	154,801
Mines' land restoration	27,662	28,530	27,662	28,530
PPC-PIO fixed assets	2,400	2,400	2,400	2,400
Other	698	1,296	-	-
Total	**328,304**	**224,550**	**292,766**	**185,731**

During the year ended December 31st, 2018, the Group from continuing operations established an additional provision for litigation with employees and third parties by Euro 105,220 (2017: additional provision of Euro 41,965). In parallel during the year ended December 31, 2018 the Parent Company proceeded to an additional provision for litigation with employees and third parties of Euro 107,903 (2017: additional provision Euro 40,466).

The movement of the provisions for mines' restoration has as follows:

	Group		Company	
	2018	2017	2018	2017
Balance at beginning of the year	**28,530**	**24,991**	**28,530**	**24,991**
- Change in future outflows(fixed assets)	451	4,866	451	4,866
- Reversal of unused provision	(2,703)	(2,344)	(2,703)	(2,344)
- Finance cost (Note 10)	1,384	1,017	1,384	1,017
Balance at the end of the year	**27,662**	**28,530**	**27,662**	**28,530**

32. SUBSIDIES

GROUP		Subsidies
Net book value	**December 31, 2016**	**223,042**
- Transfer to revenues		(12,683)
- Discontinued Operation		(1,640)
	December 31, 2017	**208,719**
- Transfer to revenues (Note 8)		(12,466)
- Discontinued Operation		(16,150)
- Transfer to revenues due to cancellation of projects (Sykia-Peukofito)		(7,863)
	December 31, 2018	**172,240**

PARENT COMPANY		Subsidies
Net book value	**December 31, 2016**	**218,736**
- Transfer to revenues		(12,486)
- Discontinued Operation		(1,640)
	December 31, 2017	**204,610**
- Transfer to revenues (Note 8)		(12,269)
- Discontinued Operation		(7,863)
- Transfer to revenues due to cancellation of projects (Sykia-Peukofito)		(15,724)
	December 31, 2018	**168,754**

33. LONG-TERM CONTRACT LIABILITIES

As stated in Note 3, the Group and the Parent Company proceeded on January 1st 2018 under the provisions of IFRS 15 to reclassify Consumers' Contributions and Customers' Advances for Energy Consumption to Long-Term Contract Liabilities. In the following table the corresponding funds are presented analytically, as well as the balance on December 31st 2018 of the Long-Term Contract Liabilities.

	Group	Parent Company
Balance on 31.12.2017	-	-
IFRS 15 effect on 01.01.2018		
Customers' Contributions (Note 3)	1,906,098	1,906,098
Customers' Advances for Energy Consumption (Note 3)	514,829	514,829
Balance on 01.01.2018	**2,420,927**	**2,420,927**
Customers' Contributions received (Note 3)	**63,332**	**63,332**
Transfer to revenues (Note 3)	(85,167)	(85,167)
Accrued Customers' Advances for Energy Consumption	(22,968)	(22,968)
Balance on 31.12.2018	**2,376,124**	**2,376,124**

34. OTHER NON – CURRENT LIABILITIES

	Group		Company	
	2018	2017	2018	2017
Customers' advances	-	518,284	-	514,829
Other	8,677	2,891	39	38
Total	**8,677**	**521,175**	**39**	**514,867**

Until December 31st 2017 the amount of customers' advances related to their initial connection to the transmission and/or distribution networks was considered as coverage against unbilled consumption outstanding as of any time. From 01.01.2018 the Group and the Parent Company applying the provisions of IFRS 15 reclassified those customers' advances against electricity consumption to "Long-term Contract Liabilities" (Note 3 & Note 33).

35. TRADE AND OTHER PAYABLES

	Group		Company	
	2018	2017	2018	2017
Trade Payables:				
Suppliers and contractors	574,777	684,330	303,946	458,494
Municipalities' duties	152,752	151,605	152,752	151,605
Social security funds, other	30,301	44,528	18,443	21,911
Greek TV	31,528	31,565	31,528	31,565
Taxes withheld	30,198	32,015	16,490	19,811
Excise Tax	8,899	9,304	8,899	9,304
Credit customers' balances	59,500	62,481	59,500	62,481
IPTO S.A.	478,256	1,019,519	478,256	1,016,977
HEDNO S.A.	1,896	-	235,846	591
Bank of Crete	12,053	12,053	12,053	12,053
Lignite Levy	139,129	116,965	139,129	116,965
HenEx	53,714	-	53,709	-
Other	70,974	27,369	10,944	8,771
Total	**1,643,977**	**2,191,734**	**1,521,495**	**1,910,528**

36.SHORT-TERM BORROWINGS

	Group		Company	
	2018	2017	2018	2017
Binding overdraft facilities				
- Credit lines available	46,483	30,000	30,000	30,000
- Unused portion	-	-	-	-
- Used portion	46,483	30,000	30,000	30,000

37. SHORT-TERM CONTRACT LIABILITIES

On January 1st 2018, the Group and the Parent Company proceeded on the basis of the provisions of IFRS 15 to reclassify the received advances from NOME futures auctions from the "Accruals and Other Liabilities" to "Short-term Contract Liabilities" (Note 3).

On July 2nd 2018 the State Treasury Account paid to PPC SA the amount of Euro 538,300. This amount will be gradually offset with electricity bills of General Government entities until April 30th 2019.

In the following table the corresponding amounts are shown in detail, as well as their balance on December 31st 2018 of the Short-term Contract Liabilities.

	Group	Parent Company
Balance on 31.12.2017	-	-
IFRS 15 effect on 01.01.2018	-	-
Received advances from NOME futures auctions (Note 3)	11,644	11,644
Balanced on 01.01.2018	**11,644**	**11,644**
Received advances from NOME futures auctions during the year	55,566	55,566
Received advance from the Greek State against the consumption of its operators	538,300	538,300
Proportional Transfer to retained earnings of Received advances from NOME (Note 3)	(48,938)	(48,938)
Decrease in the value of advances from the Greek State against the consumption of its operators	(339,879)	(339,879)
Balance on 31.12.2018	**216,693**	**216,693**

It is also noted that on March 12 2018 the State Treasury Account paid to PPC SA the amount of Euro 550,700. This amount will be gradually offset with electricity bills of General Government entities until April 30th 2020.

38. ACCRUED AND OTHER CURRENT LIABILITIES

	Group		Company	
	2018	2017	2018	2017
Accrued interest on loans and borrowings	25,967	16,939	25,967	16,939
Natural gas and liquid fuel purchases	64,089	27,204	64,089	27,204
Energy purchases	718	256	-	-
Personnel day off and overtime	68,079	78,603	43,499	51,565
RAE fees	10,420	6,950	10,420	6,950
Purchase of Emission Allowances	383,658	126,920	383,658	126,920
Discounts on Medium voltage customers	4,500	4,500	4,500	4,500
IPTO S.A.	53,470	77,748	53,470	77,748
HEDNO S.A.	-	-	37,583	-
Variable Margin	149,801	-	149,801	-
Other	26,576	96,108	12,326	69,481
Total	**787,278**	**435,228**	**785,313**	**381,307**

39. COMMITMENTS, CONTINGENCIES AND LITIGATION

Ownership of Property

Major matters relating to the ownership of the Group's assets, are as follows:

1. The Parent Company has completed the registration of its property. These assets (almost entirely) are registered at the relevant land registries over the country and the cadastral application is monitored. The update of the existent in the company new integrated information system for fixed assets management is in progress.
2. In a number of cases, expropriated land, as presented in the expropriation statements, differs (in quantitative terms), with what the Parent Company considers as its property.
3. Agricultural land acquired by the Parent Company through expropriation in order to be used for the construction of hydroelectric power plants, must be transferred to the State at no charge, following a decision of the Parent Company's Board of Directors and a related approval by the Ministry of Development, if such land is no longer needed by the Parent Company for the fulfilment of its purposes according to article 9, of Law 2941/01.
4. According to article 15 of Law 4273/14 (O.G./A/146), the compulsory expropriation of real estate in areas where exclusive research and exploitation rights have been granted to PPC SA, are declared in favor of the Greek State with expenses of the applicant who declared the expropriation. Following the completion of expropriation, the aforementioned areas are transferred to the Greek State's ownership and PPC (which pays the compensations) uses them for the mining of lignite deposit.

The property, plant and equipment of the Group are located all over Greece. The Group does not carry any form of insurance coverage on its fixed assets in operation (except for its information technology equipment), resulting to the fact that if a sizable damage is incurred to its property, it might affect its profitability. Materials, spare parts as well as liabilities against third parties are not insured.

LITIGATION AND CLAIMS

The Group is a defendant in several legal proceedings arising from its operations. The total amount claimed as at December 31st 2018, amounts to Euro 1,494 mil. as further detailed below:

1. **Claims with contractors, suppliers and other claims:**
   A number of contractors and suppliers have raised claims against the Group. These claims are either pending before courts or under arbitration and mediation proceedings. The total amount involved is Euro 389 mil. In most cases the Group has raised counter claims, which are not reflected in the accounting records, until the time of collection.

2. **Fire incidents and floods:**
   A number of individuals have raised claims against the Group for damages incurred as a result of alleged electricity-generated fires and floods. The total amount involved is Euro 46 mil.

3. **Claims by employees:**
   Employees are claiming the amount of Euro 197 mil., for allowances and other benefits that according to the employees should have been paid by PPC.

4. **General Federation of PPC Personnel (GENOP DEI/KHE) and PanHellenic Federation of Retirees' (POS DEI) lawsuit against PPC GENOP DEI/KHE and POS DEI filed a lawsuit against PPC.**
   By the above mentioned lawsuit they pursue that PPC will be obliged to pay to the insurance funds of IKA – ETAM and TAYTEKO (EFKA at present) the amount of Euro 634.8 mil. plus interest, for the coverage of the resource, which according to the lawsuit, the State did not pay to the above mentioned insurance funds for the years 2010 and 2011. For the above mentioned lawsuit, the decision of the Multimember Court of First Instance in Athens (Nr. 164/2018) was issued in 2018 and rejects the lawsuit. According to the IJMS (Integrated Judicial Management System) no appeal has been made against this decision.

5. **PPC's lawsuit against ETAA (former TSMEDE)**
   ETAA (former TSMEDE) by its Decision 7/2012 has imposed on PPC the amount of Euro 27.4 mil. in application of article 4 of L. 3518/2006, as employer contributions due to the Main pension Branch for the period January 1st 2007–April 30th 2012 and pertaining to the engineers insured before January 1st 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 September 5th 2012 appeal to the Athens Administrative Court of First Instance. The discussion of the appeal took place on November 11th 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. Since its employees – who are engineers- are insured mandatorily to PPC's Insurance Fund based on L. 4491/1966, thus resulting to PPC paying on their behalf to the above mentioned Insurance Fund the corresponding employer contributions while insurance for the above mentioned engineers in ETAA is optional and is done by choice, with them paying the corresponding insurance contributions provided for engineers that are independently employed, the Parent Company considers that the possibilities of a negative outcome of its appeal are minimal and therefore has not established a provision.

6. **Lawsuits of IPTO against PPC.**
   In February 2015 IPTO filed two lawsuits against PPC, for a total amount of Euro 540 mil. for amounts due to the Parent Company's participation in the wholesale electricity market.

In particular:

- By its first lawsuit IPTO is asking for an amount of Euro 242.7 mil. (with interest) for amounts due which the Parent Company collects from supply bills and conveys to IPTO, that in turn conveys them to EMO. The interest for the above mentioned sums amounts to Euro 22 mil.
- By its second lawsuit, IPTO is asking for the payment of Euro 232.6 mil. (with interest) for amounts due which the Parent Company collects from supply bills and conveys to IPTO. The interest for the above mentioned sums amounts to Euro 40 mil.
  The hearing of these lawsuits took place in February 28th 2019 before the Multimember Court of First Instance and its decision is pending.

The Parent Company has served an extrajudicial document inviting IPTO to pay a total amount of Euro 14 mil. The above mentioned amount corresponds to overdue interest of invoices which incorporate debts to PPC from March 2012 until the February 2nd 2015. IPTO, up to this date, has not answered to this extrajudicial document.

In December 2016, IPTO filed against PPC a new lawsuit by which IPTO asks the Parent Company to be obliged to pay an amount of Euro 406.4 mil. (with interest) for overdue receivables arising from the Company's participation in the wholesale electricity market and refer to specific non-competitive charges of IPTO΄s invoices. Moreover, IPTO asks the Parent Company to be obliged to pay an amount of Euro 59 mil. corresponding to interest litigation plus the relevant stamp duty. In this lawsuit, the Company submitted proposals within the given time limit and a decision is pending.

The above capital sums of the lawsuits have been paid and in any case are recorded in the Company's liabilities, so there is no reason to establish a provision.
On November 29th 2018, IPTO S.A. served an extrajudicial document to PPC S.A. with which IPTO S.A. asks the Parent Company:

- to repay debts of Euro 495.3 mil. from PPC's participation in the wholesale electricity market for the period January 2018 to August 2018, which have become overdue, plus overdue interest amounting to Euro 8.8 mil.
- to pay overdue interest amounting to Euro 83.4 mil, arising from the overdue payment of the Parent Company's debts from its participation in the wholesale electricity market for the period August 2016 to September 2018.

7. **Lawsuit of former EMO against PPC and counter-claims.**
   In December 2017, EMO sent to PPC two new "Information Notes on the allocation of the monthly deficits of the Day Ahead Schedule (DAS)", totaling Euro 833 th.. With the attached letters, EMO claimed that its two new claims arose from the second settlement of the Deficit in 2011 and 2012. PPC sent the two invoices to EMO, expressly contesting the legality and methodology of calculating those retroactive charges and EMO returned them by attaching them to its letter of Nr. 301/16-1-2018. Following this, on March 5th 2018, PPC filed before Multimember Court of First Instance in Athens its lawsuit against EMO, requesting a declaration that does not owe the above-mentioned amount of Euro 833 th. and EMO to be condemned to pay an amount of Euro 50 th. as compensation due to PPC's moral damage. On March 5th 2018 EMO filed its counterclaim, asking PPC to be condemned to pay the above total amount of Euro 833 th., plus interest from January 23rd 2018. The two lawsuits will be heard together before Multimember Court of First Instance in Athens and the hearing of the two lawsuits has not yet been scheduled. The Parent Company has formed an adequate provision.

For the above amounts, the Group and the Parent Company have established provision which as of December 31th 2018 amounted to Euro 298 mil. and Euro 263 mil., respectively (2017: Group: Euro 192 mil. and Parent Company: Euro 154 mil.), which is considered adequate for the expected losses arising from the final judgment.

Alleged claims of former EMO (LAGIE), against PPC S.A.
Implementation of methodology for the payments allocation due to deficits of the Day Ahead Schedule (DAS)

Due to the deficits created by the suppliers ENERGA POWER TRADING S.A. and HELLAS POWER S.A. during 2011 and 2012, RAE's Decision 285/2013 was issued and according to this (and to Power Exchange Code for Electricity) EMO sent a letter to PPC, according to which an amount of Euro 96.6 mil. is allocated to PPC after a temporary settlement, based on the methodology by RAE regarding the fair allocation of deficits in the Day Ahead Schedule (DAS) between electricity suppliers participating in DAS.

Following the State Council's rejected decision 1761/2016, to which PPC had filed, EMO in November 2016 sent an "Information Note on the allocation of the monthly deficits of the Day Ahead Schedule (DAS)", which allocated to PPC, after a final settlement according to Article 61 of the Power Exchange Code for Electricity, a total amount of Euro 126 mil. Subtracting the already paid amount of Euro 48.3 mil, PPC's final debt amounts to Euro 78 mil..

Following the above mentioned EMO's Information Notes, PPC's BoD with its decision 146/21.12.2016, approved the repayment of the debt as follows: an one-off payment of Euro 6.2 mil. and the payment of the residual amount of Euro 71.8 mil., in twelve (12) equal monthly interest-free installments starting from January 1st 2017. The abovementioned BoD's decision was fully implemented and within 2017 the debt was repaid.

Although EMO explicitly accepted the proposed debt settlement, on December 23rd 2016 filed a lawsuit against PPC asking approximately the amount of Euro 78 mil, plus interest, which is the residual amount that PPC owes as a registered Load Representative from the DAS settlement and from the State Council's decision 1761/2016, including also the amounts of Euro 746 th. and Euro 17 th. that PPC owes to EMO as Last Resort Supplier and as Universal Service Supplier respectively.

PPC filed on February 20th 2017 a counter lawsuit claiming EMO to be ordered to pay the amount of Euro 126 mil. as compensation for PPC's equivalent material damage and also to pay an amount of Euro 100,000.00 as compensation for PPC's moral damage. On November 9th 2017, the two above mentioned lawsuits were discussed before the Multimember Court of First Instance in Athens which issued the decision 4810/2018. With this decision, on the one hand the EMO's lawsuit was accepted and on the other hand the PPC's counterclaim was rejected. An appeal against the final decision of the Multimember Court of First Instance in Athens is examined by PPC.

Lawsuit of former EMO against HEDNO
On June 19th 2017, HEDNO S.A. served a notice to PPC on EMO's lawsuit against HEDNO S.A. With this notice HEDNO S.A. asks PPC S.A. to intervene in favor of HEDNO S.A. in the trial in which EMO claims from HEDNO S.A. debts from invoices. In particular, EMO S.A. with its lawsuit claims amounts with interest from partially paid and unpaid invoices which incorporate receivables from the RES Special Account in the Non-Interconnected Islands (mainly debts from ETMEAR, PVs on rooftops, RES Generation in the Non-Interconnected Islands and balancing of the Special Account in the Non-Interconnected Islands). The claim from EMO's part amounts to approximately Euro 140 mil. while interest due for late payment amounts to Euro 3.9 mil. On September 11th 2017, PPC participated in this trial by submitting proposals and by adding a rebuttal to the set dates. A decision is pending.

Corrective settlements of IPTO, concerning the Special Account of art. 143, of Law 4001/2011
According to L.4152/2013, RES energy purchases in the Interconnected System are disbursed through the market operation, on the higher amount of either their income from DAS plus Imbalance settlements or the value of energy they inject to the system multiplied by the weighted average variable cost of the conventional thermal power plants. This amendment started being applied from August 14th 2013, when RAE's Decision 366/2013 was published in the OG, amending the relevant articles of the Power Exchange Code and specifying the methodology of calculations, with which the provision of the law was implemented. In October 2013, IPTO sent to PPC S.A. corrective clearing statements for May, June, July and part of August of 2013, totaling to an amount of Euro 48.2 mil., which was derived from the retrospective application of the relevant methodology. PPC's lawsuit against IPTO for the invoices in question was accepted by the Multimember Court of First Instance in Athens (Decision 2260/2016) and is considered that PPC does not have to pay the invoices issued totaling Euro 54.4 mil., which incorporate claims for the weighted average variable cost of the conventional thermal power plants for months May to August 2013. IPTO has filed an appeal but has not been formally served on PPC.

Old Bank of Crete
The dispute with the old "Bank of Crete" is dating back to 1989, when the bank was under liquidation. More precisely, by a mandatory action of the then trustee of the Bank, PPC's deposits were mandatorily converted to stake-holding in the share capital of the Bank and to obligatory credit to the Bank. PPC by its July 22nd, 1991 lawsuit against the bank asked to be compensated for GRD 2.2 billion approximately, (Euro 6.5 mil.) for the reason that the above mentioned Act of the trustee of the Bank was held invalid.
Moreover, PPC had outstanding loan balances, received under six (6) loan agreements for which it was agreed upon to be repaid gradually through installments. On June 10, 1991, although PPC has paid the overdue installments, the Bank has terminated all of the above mentioned loan agreements and thus on that date the claim against PPC became overdue for the whole amount of the loans. For that reason, against PPC's above mentioned lawsuit, the Bank has proposed an offset of its claim resulting by the above mentioned loans, amounting to GRD 4 bil. approximately, and furthermore has asked the payment of this amount by PPC by its lawsuit dated 28.12.1995.
The Court of First Instance postponed the hearing of the Bank's lawsuit against PPC until the final outcome of the hearing, which started with PPC's lawsuit against the Bank.

PPC's lawsuit against the Bank was rejected by the Court of First Instance and PPC appealed against the said Decision of the Court which was also rejected by the Appeal Court. The above mentioned decision was brought to review by PPC before the Supreme Court, which accepted it and in consequence the case was again brought to trial before the Court of Appeals, which ordered that an expert report should take place. After the said expert report the Court's decision was held partially in PPC's favor (Court of Appeals decision 2005).However, a petition for review before the Supreme Court was filed against the aforementioned Decision which was then accepted by the Supreme Court and then was resubmitted to the Court of Appeals which by its inconclusive decision (Nr 4093/2009) ordered the completion of the expert report.

The official expert report was completed at the end of May 2012. The hearing of the case would have taken place on October 25th, 2012, but it was postponed for September 26th, 2013, due to the strike of both judges and lawyers. The case was heard on the latter date.

Decision 3680/2014 of the Athens Court of Appeals was issued, which only partially accepts PPC's lawsuit while essentially accepting the results of the ordered by the Court above mentioned official expert report, as following: a) the amount due by the Bank of Crete to PPC at the time of the filing of the lawsuit by PPC on 22.07.1991 amounted to GRD 1,268,027,987 and b) The amount due by PPC to the Bank of Crete on 01.07.1991 due to the loan amounts becoming overdue by the Bank and after the suggested by the Bank set off of its counterclaim against the above-mentioned PPC's claim, amounted to GRD 2,532,936,698.

On June 19th 2017, PPC appealed against the above mentioned decision (Decision 3680/2014 of the Court of Appeals in Athens), the hearing date of which has been scheduled for 18.03.2019. This hearing was postponed for March 9th, 2020. It is noted that until the final judgment on the appeal, the discussion of the aforementioned (28 December 1995) lawsuit of the Bank of Crete against PPC remains suspended. In case that the Supreme Court accepts PPC's appeal for annulment, then it will judge the case anew and the decision which will issue will be irrevocable.

CONTINGENCIES AND COMMITMENTS

Pricing terms of "MYTILINEOS S.A. GROUP OF COMPANIES".
By the October 5th, 2016 Decision of the EGM of PPC's Shareholders the customer's ALOUMINION (now MYTILINEOS S.A. GROUP OF COMPANIES) pricing terms for the period 1.7.2016 - 31.12.2020 were approved, as well as pricing for the period 1.1.2014 - 30.6.2016. Based on the Decision of the EGM, a Supply Agreement was signed on October 20th 2016 between ALOUMINION and PPC. Under the signed agreement, ALOUMINION proceeded to a prepayment of Euro 100 mil. for electricity bills for the first contractual period (July 1st 2016 to June 30th 2017), as well as on prepayment of the estimated amounts for the second and the third contractual period.

PPC's relation to its personnel's Social Security Funds
Despite the fact that under the current legislation the Group does not have any obligation to cover in the future any deficit between income and expenses to PPC's personnel Social Security Funds, there can be no assurance that this regime will not change in the future.

PPC's audit by the European Commission's Directorate-General for Competition
Since February 2017, a European Commission's Directorate-General for Competition audit of the Parent Company is in progress in accordance with Article 20 of the Regulation 1/2003 of the European Union. The audit is carried out pursuant to a relevant Commission's decision dated February 1st 2017 for alleged abuse of a dominant position on the wholesale market for the production of electricity from 2010 onwards. This audit is in progress.

ENVIRONMENTAL OBLIGATIONS

Key uncertainties that may influence the final level of environmental investment which the Group will be required to undertake, over the forthcoming decade, include:

1. HPP Messochora (161.6 MW)
   During 2017, the Joint Ministerial Decision regarding the Environmental Terms for HPP Messochora has been issued under which PPC is obliged to perform protection projects for the preservation part of the Messochora Village (Section D). Along with the procedure for the initial expropriation of the remaining areas flooded by the Reservoir and Sectors A, B, and C of Messochora Village and the fulfillment of the obligations introduced by the new Joint Ministerial Decision, the preparation of Tender Documents for the remaining projects, is planned, with an estimated operation of the Project in 2022. On 31.12.2018 the aggregate expenditure amount for HPP Messochora amounted to Euro 281 mil., while an additional amount of Euro 67 mil. is estimated to be required in order to complete the project.

2. In December 2010, the new Directive (2010/75/ EU) was issued for industrial emissions (Industrial Emissions Directive – IED), revising Directives IPPC and 2001/80/ EC, which is effective from January 6th 2011. Following the provisions of Article 32 of Directive 2010/75/EU, a Transitional National Emissions Reduction Plan (TNERP) for the period 2016-2020 was elaborated and officially submitted by Greece to the EU at the end of 2012. The TNERP was approved by the EU on November 26th, 2013. On December 2013, PPC submitted to the Ministry of Environment and Energy an application for limited changes to the TNERP, along with its declaration to use the limited life-time derogation (Article 33) for certain Power Plants. After the approval from the Ministry of Environment and Energy the revised TNERP was resubmitted on March 18th , 2014 by the Greek authorities and was approved by the EU on July 7th , 2014. The Joint Ministerial Decision for TNERP was issued in

August 2015 (Nr. 34062/957/E103/2015). Finally, according to the above, SES Agios Dimitrios, as well as the disinvested Units of Meliti and Megalopolis 3 and 4 are included in the TNERP, while SES Amyntaion and Kardia will use the limited life-time derogation.

3. In 2011 began the process of revising the Reference Document on Best Available Techniques Manual for Large Combustion Plants within the framework of Directive 2010/75/EU, and is coordinated by the EIPPCB (European IPPC Bureau). With the European Commission's decision 2017/1442 on 31.07.2017, the Conclusions on Best Available Techniques for Large Combustion Plants – BREF LCP were determined under Directive 2010/75/EU. The Decision was published in the Official Journal of the European Union on August 17th 2017. Following the adoption, of the legally binding, conclusions of the revised Manual, additional investments in PPC's major thermal stations may be required.

4. On November 28th 2015 Directive 2015/2193 of the European Parliament and the Council's of November 25th 2015 was published in the Official Journal of the European Union, on the limitation of emissions of certain pollutants into the air from Medium Combustion Units, regardless of the type of fuel used. As Medium Combustion Units, are defined units with a rated thermal input equal to or greater than 1 MWth and less than 50 MWth. Pollutants in question are sulfur dioxide (SO2), Nitrogen oxides (NOx) and dust, while rules for the monitoring of emissions of carbon monoxide (CO) are defined. Production units of such a size, operate mainly in the islands (engines and turbines). Also, in many of PPC's SES, there are many G/S and auxiliary boilers, but with limited operating time.

   The provisions of the new Directive should be thoroughly examined by the competent departments of PPC, so as together with the competent Greek authorities to timely promote the appropriate strategies for the electrification of the islands with technically and economically viable solutions which should also be promptly implemented, and in any case before the expiry of the deadline laid down by the Directive. Indicatively, major projects such as the islands' interconnection, should be planned and implemented in such a way as to fully cover the needs of all islands in electricity, while any remaining production units will be used as a backup solution and will be operating only in an emergency, not exceeding 500 hours of operation per year.

5. The extent of land contamination has to be assessed for many of PPC's installations, following the provisions of art. 22 of Directive 2010/75/EU. At present, there appears to be no requirement for remediation projects at PPC's sites for the foreseeable future, and it is unlikely that this will be required at the mining areas or at the lignite-fired power stations. Remediation, however, may be required, at some of the company's oil-fired power stations in the future. In the context of the decommissioning of the Unit Agios Georgios in Keratsini, a remediation study for the land and the underground water in the Unit was submitted in November 2016 and was approved by the Competent Authorities on July 2017. The remediation cost is estimated at Euro 213.

6. PPC has performed limited studies on the presence of asbestos-containing materials, at its premises. Upon submission by PPC of a full environmental impact assessment study, the Ministry of Environment issued in May 2004 the environmental permit for the construction and operation by PPC, in its premises in Ptolemaida area of an environmentally – controlled Industrial Waste Management Area for the management and final disposal of asbestos containing construction materials, from the plants of the Northern System. With the real estate transfer contract no. 37244 / 05.06.2015, which is legally transcribed, PPC transferred full ownership of the Industrial Waste Management Area, located at the Kardia Mine of the Western Macedonia Lignite Center, in DIADYMA S.A. From the date of signing the contract, DIADYMA S.A. is responsible for the Area's management.

7. In April 2018 the Environmental Terms for Klidi and Megalopolis Mines were issued. In the context of the divestment of the assets of PPC SA, Klidi Mine and Megalopolis Mine were included in the assets contributed by PPC S.A. to the two new companies LIGNITIKI MELITIS S.A. and LIGNITIKI MEGALOPOLIS S.A.. (See Notes 2 & 4)

8. The Environmental Terms for Amyntaio Mine are expected to be issued.

9. During March and May 2013, CO_2 emission licenses have been issued for the then 31 PPC installations, for the 3rd implementation phase of the European Union Emissions Trading System (EU ETS phase III, from January 1st 2013 to December 31st 2020). On November 2015 the license of the Lignite Centre of Western Macedonia thermal station was revoked due to its decommissioning. On May 2017 the licenses of Ptolemaida and Agios Georgios thermal stations were revoked due to their decommissioning. On February 2018 the CO_2 emission license of the Power Plant in South Rhodes was issued. Following the establishment of subsidiaries LIGNITIKI MELITIS S.A. and LIGNITIKI MEGALOPOLIS S.A. in the context of the divestment, SES Meliti belongs now to LIGNITIKI MELITIS S.A. SES Megalopolis A belongs to LIGNITIKI MEGALOPOLIS S.A. while SES Megalopolis B was separated in SES Megalopolis Unit IV, belonging to LIGNITIKI MEGALOPOLIS S.A. and in SES Megalopolis Unit V, belonging to the Parent Company PPC S.A. As a result of these modifications, PPC's bound installations (including the aforementioned installations of subsidiaries) amount to thirty (30). On 31.03.2018, the verification of the annual emissions reports of the then 28 bound plants of PPC for 2017 by accredited third party verifiers was completed and the reports were promptly submitted to the Competent Authority, according to the current legislation. The total verified emissions for 2017 amounted to 31.74 mil. tones CO_2.

INVESTMENTS

A new Steam Electric unit 660 MW in Ptolemaida

The construction of the new Steam Electric unit 660 MW in Ptolemaida is in progress. PPC has already paid the two advance payments of Euro 197.88 mil. each against relevant Letters of Guarantee of Advance Payment amounting to Euro 226.77 mil. each.
On December 31th 2018 the total expenditure for the Project amounts to Euro 1.047 mil.

A new diesel engine Power Plant 115,4MW in South Rhodos burning of heavy fuel oil with low sulphur content

The construction of the new diesel engine Power Plant 115,4MW in South Rhodos burning of heavy fuel oil with low sulphur content is in the stage of completion and all Units have been put into Commercial Operation.
On December 31th 2018 the total expenditure for the project amounts to Euro 198 mil.

A new combined cycle unit at Megalopolis 811MW

The Unit was put into commercial operation in January 2016. Performance tests of the Unit have already been executed and the evaluation report for the said tests was submitted. Moreover, the compliance tests of the Unit with the Management Code of the Greek Transmission System were completed.
The Unit's Temporary Acceptance Procedure has been completed, and the Final Acceptance Procedure is in progress.
On December 31th 2018 the total expenditure for the Project amounted to Euro 517 mil.

Hybrid Project in Ikaria

The Hybrid Project in Ikaria of 6.85 MW total capacity combines the utilization of two renewable energy sources, Wind and Hydroelectric. The project started in 2009 and has been completed to a percentage over 95%. The completion of the project delayed due to contractual dissents with the contractor. In 2018, at the request of the contractor the two parties proceeded to a "friendly settlement procedure", the outcome of which was accepted by both parties and the new project completion timetable was agreed. During November 2018, the Wind Park was put into trial operation, the tests were completed and the Semi-Commercial operation of the project was started. The entire project is expected to be completed, connected to HEDNO's electricity network and operates "manually" in early 2019. The automated operation of the Project is expected to be completed in June 2019.

Research, Development and Exploitation of Geothermal potential:
PPC Renewables has leased from the Greek State the geothermal potential Research and Management rights of four (4) public mining sites: a) Milos-Kimolos-Polyagos, b) Nisyros, c) Lesvos and d) Methana.
While maintaining the exclusive Research and Management rights, the subsidiary PPC Renewables S.A. sought a Strategic Partner to co-exploit the geothermal potential of the above areas through an international tender. The submission of binding offers was completed in August 2018 and the Highest Bidder and the Reserved Bidder were announced in September 2018. The final qualification of the "Preferred Partner" will take place once the procedures for the necessary approvals as provided by the law and corporate structure of PPC Renewables S.A. are completed.

Biomass project in Amyntaio, Florina:
The tender for the selection of a Strategic Partner for the project "Installation and Operation of a Biomass Combustion Plant for the production of electricity and thermal energy" in Amyntaio, Florina is in progress.

Repowering of SHPP Louros:
The works for the repowering of the SHPP Louros are in progress. The new renovated Station will be put into Semi-Commercial Operation in the second Quarter of year 2019. At the same time, the Contract for the Interconnection of SHPP with the Medium Voltage Network of HEDNO S.A. is completed on 15.02.2019.

Repowering of 9 Wind Parks in Aegean Sea and Construction of a new Wind Park in Tigani of Mykonos:
In 2018 the old Wind Parks were decommissioned and the execution of a Contract concerning the Study, Supply, Transportation, Installation and Operation of Ten (10) Wind Parks in Aegean Sea of 19.80 MW total capacity with a total budget of Euro 28.1 mil. was started. These Wind Parks are: Sigri of Lesvos, Ag. Ioannis of Karpathos, Vigla of Lemnos, Potamia of Chios, Prophet Elias of Psarra, Melanios of Chios, Pythagorio of Samos, Perdiki of Ikaria, Marmari of Evia and Tigani of Mykonos. Moreover, the Contract for the Study and Construction of Infrastructure Projects of Wind Parks, with a total budget of Euro 5.9 mil. is executed. The Wind Parks Ag. Ioannis of Karpathos, Perdiki of Ikaria and Pythagorio of Samos are already in trial operation from 28.03.2019, 22.03.2019 and 28.03.2019 respectively. Finally, the Wind Parks Potamia of Chios, Prophet Elias of Psarra, and Melanios are expected to be electrified until 5/2019.

Repowering of Wind Park in Monis Toplou Sitia Crete:
The decommissioning of the Wind Park in Monis Toplou Crete was completed and the Contracts a) for the Infrastructure Projects b) for the Study, Supply, Transportation, Installation and Operation of a Wind Park of 7.50 MW total capacity in Palaiopyrgos-Perdikes Monis Toplou Sitia Crete are in progress.

Tenders for new Wind Parks

Wind Park in Aera of Karditsa:
During 2018, a tender for the Study, Supply, Transportation, Installation and Operation of One (1) Wind Park at the locations of "Aera" of the Municipality of Mouzaki and "Afentiko" of the Municipality of Argithea and One (1) High Voltage Center 400 / 20 KV, Power 100 MVA of closed type with gas insulated equipment, at the location "Diaselo-Pr. Elias" of the Municipality of Mouzaki, Regional Unit of Karditsa, was completed. The project is of 27.6 MW total capacity and its construction began in early 2019.

Wind Park in Xerakia, Kefalonia:
In July 2018, a tender for the Study, Supply, Transportation, Installation and Operation of One (1) Wind Park of 10 MW total capacity at the locations of Xerakia-Dilinata of the Municipality of Kefalonia, region of Ionian Islands was launched. The tender is in progress.

Wind Park in Mamados Tinos:
During 2019, the tender for the Wind Park in Mamados Tinos is expected to be launched again, as the tender which was launched in August 2017 was declared barren.

Construction of SHPP Smokovo II:
On 10.12.2018, four (4) offers were received via the National Electronic Public Procurement System (NEPPS) for the Tender 0039/18/5200 - Construction of SHPP Smokovo II (of 3.2 MW capacity with a budget of Euro 4.55 mil.).
The tender is in progress.

BUSINESS COLLABORATIONS

Memorandum of Cooperation between PPC and DEPA
On September 8th 2016, PPC and DEPA signed a memorandum of cooperation according to which they will jointly explore the possibility of cooperation in the supply of power generation units in the Non-Interconnected system with liquefied natural gas, together with the development of natural gas distribution systems in neighboring and /or remote areas that are not supplied by DEPA network, as well as in providing combined energy products in a regional level. Possible cooperation was examined for Crete, Rhodes, Patra, Lesvos and Samos, while it may expand to other areas. The two companies set up Working Groups and recruited a specialized Consultant for the preparation of a Relevant Feasibility Study for the purpose of implementing the Memorandum of Cooperation. The Feasibility Study, in the context of Memorandum was completed in July 2017.

Recruitment of Strategy Consultant
Within the second Quarter of 2017, the Parent Company's BoD decided to award to McKinsey & Company the support work on the configuration of structural measures which are required for the further liberalization of electricity market and the updating of its Strategic and Business Plan.
On July 10th 2018 PPC announced the most important Strategic priorities of its Strategic and Business Plan, for the period 2018 - 2022.

Memorandum of Cooperation PPC - Archirodon Group NV
In October 2017, PPC SA and Archirodon Group N.V. signed a five-year Memorandum of Cooperation with a view to exploring their ability to cooperate in the construction of Energy Projects in Africa, the Middle East and furthermore in any other areas the parties will agree to. In this context, a six-member Steering Committee was set up, in which several candidate projects are examined for collaboration. Already, by decision of PPC's BoD on 06.02.2018 the Company's participation as Head of Consortium with Archirodon Construction Overseas United for the project "Hatta Dam Pumped Storage Plant" in Dubai (UAE) was approved.
Following the submission of the relevant file by the consortium, the above mentioned consortium was pre-selected to submit a binding offer with a deadline on 13.02.2019. The offer was not submitted due to the failure of the manufacturer of the equipment to comply with the commercial terms of the Tender.

The Cooperation with Archirodon Group NV in the context of the above mentioned Memorandum continues.

Memorandum of Cooperation PPC - Hellenic Aviation Industry
In October 2017, PPC SA and the Hellenic Aviation Industry signed a Memorandum of Cooperation with a view to jointly consider the possibility and sustainability of developing activities in the field of specialized gas turbine maintenance and general maintenance of power plant equipment as well as high-tech diesel engine assistive equipment.
Already, the two parties work together to draft a relevant business plan.

Memorandum of Cooperation between PPC and the Polish company Solaris Bus & Coach S.A.
In November 2017, PPC SA and Solaris Bus & Coach S.A. signed a three-year Memorandum of Cooperation with the aim of exploring the possibility of co-operating in the provision of integrated transport solutions in the field of electric transports in Greece and further in other areas agreed by the parties.

Solaris Bus & Coach S.A. is a well-established European manufacturer of eco-friendly city buses, trolleys and trams that has adopted the most advanced propulsion technologies on electric transportation.

Project for PPC's Penetration in Natural Gas
In December 2017, PPC hired a technical-economic consultant concerning the preparation of a feasibility study and business plan for the penetration of PPC S.A. in the natural gas market in Greece. The project was completed within 2018 and the Parent Company is planning its commercial procedures to become active in the natural gas market.

Memorandum of Cooperation between PPC and General Electric
On 14.12.2017, PPC S.A and GE Power (through GE Power Services Business, based in Baden, Switzerland) signed a Cooperation Agreement to explore cooperation between them to provide services of operation, maintenance, rental, training, fault diagnosis and repair of gas turbine, steam generators, generators, boilers and other equipment used in power stations or for industrial use, to companies in Greece and Europe, with the option of extending this cooperation to other areas.

40. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Fair value and fair value hierarchy
The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuing technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that 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 Company's financial instruments that are carried at amortized cost and their fair value, as well as those of tangible fixed assets which are revalued periodically at their revalued amounts:

	Carrying amount		Fair value	
Group	**31.12.2018**	**31.12.2017**	**31.12.2018**	**31.12.2017**
Financial Assets				
Trade receivables	723,688	1,325,746	723,688	1,325,746
Restricted cash	81,681	94,084	81,681	94,084
Cash and cash equivalents	198,576	251,596	198,576	251,596
Financial Liabilities				
Long-term borrowings	3,905,263	4,239,232	3,900,733	4,224,347
Trade payables	1,643,977	2,191,734	1,643,977	2,191,734
Short term borrowings	46,483	30,000	46,483	30,000

	Carrying amount		Fair value	
Parent Company	**31.12.2018**	**31.12.2017**	**31.12.2018**	**31.12.2017**
Financial Assets				
Trade receivables	639,907	1,300,090	639,907	1,300,090
Restricted cash	81,681	94,084	81,681	94,084
Cash and cash equivalents	112,330	163,136	112,330	163,136
Financial Liabilities				
Long-term borrowings	3,905,273	4,239,242	3,900,743	4,224,357
Trade payables	1,521,495	1,910,528	1,521,495	1,910,528
Short term borrowings	30,000	30,000	30,000	30,000

The fair value of financial assets at fair value through Total Comprehensive Income, of restricted cash, of cash and cash equivalents, as well as of financial derivative instruments equals their carrying amounts.

The fair value of trade receivables and trade accounts payable approximates their carrying amounts.

The fair value of the remaining financial assets and financial liabilities is based on future cash flows discounted using either direct or indirect observable inputs and are within the Level 2 of the fair value hierarchy.

Fair value of tangible assets (fixed assets) is included in level 3 of fair value hierarchy.

As of December 31st, 2018, the Group and the Parent Company held the following financial instruments measured at fair value:

	Fair value		Fair value Hierarchy
Financial Assets	**31.12.2018**	**31.12.2017**	
Group			
Financial Assets at fair value through Total comprehensive income	571	1,531	Level 1
Company			
Financial Assets at fair value through Total comprehensive income	466	1,044	Level 1

Macroeconomic conditions in Greece
The Group's and the Parent Company's results of operations, financial condition and prospects depend highly on the macroeconomic and microeconomic environment in Greece, as almost all of their assets and activities are in Greece. Any adverse change and development in the macro and micro-economic environment of the country which directly and materially affects customer's demand for electricity, customer's ability to repay their debts, company's ability to pass in its tariffs increases in its costs, or funding opportunities from the domestic financial system, consequently affects the Group's and the Parent Company's operating results, financial condition and cash flows.

Financial Risk Management

Fair Value

The amounts reflected in the accompanying balance sheets for cash, current assets and current liabilities approximate their respective fair values due to their short-term maturity.

The fair value of investments available for sale that are traded on stock markets are based on their quoted market prices at the balance sheet date. The carrying values of long-term borrowings approximate their fair value because these loans are in local currency and mainly of floating interest rate. For all derivatives, the fair values are confirmed by the financial institutions with which the Group has concluded the relative contracts.

Credit Risk

Despite the fact that, electricity sales are dispersed over a large number of customers with a wide and diversified range of operations (dispersing the credit risk), the Group's and the Parent Company's business activities, results of operations and cash flows are highly dependent on their customers' ability to repay their obligations. The current economic environment and the recent intense recession had a material adverse impact on the Group's and the Parent Company's liquidity, mainly resulting from:

- Difficulties in payments by customers who still do not repay their obligations.
- A sizeable number of enterprises, especially small and medium sized which cease their operations due to the economic conjecture and leave behind unpaid bills.
- The prospective increase of the Social Solidarity Tariff (SRT) beneficiaries due to the prolonged economic crisis, along with the increased difficulty that these customers face in paying their electricity bills.
- The lack of the ability (following RAE's decision) to transfer debts of the same customer between its various electricity bills for household use, which accounts for the 70% of the customers.
- New incidents where customers (both household and commercial) with debts due to electricity consumption or electricity theft, attempt to change their electricity supplier under a different name (or a different Tax Identification Number) in order to avoid restrictions that the Electricity Code imposes.
- The fact that some customers under the pretext of the current economic downturn are not fulfilling their obligations or delay their payments, despite the fact that they afford to do so.
- Some (Medium and High Voltage) industrial customers do not pay their electricity bills in full, alleging mainly lack of liquidity due to the adverse economic environment.
- In addition, some of these industrial customers do not accept some of competitive charges of the HV tariffs. For customers of these categories it cannot be certain that they will repay the invoiced amounts related to electricity consumption.

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

In December 2017, following a tender, the project for the management of debts was assigned to a specialized House. The project is in full progress with satisfactory results. A plan of actions to be implemented with escalation, consistency and continuity has been proposed, in order to ensure the effectiveness of the actions to reduce outstanding bills. However, the risk persists due to the financial difficulty of part of the customers for timely repayment of their obligations, and finally will adversely affect the Parent Company's business activities, results of operations, financial condition and cash flows.

Interest rate risk and foreign currency risk

The Group's and the Parent Company's debt obligations consist of bank loans, bonds and overdrafts. It is the Group's and the Parent Company's policy to have a balanced distribution of the loan portfolio between fixed and floating interest rates according to the prevailing conditions and to hedge on a case by case basis through derivatives, solely to mitigate risk, against the fluctuation of floating interest rates and/or foreign currency exchange rates affecting their debt portfolio. As of December 31st 2018 no derivative transactions exist for loans or debt hedging.

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

	Increase / Decrease in basis points (%)	Effect on profit before tax (Group)	Effect on profit before tax (Parent)
2017			
Euro	+50	(10.42)	(10.42)
Euro	-50	10.42	10.42
2018			
Euro	+50	(10.49)	(10.49)
Euro	-50	10.49	10.49

Liquidity Risk

The macroeconomic and financial environment in Greece remains volatile, and this may have a considerable adverse effect on the Group's and the Parent Company's financial position and prospects. In addition, access to foreign financial markets is affected. Liquidity risk is connected with the need to ensure adequate cash flows for the financing of the Group's and the Parent Company's operations, including working capital needs, capital expenditure, as well as the servicing of the Group's and the Parent Company's debt.

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

- The increased delays in the payment or even non-payment of electricity bills in particular from those customers with interruption of a supply contract.
- The obligation to pay Renewables levy (ETMEAR), Special Consumption Tax on electricity as well as VAT when due, irrespective of whether relevant amounts have been collected or not.
- The burden associated with the collection of taxes and levies that are not related to the sale of electricity, such as municipal taxes and levies that are currently collected through electricity bills and the inability to pay for the electricity consumption amounts without paying in the same time amounts due to third parties.
- The continuous increase in the number of citizens included in the register of vulnerable customers that based on decisions of the State enjoy special privileges regarding (a) a longer period for paying their bills (40 days from the date of issue). b) the settlement of their debts in many installments and free of interest, c) limited penalties in the case of non-payment of bills and installments, since the supply of electricity cannot be disconnected due to debt, in their residence, almost throughout the year.
- Regulatory decisions on the operation of the wholesale market, which burden the cost of purchasing electricity for PPC as an electricity Supplier.
- The potential increase of commercial losses (non-technical losses), due to the non-suppression of incidents of electricity theft and arbitrary reconnection of electricity supply in cases of electricity disconnection due to debt.

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

The contractual maturities of the principal financial liabilities (borrowings), not including interest payments are as follows:

(In million Euro)	On demand	3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Year ended 31 December 2017 (Group)						
Overdraft facilities	-	30.0	-	-	-	30.0
Short term borrowings	-	-	-	-	-	-
Long term borrowings	-	112.1	400.7	2,720.5	1,041.2	4,274.5
	-	**142.1**	**400.7**	**2,720.5**	**1,041.2**	**4,304.5**
Year ended 31 December 2018 (Group)						
Overdraft facilities	-	30.0	-	-	-	30.0
Short term borrowings	-	-	-	-	-	-
Long term borrowings	-	133.45	592.29	2,292.14	959.34	3,977.22
	-	**163.45**	**592.29**	**2,292.14**	**959.34**	**4,007.22**
Year ended 31 December 2017 (Company)						
Overdraft facilities	-	30.0	-	-	-	30.0
Short term borrowings	-	-	-	-	-	-
Long term borrowings	-	112.1	400.7	2,720.5	1,041.2	4,274.5
	-	**142.1**	**400.7**	**2,720.5**	**1,041.2**	**4,304.5**
Year ended 31 December 2018 (Company)						
Overdraft facilities		30.0	-	-	-	30.0
Short term borrowings	-	-	-	-	-	-
Long term borrowings	-	133.45	592.29	2,292.14	959.34	3,977.22
	-	**163.45**	**592.29**	**2,292.14**	**959.34**	**4,007.22**

Risk from exposure to the Banking Sector
The Group and the Parent Company may be exposed to risks arising for the Greek banking sector (for example limitations effected by the Single Supervisory Mechanism (SSM) of the ECB on loans for Public Entities).
It should be noted that as of 31.12.2018 the Parent Company's debt obligations towards the Greek Banking sector amounted to 34.1% of their total loan obligations.

Market risk
The sensitivity analysis on liquid fuel, natural gas, liquid fuel, CO_2 and system marginal price are as follow:

	Heavy fuel oil (tones)	Diesel (klit)	Natural Gas (m^3)	CO_2 (tones)	System Marginal Price (MW/h)
Change in price unit	+1€ (+ one Euro)	+1€ (+ one Euro)	+0.01€ (+ one Cent of Euro)	+1€ (+ one Euro)	+1€ (+ one Euro)
Impact	913 thousands Euro	277 thousands Euro	Euro 13.5 mil.	Euro 14.3 mil.	Euro 15.1 mil.

The change in the $/€ rate by 5 cents of the dollar is estimated to affect the expenditure for liquid fuels and natural gas as well as profit before tax for the year 2019 by Euro 26 mil.
In 2019, the annual CO_2 emissions are estimated at 22.8 mil. t. (15.9 mil. t from lignite, 3 mil. t. from Natural Gas, 3.9 mil. t. from liquid fuels) with an average price Euro 21.3/t.

The purchased allowances amount to 8.5 mil. t with an average price of Euro 19.7/t. Therefore, the change in the purchase price of new CO_2 emission allowances by +/- Euro 1.0/t changes the relative expenditure by approximately Euro 14.3 mil.

Progression of net debt ratio
The Group's net debt/equity ratio is as follows:

	2018	2017
Long-term borrowings	3,190,506	3,738,854
Current portion of long-term borrowing	714,757	500,378
Short-term borrowings	46,483	30,000
Cash	(198,576)	(251,596)
Pledged deposits	(79,705)	(94,084)
Financial assets measured at fair value through Total Comprehensive income	(571)	-
Assets available for sale	-	(1,531)
Unamortized portion of loan issuance fees	71,945	35,243
TOTAL	**3,744,839**	**3,957,264**
Shareholders' equity	**3,943,080**	**5,610,539**
Net debt/equity ratio	**95%**	**70.6%**

It is noted that the deducted amounts of the pledged deposits in the above table refer only to pledged deposits related to loan agreements.

In long-term borrowings, as presented above, the unamortized portion of loan issuance fees of Euro 72 mil., approximately is not included (2017: 35 mil. approximately) (Note 29).

41. OPERATING LEASE ARRANGEMENTS

	Group		Company	
	2018	2017	2018	2017
Minimum lease payments under operating leases recognised as expense	19,585	20,136	13,491	14,413

At the balance sheet date (31.12.2018), the Group's outstanding commitments for future minimum lease payments under non-cancellable operating leases are approximately the current year's lease expenses, which are expected not to be significantly altered during the next years. Operating lease payments represent mainly rentals payable by the Group for certain of its office properties, machinery, land, vehicles and furniture and equipment. Lease fees for office properties are generally fixed for an average term of twelve years. Lease fees for machinery and vehicles are generally fixed for an average of 1 and 3 year, respectively.

42. SIGNIFICANT EVENTS

LARCO Tariffs

On 21.06.2017, the Electricity Supply Contracts and Pledged Receivables between PPC S.A. and LARCO S.A. were signed.

Due to non-compliance with contractual obligations of the above-mentioned Contracts on the part of LARCO, PPC, in order to defend its interests, has already proceeded with the actions provided for by the contracts and the regulatory framework. In particular:

- Due to inadequate compliance with the terms of the Pledged Contract on LARCO's bank account, PPC sent in February 2018 a relevant extrajudicial letter, immediately exercising all the rights of the pledge.
- Due to inadequate compliance with the terms of the Electricity Supply Contract, PPC sent in April 2018 an extrajudicial document to LARCO and the Members of its Board of Directors, with a 30-day margin for the payment by LARCO of its direct – in accordance with the contractual terms-overdue debts amounting to Euro 50 mil. In May 2018, Euro 15 mil. was credited by LARCO against the debts concerned.
- Due to breach of the essential terms of the Supply Contract and in accordance with the provisions of the Electricity Code, PPC sent in October 2018 a relevant extrajudicial document and protest, with a 30-day margin for the payment by LARCO of its direct – in accordance with the contractual terms - overdue debts amounting to Euro 69 mil., otherwise PPC would proceed to the deactivation of a load meter towards IPTO S.A.
- Due to the fact that LARCO did not meet its above mentioned obligations, by depositing in October 2018 only the amount of Euro 3 mil. against its direct overdue debts, PPC proceeded in November 2018, as provided for in the Contract and the Electricity Code, to an order for the deactivation of a load meter towards IPTO S.A., giving a 10-day deadline to LARCO for the repayment of its direct debts amounting to Euro 72.5 mil.
- As the new deadline to LARCO expired inactively, PPC, taking into account the provisions of the Electricity Code and the contractual terms, on 27.11.2018 sent to LARCO and IPTO S.A. an extrajudicial document with termination of contract and declaration of the deactivation of LARCO's load meter, without prejudice to any of PPC's rights arising from the legislation and relating to the lawful fulfillment of its legal and overdue receivables against LARCO.

Following this, LARCO filed an application for interim measures requesting a temporary injunction against PPC and IPTO for non-disconnection of the electricity supply of its facilities. Following the hearing of this application, on December 7th 2018, a decision was taken by which the President of the Single-Member Court of First Instance in Athens rejected the above mentioned LARCO's application since it was not possible that the application for interim measures would have a positive outcome, the hearing of which was determined on 06/02/2019.

Subsequently, following the statements of the Minister of Environment and Energy, as published in the press release of the Ministry on 12.12.18, attempting to resolve the issue, moving in three axes: firstly, the procedures for the signing of a new contract between PPC and LARCO should proceed, secondly, LARCO should adjust production levels to lower levels required by low nickel prices, transfer additional cash to PPC and rationalize the payroll cost and thirdly, PPC should accept the consequences of the cessation of the representation to be postponed to the start of the new year. On 13.12.2018, PPC with its extrajudicial letter to LARCO and IPTO suspended the consequences of the deactivation of LARCO's load meters and the termination of the LARCO's Contract in order to find a solution. However, PPC with the above mentioned extrajudicial letter, made absolutely clear, that prerequisites for the signing of a new Electricity Supply Contract were a) the creation of the conditions and the establishment of special clauses so that LARCO can pay PPC for the electricity consumed fully and timely and b) the preparation of a plan for the repayment of LARCO's debts to PPC and its immediate implementation, starting with the debts accumulated under the contract of 21.06.2017.

Following the aforementioned PPC's extrajudicial statement and the related LARCO's letter to begin negotiations by the Parties for finding mutually acceptable settlement for LARCO's debts to PPC and after strenuous negotiations, the parties jointly agreed on a framework agreement, which meets the prerequisites set by PPC so as to allow the parties to proceed in a relevant supply contract for the period from 11.1.2019 to 31.12.2020. The framework agreement was approved by the Boards of Directors of both companies and the procedures for the signing of Electricity Supply Contract are in progress. This framework agreement is currently being implemented, the terms of which have been agreed by the parties as essential and any breach of even one of them by LARCO, constitutes reason for immediate termination of the contractual relationship by PPC.

It is noted that as of 31.12.2018, a provision has been formed for all PPC's receivables from LARCO, amounting to Euro 309.8 mil.

Commercial policy and Management of overdue debts

In 2018, PPC, in order to manage the problem of overdue debts, proceeded to the following:

- Revision of the Debt Settlements Regulation as of 01.05.2018 in order to provide personalized settlements, depending on customer's behavior and the number of outstanding bills, so as to limit the creation of new doubtful receivables.
- PPC, since December 2017, has been cooperating with a specialized support service company in terms of more efficient management of PPC's customer base, with emphasis on overdue debts. The company proposes new strategies for the management of overdue debts and has designed the framework for their implementation. As of March 2018 the management of a selected customer segment with overdue debts from debtor information companies and law firms began and since June 2018 the actions have been systemized.
- The actions in PPC's Sales Stores for the collection of debts (telephone notifications to debtors, sending letters of formal notice through the PPC's Legal Department etc.) have been intensified.
- PPC continued throughout the year 2018 and until 31.3.2019 to provide a 15% discount to residential and business customers. Since 1.4.2019, all customers who pay full their estimated and actual bills until payment due date, they receive a refund (credit) on their next bill, 10% of the value of the electricity consumption in previous actual bill. Respectively the discount due to the prepayment of the electricity bill was set to 4% since 1.4.2019.
- Customer registration efforts to e-bill are intensified and in addition, these customers are given the option of choosing an electronic "Monthly Billing". This improves the time and quality of customer service, saving human and financial resources and substantially enhances the environmental footprint. Since 1.12.2018, as a disincentive it was decided that all printed bills should be charged with Euro 1, about as much as the cost of their issuing and sending them.
- It was also decided as an incentive, to reduce the value of the bill by one Euro for those customers who do not wish to receive printed their bills.

Other High Voltage Tariffs

In view of the expected developments in the electricity market, and especially the divestment of 40% of PPC's lignite generation capacity, combined with the forthcoming change in the energy market model, the establishment of a long-term tariff policy by PPC in 2017 was not possible.

However, given the fact that the supply contracts with the High Voltage customers for the energy consumed in the period 2016-2017 expired on 31.12.17, PPC, in December 2017, sent letters to all High Voltage customers, with a proposal to extend the existing Supply Contract for the period 2016 - 2017, until 28.02.2018, in the framework of the Electricity Code and contractual relationships. Subsequently, PPC's Board of Directors, by its related decision, approved the extension of the High Voltage Tariffs until 28.2.2019 and on 26.6.18 PPC's EGM approved the extension of the discounts, which were approved by EGM's decision on 7.12.2015, until 28.2.2019. In this context, a new round of meetings with High Voltage customers was held to inform them on the above issues. Out of the total of 91 supplies that electrify installations of 58 High Voltage customers, electricity supply contracts relating to 72 supplies of 48 High Voltage customers were signed, while for one customer with one supply, namely HALYVOURGIKI SA, a cessation of the representation has taken place on 17.12.2018 due to debts.

The course of implementation of the structural changes that have been launched to strengthen competition in the electricity and natural gas markets continues to be a critical parameter for PPC. Furthermore, PPC's lignite generation capacity divestment is estimated to be implemented in May 2019 and will be completed in 2019. Under the prevailing circumstances, the establishment of a long-term tariff policy for High Voltage customers was not possible, while it is estimated that such a possibility will exist after the removal of uncertainties and the implementation of the new energy market model and at least not before the end of 2019. In this context, PPC's BoD, with its decision no. 34/19.3.2019 approved the submission of proposals to High Voltage customers (except MYTILINEOS S.A.-GROUP OF COMPANIES and LARCO S.A.) for the adjustment of the existing tariffs by + 10%, in order to be signed supply contracts for the period 1.3.2019 - 31.12.2020. Already, on 4.4.2019, an agreement to sign a supply contract with the companies of VIOHALKO Group in High Voltage has been reached.

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 Euro 30,473,320.80 plus interest from the day following the expiry of the final bill issued after the termination of the Electricity Supply Contract between PPC S.A. and HALYVOURGIKI S.A. and until repayment, plus the amount of Euro 15,237 for court costs.
  The payment order No. 1769/2019 of the Single-Member Court of First Instance in Athens was issued which orders "HALYVOURGIKI S.A." to pay to PPC the above total amount. PPC notified the payment order in question to "HALYVOURGIKI S.A." and further, on 15.3.2019 proceeded to serve the writ of garnishment for conservative seizure in the banks under the above payment order against "HALYVOURGIKI S.A."
  Subsequently, on 22.3.2019, an application for suspension of "HALYVOURGIKI S.A." against PPC S.A. was served to PPC, following a request for a temporary injunction, the hearing of which took place on 26.03.2019. Following the discussion of the case, the application in question was rejected by the competent President of the Court of First Instance in Athens. PPC, upon expiry of the deadline of the statements of a third party on behalf of the banks to whom proceeded to conservative seizure, at the request of "HALYVOURGIKI S.A.", proceeded to the bank EUROBANK in a partial withdrawal of imposed conservative seizure up to the amount corresponding to the payroll cost of that company's employees.
- Furthermore, on 15.2.2019, "HALYVOURGIKI S.A." filed against PPC an appeal for arbitration before the ICC (INTERNATIONAL COURT OF ARBITRATION) "due to PPC's failure to comply with the obligations under the Shareholders Agreement of 2009" between PPC S.A. and "HALYVOURGIKI S.A.", requesting PPC to be condemned to pay the amount of two hundred and seventy million (270,000,000) for consequential damage, which according to the appeal in question, "HALYVOURGIKI S.A." suffered with interest from the service of this appeal, plus one million (1,000,000) Euro for moral damage which according to "HALYVOURGIKI S.A." suffered.
  Both "HALYVOURGIKI S.A." and PPC S.A. appointed their arbitrators (each party appointed its arbitrator). Deadline for PPC's reply in order to define the group of its legal representatives as well as to collect the data needed to defend its positions, was set by the ICC on April 25th, 2019.

VAT refund

By submitting the VAT declaration 06/2018, a request for VAT refund of Euro 100 mil. was submitted, from the credit balance of the tax period 01/12/2016 to 30/06/2018. Moreover, by submitting the VAT declaration 09/2018, a request for VAT refund of Euro 80 mil. was submitted, from the credit balance of the tax period 01/07/2018 to 30/09/2018. The above credit balances were derived mainly from outflows subject to a rate lower than the input tax. Following a partial temporary audit from Athens Tax Office for Commercial Companies, the above amounts were returned to the Company mainly by offsetting the Income Tax for the year 2017 and the other withholding taxes.

Merger by absorption of the 100% subsidiary PPC Renewables S.A.

In November 2018, the Parent Company's Board of Directors approved: a) the commencement of the merger procedure, through absorption by the Parent Company of its 100% subsidiary PPC Renewables S.A., according to Codified Law 2190/1920, in conjunction with the Law 2166/1993 and the P.D. 178/2002, as currently in force, b) the authorization of the Chief Executive Officer to take any necessary relevant Decision, c) the determination of the Transformation Balance Sheet Date, on 31.12.2018 and d) the approval of the operational integration, immediately after the absorption, of the activities of PPC Renewables S.A. in the corresponding structures of the Parent Company.

43. SUBSEQUENT EVENTS

In addition to those presented in other notes, the following events occurred from December 31st 2018 until the date of approval of the Financial Statements:

Repayment of loans and new loans

Within the period 01.01.2019 - 17.04.2019, the Parent Company proceeded to debt repayments of loan installments amounting to Euro 73.5 mil.

Within the period 01.01.2019 - 17.04.2019, the Parent Company disbursed an amount of Euro 86.5 mil. from a Bond Loan of an amount of Euro 739 mil., for financing part of the construction cost of the new Lignite Unit Ptolemaida V with a consortium of foreign banks supported by the German Export Credit Insurance Organization ''Euler Hermes''.

In January 2019, a loan in the form of a Revolving Credit Facility (RCF) amounting to Euro 65 mil., maturing 2/2019, was extended by one year, i.e. 2/2020 with interim repayments.

In January 2019, the Parent Company signed a loan agreement with the European Investment Bank (EIB) and then drew an amount of Euro 155 mil. for investments in the period 2017-2020 that are aimed at modernization and strengthening of the Mainland's and Islands' Distribution Network in Greece under a total funding of Euro 255 mil., bearing the Greek Republic's guarantee.

In March 2019 PPC Renewables S.A. drew an amount of Euro 12.2 mil. from a financing line of up to Euro 17.5 mil.

In April 2019, the Parent Company drew a Secured Common Bond Loan, in the form of credit in readiness (standby), with a consortium of Greek Banks, amounting to Euro 200 mil., of three years duration with the option of extending one year under conditions, which will be used to repay the international bond maturing 2019.

In April 2019, the Parent Company's Board of Directors and the Credit Committee of the Black Sea Trade and Development Bank approved the financial terms of a new five-year financing line of Euro 160 mil., with an one-off repayment at the loan's maturity (under the final approval of the Bank's Board of Directors). The loan will be used to fund PPC's investment plan.

Reorganization of PPC S.A.

In January 2019, PPC's Board of Directors approved the reorganization of PPC SA, the widest since 2001, when it was transformed into a Société Anonyme. The objectives of the reorganization are as follows:

- Creating conditions for upgrading corporate governance.
- Creating conditions for the implementation of a business plan for the development of Renewable Energy Sources, including changing the supply of islands with optimal utilization of RES.
- Development of PPC's sales potential for the substantial upgrading of its customer service and creating conditions for the promotion of new products such as Natural Gas and energy services.
- Support PPC's expansion into new markets abroad and the effective supervision of subsidiaries and business partnerships.
- Upgrading the Company's Research & Development (R&D) and its participation in research programs.
- Upgrading the monitoring and elaboration of regulatory issues and relations with the European Union.

Share Capital Increase of PPC's 100% subsidiaries under the name "Lignitiki Megalopolis S.A." and "Lignitiki Melitis S.A."

In January 2019, the Parent Company's Board of Directors decided to increase the share capital of its 100% subsidiaries under the name "Lignitiki Megalopolis S.A." and "Lignitiki Melitis S.A." by Euro 11.6 mil. and Euro 7.3 mil. respectively with the issue of Euro 2,9 mil. and Euro 1,8 mil. respectively of common shares with a nominal value of four (4) euros per share and a disposal price of four (4) euros per share for both subsidiaries.
The Parent Company paid the above amounts on 18/4/2019.

PPC and VOLTERRA cooperation agreement

On 19.04.2019 the Parent Company announced that agreed and proceeds, (through its 100% subsidiary, PPC Renewables S.A.) in the joint development and operation of wind parks of 69.7MW total capacity with the company VOLTERRA S.A., a subsidiary of AVAX Group. Specifically, PPC acquires 45% of the shares of the two companies (SPV) of VOLTERRA. The first company (VOLTERRA K-R SINGLE MEMBER S.A.) owns two wind parks of 16 MW total capacity in Etoloakarnania which are already operational at a Feed – in Premium (FiP) of 98 €/MWh and the second one (VOLTERRA LYKOVOUNI SINGLE MEMBER S.A.), owns two wind parks in Viotia one of 42.9MW capacity with a FiP of 98€/MWh and another one of 10.8 MW capacity with a FiP of 56.45 €/MWh, whose construction will start soon.
The specific business initiative of PPC's collaboration with VOLTERRA company is part of the PPC's strategic plan for the development of RES.

APPENDIX I

Unbundled Financial Statements

Under the provisions of L.4001/2011
and the approved methodology of
the Regulatory Authority for Energy.

PUBLIC POWER CORPORATION S.A. SYSTEM INTEGRATION UNBUNDLED BALANCE SHEETS
DECEMBER 2018

(All amounts in millions of Euro)

	ADMINISTRATION		MINES		GENERATION		DISTRIBUTION NETWORK		SUPPLY		ELIMINATIONS		TOTAL PPC	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
ASSETS														
NON-CURRENT ASSETS														
Tangible Assets	95.9	93.5	1,315.9	1,567.7	5,302.0	5,682.5	3,584.5	3,637.6	19.6	19.9	203.4	350.3	10,521.3	11,351.5
Intangible Assets	4.3	2.0	0.9	0.3	178.4	60.1	0.0	0.0	7.0	9.7	(0.9)	(0.7)	189.6	71.4
Investments in subsidiaries	451.9	21.7	0.0	10.1	0.0	162.7	0.0	15.5	0.0	4.7	(232.4)	(0.1)	219.5	214.5
Investments in associates	1.0	1.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(0.0)	0.0	1.0	1.2
Available for sale financial assets	0.4	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.5	1.0
Other non-current assets	18.5	37.3	0.0	0.0	101.2	82.2	0.0	0.0	0.0	0.0	(48.2)	(24.9)	71.5	94.7
Administration non-current assets	(572.0)	(156.8)	80.5	23.4	286.3	80.6	188.3	52.5	17.0	0.3	0.0	0.0	0.0	0.0
TOTAL NON-CURRENT ASSETS	**0.0**	**0.0**	**1,397.3**	**1,601.5**	**5,867.8**	**6,068.1**	**3,772.8**	**3,705.6**	**43.5**	**34.5**	**(78.1)**	**324.7**	**11,003.3**	**11,734.4**
CURRENT ASSETS														
Materials, spare parts and supplies, net	7.7	7.7	87.2	95.1	471.2	506.6	0.0	0.0	0.0	0.0	3.0	0.9	569.1	610.3
Trade receivables, net	34.7	45.2	12.7	5.1	679.4	289.4	135.1	53.5	1,989.1	2,478.0	(1,726.6)	(1,571.1)	1,124.4	1,300.1
Other receivables, net	42.9	49.3	14.7	93.3	(3.9)	(83.2)	1.1	(80.7)	44.8	182.0	58.3	650.9	157.8	811.6
Other current assets	24.6	46.0	4.2	(13.9)	57.1	72.0	0.9	17.7	60.8	439.6	(43.6)	(534.2)	104.1	27.3
Cash and cash equivalents	58.7	0.7	16.5	24.4	74.5	156.7	11.6	30.9	73.3	37.3	(40.6)	7.2	194.0	257.2
Administration current assets	(168.6)	(149.0)	3.2	2.8	32.9	31.3	4.0	4.0	128.5	110.9	0.0	0.0	0.0	0.0
Receivables from financial activities	0.0	0.0	38.9	25.2	585.4	546.9	0.0	0.0	1,141.7	204.6	(1,766.0)	(776.7)	0.0	0.0
Assets held for sale											232,4		232,4	
TOTAL CURRENT ASSETS	**0.0**	**(0.0)**	**177.4**	**232.1**	**1,896.6**	**1,519.7**	**152.7**	**25.4**	**3,438.2**	**3,452.3**	**(3,283.1)**	**(2,223.0)**	**2,381.7**	**3,006.5**
TOTAL ASSETS	**0.0**	**(0.0)**	**1,574.6**	**1,833.6**	**7,764.5**	**7,587.8**	**3,925.5**	**3,730.9**	**3,481.7**	**3,486.8**	**(3,361.2)**	**(1,898.3)**	**13,385.1**	**14,740.9**
EQUITY AND LIABILITIES														
EQUITY														
Share Capital	(0.0)	(0.0)	76.7	78.1	296.2	316.9	181.2	161.4	21.2	18.9	(0.0)	(0.0)	575.4	575.4
Share Pemium	(0.0)	(0.0)	14.7	15.0	56.8	60.8	34.7	30.9	0.4	(0.0)	(0.0)	(0.0)	106.7	106.7
Legal reserve	22.7	12.5	15.3	15.6	55.8	62.9	34.1	32.7	0.3	4.6	(0.0)	(0.0)	128.3	128.3
Fixed assets' statutory revaluation surplus included in share capital	(0.0)	(0.0)	(141.3)	(127.7)	(498.1)	(543.0)	(304.9)	(276.6)	(3.1)	(0.0)	0.0	0.0	(947.3)	(947.3)
Revaluation surplus	61.7	66.0	505.2	640.4	2,364.6	2,543.7	771.9	691.9	23.5	14.2	0.0	(0.0)	3,726.8	3,956.3
Other Reserves	(43.2)	(52.9)	15.7	0.1	51.5	45.0	30.2	31.6	1.2	(2.5)	0.0	0.0	55.4	21.4
Retained earnings	97.1	92.5	(463.8)	(284.2)	(608.2)	45.7	328.4	974.8	823.3	807.6	3.0	0.9	179.8	1,637.2
Administration equity	(138.4)	(118.1)	18.9	17.8	83.8	67.8	32.8	29.4	2.8	3.0	(0.0)	(0.0)	(0.0)	(0.0)
TOTAL EQUITY	**(0.0)**	**(0.0)**	**41.4**	**355.1**	**1,802.5**	**2,599.9**	**1,108/5**	**1,676.2**	**869.7**	**845.8**	**3.0**	**0.9**	**3,825.0**	**5,477.9**
NON-CURRENT LIABILITIES														
Interest bearing loans and borrowings	(0.0)	(0.0)	2.0	499.3	2,703.2	2,382.0	522.0	715.5	24.3	164.8	(61.0)	(22.8)	3,190.5	3,738.9
Post retirement benefits	84.9	2.4	79.9	104.4	105.0	126.6	(0.0)	(0.0)	28.2	22.4	0.0	(0.0)	298.0	255.8
Provisions	29.3	16.3	75.1	80.8	44.6	43.2	(0.0)	(0.0)	143.8	45.4	0.0	(0.0)	292.8	185.7
Deferred tax liability	(438.1)	(269.8)	200.3	234.2	934.8	1.000,2	(116.2)	34.9	(678.2)	(793.7)	0.0	(0.0)	(97.3)	205.9
Deferred customers' contributions and subsidies	(0.0)	(0.0)	0.0	1.0	133.3	164.9	1,919.8	1,165.8	(0.0)	(0.0)	491.7	0.0	2,544.9	1,331.7
Other non-current liabilities	0.2	16.6	0.2	0.1	142.5	116.7	23.6	5.4	687.4	494.6	(853.8)	(118.5)	0.0	514.9
Administration non-current liabilities	323.8	234.5	(67.8)	(44.3)	(107.8)	(123.3)	(95.3)	(60.2)	(52.9)	(6.7)	0.0	0.0	(0.0)	(0.0)
TOTAL NON-CURRENT LIABILITIES	**0.0**	**(0.0)**	**289.6**	**875.5**	**3,955.7**	**3,710.5**	**2,253.9**	**1,861.5**	**152.6**	**(73.3)**	**(423.0)**	**(141.3)**	**6,228.9**	**6,232.8**
CURRENT LIABILITIES														
Trade and other payables	102.8	(77.0)	257.0	249.5	(7.8)	147.8	128.7	61.3	2,299.0	2,317.0	(1,258.2)	(788.1)	1,521.5	1,910.5
Short – term borrowings	(0.0)	(0.0)	0.3	0.3	9.5	9.5	20.1	20.1	0.1	0.1	(0.0)	(0.0)	30.0	30.0
Current portion of interest bearing loans and borrowings	(0.0)	(0.0)	142.1	269.5	407.2	109.5	136.4	100.0	40.2	33.8	(11.0)	(12.4)	714.8	500.4
Dividends payable	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	0.0	(0.0)	0.0	(0.0)
Income taxes payable	3.3	(29.7)	21.5	25.7	30.5	61.3	2.1	3.8	5.5	147.0	(0.0)	(0.0)	62.9	208.0
Accrued and other current liabilities	75.1	27.3	0.0	18.1	638.3	221.7	(0.0)	11.4	194.7	283.4	(122.8)	(180.6)	785.3	381.3
Derivatives Liability	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	216.7	(0.0)	216.7	(0.0)
Administration current liabilities	(181.2)	79.4	13.2	(6.1)	10.3	(3.1)	7.9	(3.2)	149.8	(67.0)	(0.0)	(0.0)	(0.0)	(0.0)
Liabilities from financial activities	(0.0)	(0.0)	809.4	46.0	918.4	730.7	268.0	(0.0)	(229.8)	(0.0)	(1,766.0)	(776.7)	(0.0)	(0.0)
TOTAL CURRENT LIABILITIES	**(0.0)**	**(0.0)**	**1,243.5**	**603.1**	**2,006.3**	**1,277.4**	**563.1**	**193.2**	**2,459.4**	**2,714.3**	**(2,941.2)**	**(1,757.8)**	**3,331.2**	**3,030.2**
TOTAL LIABILITIES AND EQUITY	**0.0**	**(0.0)**	**1,574.6**	**1,833.6**	**7,764.5**	**7,587.8**	**3,925.5**	**3,730.9**	**3,481.7**	**3,486.9**	**(3,361.2)**	**(1,898.3)**	**13,385.1**	**14,740.9**

INTERCONNECTED SYSTEM UNBUNDLED BALANCE SHEET
DECEMBER 2018

(All amounts in millions of Euro)

	MINES		GENERATION		DISTRIBUTION NETWORK		SUPPLY		TOTAL	
	2018	**2017**	**2018**	**2017**	**2018**	**2017**	**2018**	**2017**	**2018**	**2017**
ASSETS										
NON-CURRENT ASSETS										
Tangible Assets	1,315.9	1,567.7	4,270.1	4,630.5	2,964.9	3,025.4	17.0	17.2	8,567.9	9,240.9
Intangible Assets	0.9	0.3	151.8	53.3	0.0	0.0	6.0	8.4	158.7	61.9
Investments in subsidiaries	0.0	10.1	0.0	58.0	0.0	13.9	0.0	4.7	0.0	86.6
Available for sale financial assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other non-current assets	0.0	0.0	101.2	82.2	0.0	0.0	0.0	0.0	101.2	82.2
Administration non-current assets	80.5	23.4	220.7	66.5	158.1	43.7	14.8	0.2	474.2	133.9
TOTAL NON-CURRENT ASSETS	**1,397.3**	**1,601.5**	**4,743.8**	**4,890.5**	**3,123.0**	**3,083.0**	**37.8**	**30.4**	**9,301.9**	**9,605.5**
CURRENT ASSETS										
Materials, spare parts and supplies, net	87.2	95.1	306.3	339.9	0.0	0.0	0.0	0.0	393.5	435.0
Trade receivables, net	12.7	5.1	240.7	159.9	116.8	48.5	1,650.4	1,874.9	2,020.7	2,088.3
Other receivables, net	14.7	93.3	16.4	(46.2)	(5.5)	(74.6)	34.1	(90.8)	59.7	(118.3)
Other current assets	4.2	(13.9)	54.6	12.2	(1.7)	14.5	14.7	61.8	71.7	74.7
Cash and cash equivalents	16.5	24.4	59.7	68.8	5.3	25.0	23.8	3.1	105.3	121.3
Administration current assets	3.2	2.8	16.3	16.3	3.2	3.2	111.6	97.2	134.3	119.4
Receivables from financial activities	38.9	25.2	533.2	546.9	0.0	0.0	392.9	82.0	965.0	654,1
TOTAL CURRENT ASSETS	**177.4**	**232.1**	**1,227.3**	**1,097.7**	**118.0**	**16.6**	**2,227.5**	**2,028.1**	**3,750.1**	**3,374.5**
TOTAL ASSETS	**1,574.6**	**1,833.6**	**5,971.0**	**5,988.2**	**3,241.0**	**3,099.6**	**2,265.3**	**2,058.5**	**13,052.0**	**12,980.0**
EQUITY AND LIABILITIES										
EQUITY										
Share Capital	76.7	78.1	228.6	256.7	152.6	135.9	18.5	16.5	476.5	487.3
Share Pemium	14.7	15.0	43.8	49.2	29.3	26.1	0.4	(0.0)	88.2	90.3
Legal reserve	15.3	15.6	43.1	50.6	28.7	27.6	0.3	3.5	87.4	97.2
Fixed assets' statutory revaluation surplus included in share capital	(141.3)	(127.7)	(384.4)	(439.9)	(256.6)	(232.9)	(2.9)	(0.0)	(785.2)	(800.5)
Revaluation surplus	505.2	640.4	1,871.5	2,080.5	657.3	589.9	20.5	12.4	3,054.5	3,323.2
Other Reserves	15.7	0.1	38.4	37.0	25.5	26.6	1.0	(2.2)	80.6	61.5
Retained earnings	(463.8)	(284.2)	(895.1)	(478.9)	296.3	831.2	295.6	196.6	(767.0)	264.6
Administration equity	18.9	17.8	65.1	54.7	27.9	24.7	2.3	2.3	114.2	99.6
TOTAL EQUITY	**41.4**	**355.1**	**1,011.1**	**1,610.0**	**961.0**	**1,429.1**	**335.6**	**229.0**	**2,349.1**	**3,623.2**
NON-CURRENT LIABILITIES										
Interest bearing loans and borrowings	2.0	499.3	2,126.4	2,133.2	340.4	574.8	4.9	5.5	2,473.7	3,212.9
Post retirement benefits	79.9	104.4	77.6	96.6	(0.0)	(0.0)	24.6	19.8	182.1	220.8
Provisions	75.1	80.8	33.2	32.9	(0.0)	(0.0)	137.6	39.7	245.9	153.4
Deferred tax liability	200.3	234.2	730.5	811.8	(88.8)	37.4	(582.5)	(664.0)	259.5	419.5
Deferred customers' contributions and subsidies	0.0	1.0	133.2	164.8	1,617.7	986.7	(0.0)	(0.0)	1,751.0	1,152.4
Other non-current liabilities	0.2	0.1	142.1	101.6	20.1	4.3	564.0	436.7	726.4	542.6
Administration non-current liabilities	(67.8)	(44.3)	(73.6)	(95.5)	(78.4)	(50.2)	(39.9)	(1.6)	(259.7)	(191.6)
TOTAL NON-CURRENT LIABILITIES	**289.6**	**875.5**	**3,169.4**	**3,245.4**	**1,811.0**	**1,552.9**	**108.7**	**(163.8)**	**5,378.8**	**5,510.1**
CURRENT LIABILITIES										
Trade and other payables	257.0	249.5	(21.2)	86.3	64.8	45.5	1,710.1	1,693.4	2,010.7	2,074.6
Short – term borrowings	0.3	0.3	2.0	2.0	10.8	10.8	0.0	(0.0)	13.1	13.1
Current portion of interest bearing loans and borrowings	142.1	269.5	356.4	72.7	117.6	54.2	40.2	32.9	656.3	429.3
Dividends payable	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Income taxes payable	21.5	25.7	23.9	43.7	1.6	1.3	18.9	141.2	66.0	212.0
Accrued and other current liabilities	0.0	18.1	554.6	200.1	0.0	8.2	167.7	176.6	722.3	403.0
Administration current liabilities	13.2	(6.1)	8.7	(2.7)	6.1	(2.5)	114.0	(50.7)	141.9	(62.0)
Liabilities from financial activities	809.4	46.0	866.2	730.7	268.0	(0.0)	(229.8)	(0.0)	1,713.8	776.7
TOTAL CURRENT LIABILITIES	**1,243.5**	**603,1**	**1,790.5**	**1,132.8**	**469.1**	**117.6**	**1,821.0**	**1,993.4**	**5,324.1**	**3,846.8**
TOTAL LIABILITIES AND EQUITY	**1,574.6**	**1,833.6**	**5,971.0**	**5,988.2**	**3,241.0**	**3,099.6**	**2,265.3**	**2,058.5**	**13,052.0**	**12,980.0**

CRETE UNBUNDLED BALANCE SHEET
DECEMBER 2018

(All amounts in millions of Euro)

	GENERATION		DISTRIBUTION NETWORK		SUPPLY		TOTAL	
	2018	**2017**	**2018**	**2017**	**2018**	**2017**	**2018**	**2017**
ASSETS								
NON-CURRENT ASSETS								
Tangible Assets	347.5	368.8	272.3	274.0	1.1	1.2	621.0	643.9
Intangible Assets	14.8	3.6	0.0	0.0	0.4	0.5	15.2	4.1
Investments in subsidiaries	0.0	32.4	0.0	0.0	0.0	0.0	0.0	32.4
Available for sale financial assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other non-current assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Administration non-current assets	25.8	6.1	12.5	3.8	1.1	0.0	39.3	9.8
TOTAL NON-CURRENT ASSETS	**388.1**	**410.8**	**284.8**	**277.8**	**2.6**	**1.7**	**675.5**	**690.3**
CURRENT ASSETS								
Materials, spare parts and supplies, net	62.9	78.4	0.0	0.0	0.0	0.0	62.9	78.4
Trade receivables, net	236.6	65.0	7.0	1.9	166.8	297.4	410.3	364.3
Other receivables, net	(14.5)	(7.5)	2.4	(4.8)	5.7	128.0	(6.4)	115.7
Other current assets	2.1	31.8	1.4	1.5	25.0	196.5	28.6	229.8
Cash and cash equivalents	2.2	9.8	2.7	2.1	15.6	7.3	20.4	19.2
Administration current assets	8.4	8.3	0.4	0.4	9.2	7.7	18.0	16.4
Receivables from financial activities	0.0	0.0	0.0	0.0	333.5	0.0	333.5	0.0
TOTAL CURRENT ASSETS	**297.6**	**185.7**	**13.9**	**1.1**	**555.7**	**636.9**	**867.2**	**823.7**
TOTAL ASSETS	**685.7**	**596.5**	**298.7**	**278.9**	**558.3**	**638.6**	**1,542.7**	**1,514.0**
EQUITY AND LIABILITIES								
EQUITY								
Share Capital	26.0	23.2	11.8	10.5	1.3	1.2	39.1	34.8
Share Pemium	5.0	4.4	2.3	2.0	(0.0)	(0.0)	7.2	6.5
Legal reserve	4.9	4.8	2.2	2.1	0.0	0.3	7.1	7.3
Fixed assets' statutory revaluation surplus included in share capital	(43.8)	(39.7)	(20.0)	(17.9)	(0.0)	(0.0)	(63.7)	(57.7)
Revaluation surplus	233.5	222.1	50.5	45.3	1.3	0.7	285.3	268.1
Other Reserves	4.9	3.0	2.0	2.1	0.1	(0.1)	6.9	4.9
Retained earnings	150.5	232.6	(9.5)	40.5	195.4	301.7	336.4	574.8
Administration equity	8.6	5.6	2.2	1.9	0.2	0.2	10.9	7.7
TOTAL EQUITY	**389.6**	**456.1**	**41.4**	**86.4**	**198.3**	**304.0**	**629.4**	**846.5**
NON-CURRENT LIABILITIES								
Interest bearing loans and borrowings	147.0	(0.0)	108.0	84.2	(0.0)	9.3	255.0	93.6
Post retirement benefits	10,.5	11.5	-	-	1.8	1.4	12.3	12.9
Provisions	3.9	3.5	-	-	3.7	3.5	7.6	7.0
Deferred tax liability	92.2	85.8	(14.5)	(3.0)	(41.6)	(59.3)	36.2	23.5
Deferred customers' contributions and subsidies	0.1	0.1	134.3	79.4	(0.0)	(0.0)	134.4	79.6
Other non-current liabilities	0.0	5.9	1.5	0.5	53.0	24.5	54.6	30.8
Administration non-current liabilities	(17.9)	(17.9)	(9.8)	(5.7)	(2.3)	(1.8)	(30.0)	(25.4)
TOTAL NON-CURRENT LIABILITIES	**235.8**	**88.9**	**219.5**	**155.5**	**14.6**	**(22.4)**	**470.0**	**221.9**
CURRENT LIABILITIES								
Trade and other payables	1.8	16.6	23.3	6.0	317.1	305.4	342.2	328.0
Short – term borrowings	1.7	1.7	4.7	4.7	0.1	0.1	6.5	6.5
Current portion of interest bearing loans and borrowings	7.3	13.6	8.9	24.3	(0.0)	0.4	16.2	38.2
Dividends payable	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Income taxes payable	2.2	7.5	0.2	1.3	(6.7)	(0.7)	(4.3)	8.1
Accrued and other current liabilities	46.9	12.1	(0.0)	1.0	16.8	60.0	63.7	73.1
Administration current liabilities	0.4	(0.0)	0.6	(0.3)	18.0	(8.1)	19.0	(8.4)
Liabilities from financial activities	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
TOTAL CURRENT LIABILITIES	**60.3**	**51.5**	**37.7**	**37.0**	**345.3**	**357.0**	**443.3**	**445,5**
TOTAL LIABILITIES AND EQUITY	**685.7**	**596.5**	**298.7**	**278.9**	**558.3**	**638.6**	**1,542.7**	**1,514.0**

OTHER NON INTERCONNECTED ISLANDS UNBUNDLED BALANCE SHEET (INCL. RHODES)
DECEMBER 2018

(All amounts in millions of Euro)

	GENERATION		DISTRIBUTION NETWORK		SUPPLY		TOTAL	
	2018	**2017**	**2018**	**2017**	**2018**	**2017**	**2018**	**2017**
ASSETS								
NON-CURRENT ASSETS								
Tangible Assets	684.3	683.1	347.3	338.2	1.5	1.6	1,033.1	1,022.9
Intangible Assets	11.8	3.2	0.0	0.0	0.6	0.8	12.4	4.0
Investments in subsidiaries	0.0	72.4	0.0	1.5	0.0	0.0	0.0	73.9
Available for sale financial assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other non-current assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Administration non-current assets	39.8	8.0	17.7	5.0	1.1	0.0	58.5	13.1
TOTAL NON-CURRENT ASSETS	**736.0**	**766.8**	**364.9**	**344.8**	**3.1**	**2.4**	**1,104.0**	**1,113.9**
CURRENT ASSETS								
Materials, spare parts and supplies, net	102.0	88.4	0.0	0.0	0.0	0.0	102.0	88.4
Trade receivables, net	202.1	64.6	11.4	3.0	171.8	305.7	385.3	373.3
Other receivables, net	(5.8)	(29.4)	4.2	(1.3)	5.0	144.8	3.4	114.1
Other current assets	0.5	27.9	1.2	1.7	21.1	181.3	22.8	211.0
Cash and cash equivalents	12.7	78.1	3.7	3.8	33.9	26.9	50.2	108.8
Administration current assets	8.2	6.7	0.4	0.4	7.7	6.0	16.3	13.2
Receivables from financial activities	52.2	0.0	0.0	0.0	415.4	122.6	467.5	122.6
TOTAL CURRENT ASSETS	**371.7**	**236.3**	**20.8**	**7.6**	**655.0**	**787.3**	**1,047.5**	**1,031.3**
TOTAL ASSETS	**1,107.7**	**1,003.1**	**385.8**	**352.4**	**658.1**	**789.7**	**2,151.6**	**2,145.2**
EQUITY AND LIABILITIES								
EQUITY								
Share Capital	41.6	37.0	16.9	15.0	1.4	1.2	59.8	53.2
Share Pemium	8.0	7.1	3.2	2.9	0.0	(0.0)	11.2	10.0
Legal reserve	7.8	7.5	3.2	3.0	0.0	0.8	11.0	11.3
Fixed assets' statutory revaluation surplus included in share capital	(69.9)	(63.4)	(28.4)	(25.7)	(0.2)	(0.0)	(98.4)	(89.2)
Revaluation surplus	259.5	241.2	64.0	56.6	1.8	1.2	325.3	298.9
Other Reserves	8.2	5.0	2.8	2.9	0.1	(0.1)	11.0	7.9
Retained earnings	136.5	291.9	41.6	103.2	332.3	309.2	510.3	704.4
Administration equity	10.1	7.5	2.8	2.8	0.4	0.5	13.2	10.7
TOTAL EQUITY	**401.8**	**533.8**	**106.1**	**160.7**	**335.7**	**312.7**	**843.5**	**1,007.3**
NON-CURRENT LIABILITIES								
Interest bearing loans and borrowings	429.8	248.8	73.7	56.5	19.3	150.0	522.9	455.3
Post retirement benefits	16.9	18.5	(0.0)	-	1.8	1.2	18.8	19.7
Provisions	7.5	6.8	(0.0)	-	2.5	2.2	10.0	9.0
Deferred tax liability	112.1	102.6	(12.9)	0.5	(54.1)	(70.4)	45.0	32.7
Deferred customers' contributions and subsidies	0.0	(0.0)	167.8	99.7	0.0	(0.0)	167.8	99.7
Other non-current liabilities	0.3	9.2	1.9	0.7	70.4	33.4	72.7	43.4
Administration non-current liabilities	(16.3)	(9.9)	(7.1)	(4.3)	(10.7)	(3.3)	(34.1)	(17.5)
TOTAL NON-CURRENT LIABILITIES	**550.4**	**376.1**	**223.4**	**153.0**	**29.3**	**113.0**	**803.0**	**642.1**
CURRENT LIABILITIES								
Trade and other payables	11.6	44.9	40.5	9.8	271.8	318.2	324.0	373.0
Short – term borrowings	5.8	5.8	4.5	4.5	0.0	(0.0)	10.4	10.4
Current portion of interest bearing loans and borrowings	43.5	23.2	9.8	21.5	0.0	0.6	53.3	45.3
Dividends payable	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Income taxes payable	4.4	10.1	0.3	1.1	(6.7)	6.5	(2.1)	17.7
Accrued and other current liabilities	36.8	9.5	(0.0)	2.1	10.1	46.8	46.9	58.4
Administration current liabilities	1.2	(0.4)	1.2	(0.4)	17.9	(8.2)	20.3	(9.0)
Liabilities from financial activities	52.2	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	52.2	(0.0)
TOTAL CURRENT LIABILITIES	**155.5**	**93.2**	**56.3**	**38.7**	**293.2**	**363.9**	**505.0**	**495.8**
TOTAL LIABILITIES AND EQUITY	**1,107.7**	**1,003.1**	**385.8**	**352.4**	**658.1**	**789.7**	**2.151,6**	**2.145,2**

SYSTEM INTEGRATION UNBUNDLED INCOME STATEMENT
DECEMBER 2018

(All amounts in millions of Euro)

	MINES		GENERATION		DISTRIBUTION NETWORK		SUPPLY		ELIMINATIONS		TOTAL PPC	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
REVENUES												
REVENUES FROM 3RD PARTIES												
Energy sales to customers							3,765.2	4,034.6	467.9	549.6	4,233.1	4,584.1
PSO's revenues from customers							467.2	548.7	(467.2)	(548.7)		
Energy exports							0.7	0.9	(0.7)	(0.9)		
Energy sales to wholesale market			2,022.9	2,369.7					(2,022.9)	(2,369.7)		
Transitional Flexibility Assurance Mechanism			16.9	17.8					(16.9)	(17.8)		
Other Services to wholesale market			9.3	8.1					(9.3)	(8.1)		
Sales from Lignite	6.5								(6.5)			
Network rentals					271.7	300.9			(271.7)	(300.9)		
Customer's contribution					85.2	55.6			(85.2)	(55.6)		
ETMEAR's revenues							655.8	804.1	(655.8)	(804.1)		
PSO's revenues from Administrators							590.6	645.9	(590.6)	(645.9)		
Other Sales	5.2	5.4	7.6	6.3			31.1	33.1	316.4	218.0	360.4	262.9
Allocated Administration Revenues	8.9	10.5	9.7	10.9			2.5	2.4	(21.0)	(23.8)		
INTERDEPARTMENTAL REVENUES												
Lignite yard & ash revenue	15.3	18.0							(15.3)	(18.0)		
Energy							68.9	79.3	(68.9)	(79.3)		
Lignite	425.3	556.5							(425.3)	(556.5)		
REVENUES	**461.3**	**590.5**	**2,066.4**	**2,412.7**	**356.9**	**356.5**	**5,582.0**	**6,148.9**	**(3,873.1)**	**(4,661.6)**	**4,593.5**	**4,847.0**
EXPENSES (3RD PARTIES)												
Payroll Cost	171.1	199.8	248.5	255.7			41.4	43.1	147.1	60.8	608.0	559.4
Own production lignite	431.6	557.7							(418.1)	(502.3)	13.5	55.4
Third party lignite - Hard coal			24.8	55.0					(24.8)	(55.0)		
Natural Gas			383.6	409.1							383.6	409.1
Liquid fuel			666.0	662.6							666.0	662.6
Materials & Consumables	30.1	45.9	53.2	50.9			0.8	1.0	0.2	0.2	84.3	97.9
Depreciations	129.7	142.6	312.2	335.5	206.7	145.3	4.8	4.2	7.3	6.8	660.6	634.5
Energy Purchases from third party			1.2	0.9			719.0	903.7	(720.2)	(904.6)		
Energy imports							136.9	88.5	(136.9)	(88.5)		
Energy Purchases to wholesale market			1.0				2,776.6	2,914.4	(1,041.5)	(1,299.7)	1,736.0	1,614.7
Return of receivable ETMEAR to Administrators							552.7	806.7	(552.7)	(806.7)		
Return of receivable PSO to Administrators							487.2	554.6	(487.2)	(554.6)		
Transmission Network Fees							157.8	173.7	0.0	(0.0)	157.8	173.7
Distribution Network Fees					(0.1)	(0.1)	591.3	655.7	(271.7)	(300.9)	319.5	354.8
Utilities & Maintenance	102.9	100.0	31.5	41.2			23.6	25.0	11.7	12.0	169.7	178.3
Third party fees	1.0	1.3	10.8	11.2			23.7	19.5	11.6	14.9	47.1	47.0
Taxes and duties	22.7	24.8	33.1	40.6			3.6	3.7	(59.4)	(69.1)		
CO_2 emissions rights			301.4	181.3							301.4	181.2
Provisions	32.9	2.5	5.4	6.3	1.0	0.3	(75.6)	28.5	18.6	36.3	(17.7)	73.9
Financial expenses	7.1	35.0	141.2	116.4	31.2	38.1	4.0	10.9			183.5	200.5
Financial income	(0,5)	(37.8)	(9.1)	(123.0)	(2.0)	(40.1)	(99.7)	(108.0)	(0.3)	198.6	(111.5)	(110.2)
Income from IPTO's sale										(198.6)		(198.6)
Income from PSO										(359.8)		(359.8)
Other (income)/ expense, net	3.2	45.2	6.6	(15.7)	2.7	1.3	5.4	(383.1)	(60.4)	405.7	(42.6)	53.4
Devaluation of fixed assets	31.5		121.1		74.5		8.7				235.8	
Impairment loss of marketable securities			0.2						(0.2)	0.0		
Foreign currency gains/ (losses), net	0.1	(0.1)	0.7	(3.9)		(0.1)					0.7	(4.1)
Allocated Administration Expenses	92.1	69.4	99.0	69.5			31.6	21.8	(222.7)	(160.7)		
Interdepartmental Expenses												
Lignite yard & ash expenses			15.3	18.0					(15.3)	(18.0)		
Change in stock	(8.7)	2.7							8.7	(2.7)		
Public Service Obligations												
Energy	47.6	51.0	21.3	28.3					(68.9)	(79.3)		
PROFIT (LOSS) BEFORE TAX	**(201.4)**	**(91.8)**	**(834.0)**	**(285.0)**	**42.9**	**211.6**	**188.1**	**385.0**	**2.0**	**3.5**	**(802.5)**	**223.4**

INTERCONNECTED SYSTEM UNBUNDLED INCOME STATEMENT
DECEMBER 2018

(All amounts in millions of Euro)

	MINES		GENERATION		DISTRIBUTION NETWORK		SUPPLY		TOTAL	
	2018	**2017**	**2018**	**2017**	**2018**	**2017**	**2018**	**2017**	**2018**	**2017**
REVENUES										
REVENUES FROM 3RD PARTIES										
Energy sales to customers							3,282.6	3,526.7	3,282.6	3,526.7
PSO's revenues from customers							392.7	465.7	392.7	465.7
Energy exports							0.7	0.9	0.7	0.9
Energy sales to wholesale market			1,296.3	1,518.6					1,296.3	1,518.6
Transitional Flexibility Assurance Mechanism			16.9	17.8					16.9	17.8
Other Services to wholesale market			9.3	8.1					9.3	8.1
Sales from Lignite	6.5								6.5	
Network rentals					232.1	261.7			232.1	261.7
Customer's contribution					71.4	45.4			71.4	45.4
ETMEAR's revenues							563.2	698.2	563.2	698.2
PSO's revenues from Administrators							69.1	73.8	69.1	73.8
Other Sales	5.2	5.4	6.9	5.9			27.4	29.1	39.5	40.5
Allocated Administration Revenues	8.9	10.5	6.5	7.6			2.2	1.9	17.6	20.0
INTERDEPARTMENTAL REVENUES										
Lignite yard & ash revenue	15.3	18.0							15.3	18.0
Energy							67.0	78.0	67.0	78.0
Lignite	425.3	556.5							425.3	556.5
REVENUES	**461.3**	**590.5**	**1,335.9**	**1,558.0**	**303.4**	**307.1**	**4,404.9**	**4,874.2**	**6,505.5**	**7,329.8**
EXPENSES (3RD PARTIES)										
Payroll Cost	171.1	199.8	179.2	187.5			36.3	38.3	386.6	425.6
Own production lignite			431.6	557.7					431.6	557.7
Third party lignite - Hard coal			24.8	55.0					24.8	55.0
Natural Gas			383.6	409.1					383.6	409.1
Liquid fuel			34.4	84.7					34.4	84.7
Materials & Consumables	30.1	45.9	29.4	29.7			0.7	0.9	60.2	76.5
Depreciations	129.7	142.6	242.8	251.4	174.0	123.9	4.2	3.7	550.7	521.6
Energy Purchases from third party			1.0						1.0	
Energy imports							135.3	88.5	135.3	88.5
Energy Purchases to wholesale market							2,735.2	2,914.4	2,735.2	2,914.4
Return of receivable ETMEAR to Administrators							460.0	700.8	460.0	700.8
Return of receivable PSO to Administrators							419.7	477.0	419.7	477.0
Transmission Network Fees							157.9	173.7	157.9	173.7
Distribution Network Fees					(0.1)	(0.1)	515.3	567.6	515.2	567.5
Utilities & Maintenance	102.9	100.0	22.5	28.6			20.8	21.4	146.2	150.0
Third party fees	1.0	1.3	8.0	7.4			21.0	13.5	30.0	22.3
Taxes and duties	22.7	24.8	32.4	39.2			3.0	3.8	58.2	67.8
CO_2 emissions rights	0.0	0.0	259.4	160.4					259.4	160.4
Provisions	32.9	2.5	4.0	4.4	1.0	0.3	(34.4)	57.9	3.5	65.1
Financial expenses	7.1	35.0	113.1	103.4	21.7	29.1	3.1	5.3	145.0	172.8
Financial income	(0.5)	(37.8)	(7.3)	(109.2)	(1.4)	(30.5)	(87.2)	(90.0)	(96.3)	(267.5)
Other (income)/ expense, net	3.2	45.2	17.2	(5.0)	2.0	0.2	5.9	(42.2)	28.4	(1.8)
Devaluation of fixed assets	31.5		93.3		62.8		7.6		195.1	
Impairment loss of marketable securities			0.2						0.2	
Foreign currency gains/ (losses), net	0.1	(0.1)	1.2	(1.9)		(0.1)			1.3	(2.0)
Allocated Administration Expenses	92.1	69.4	67.8	46.7			25.6	13.7	185.4	129.8
INTERDEPARTMENTAL EXPENSES										
Lignite yard & ash expenses			15.3	18.0					15.3	18.0
Change in stock	(8.7)	2.7							(8.7)	2.7
Public Service Obligations										
Energy	47.6	51.0	19.4	27.0					67.0	78.0
PROFIT (LOSS) BEFORE TAX	**(201.4)**	**(91.8)**	**(637.5)**	**(336.4)**	**43.5**	**184.3**	**(25.2)**	**(74.1)**	**(820.6)**	**(318.0)**

CRETE UNBUNDLED INCOME STATEMENT
DECEMBER 2018

(All amounts in millions of Euro)

	GENERATION		DISTRIBUTION NETWORK		SUPPLY		TOTAL	
	2018	**2017**	**2018**	**2017**	**2018**	**2017**	**2018**	**2017**
REVENUES								
REVENUES FROM 3RD PARTIES								
Energy sales to customers					226.2	245.4	226.2	245.4
PSO's revenues from customers					33.1	39.1	33.1	39.1
Energy exports								
Energy sales to wholesale market	387.2	422.6					387.2	422.6
Other Services to wholesale market								
Network rentals			18.1	18.8			18.1	18.8
Customer's contribution			6.2	4.1			6.2	4.1
ETMEAR's revenues					47.7	52.2	47.7	52.2
PSO's revenues from Administrators					272.1	281.0	272.1	281.0
Other Sales	0.2	0.1			1.7	1.7	1.8	1.9
Allocated Administration Revenues	1.1	1.1			0.2	0.2	1.2	1.3
INTERDEPARTMENTAL REVENUES								
Lignite yard & ash revenue								
Energy					1.1	1.0	1.1	1.0
Lignite								
REVENUES	**388.4**	**423.8**	**24.2**	**22.9**	**582.1**	**620.7**	**994.8**	**1,067.4**
EXPENSES (3RD PARTIES)								
Payroll Cost	26.1	26.0			2.8	2.7	28.9	28.6
Own production lignite								
Third party lignite - Hard coal								
Natural Gas								
Liquid fuel	360.8	309.5					360.8	309.5
Materials & Consumables	6.9	6.4				0.1	6.9	6.5
Depreciations	25.4	34.9	15.0	10.0	0.3	0.2	40.7	45.1
Energy Purchases from third party	0.6				377.0	444.6	377.6	444.6
Energy imports								
Energy Purchases to wholesale market					0.4		0.4	
Return of receivable ETMEAR to Administrators					47.7	52.2	47.7	52.2
Return of receivable PSO to Administrators					32.9	36.5	32.9	36.5
Transmission Network Fees								
Distribution Network Fees					38.6	43.0	38.6	43.0
Utilities & Maintenance	1.8	1.9			1.4	1.8	3.2	3.7
Third party fees	0.5	0.6			1.5	2.6	1.9	3.1
Taxes and duties	0.3	0.6			0.3	(0.4)	0.6	0.2
CO_2 emissions rights	22.2	11.0					22.2	11.0
Provisions	1.5	1.0			(18.7)	(14.6)	(17.2)	(13.7)
Financial expenses	6.9	0.2	5.5	5.3		1.3	12.5	6.7
Financial income	(0.4)	(0.2)	(0.4)	(5.5)	(6.1)	(7.3)	(6.9)	(13.1)
Other (income)/ expense, net	(5.9)	(6.2)	0.1	0.2	0.6	(177.0)	(5.1)	(182.9)
Devaluation of fixed assets	10.7		4.8		0.5		16.1	
Impairment loss of marketable securities								
Foreign currency gains/ (losses), net	(0.8)	(1.7)					(0.8)	(1.7)
Allocated Administration Expenses	10.1	8.0			3.2	4.1	13.3	12.0
INTERDEPARTMENTAL EXPENSES								
Lignite yard & ash expenses								
Change in stock								
Public Service Obligations								
Energy	1.1	1.0					1.1	1.0
PROFIT (LOSS) BEFORE TAX	**(79.5)**	**31.0**	**(0.9)**	**13.0**	**99.7**	**231.1**	**19.3**	**275.1**

OTHER NON INTERCONNECTED ISLANDS UNBUNDLED INCOME STATEMENT (INCL. RHODES)
DECEMBER 2018

(All amounts in millions of Euro)

	GENERATION		DISTRIBUTION NETWORK		SUPPLY		TOTAL	
	2018	**2017**	**2018**	**2017**	**2018**	**2017**	**2018**	**2017**
REVENUES								
REVENUES FROM 3RD PARTIES								
Energy sales to customers					256.5	262.5	256.5	262.5
PSO's revenues from customers					41.3	43.9	41.3	43.9
Energy exports								
Energy sales to wholesale market	339.4	428.5					339.4	428.5
Other Services to wholesale market							(0.0)	(0.0)
Network rentals			21.6	20.4			21.6	20.4
Customer's contribution			7.6	6.1			7.6	6.1
ETMEAR's revenues					44.9	53.7	44.9	53.7
PSO's revenues from Administrators					249.5	291.1	249.5	291.1
Other Sales	0.6	0.2			2.0	2.3	2.6	2.5
Allocated Administration Revenues	2.1	2.2			0.1	0.2	2.2	2.5
INTERDEPARTMENTAL REVENUES								
Lignite yard & ash revenue								
Energy					0.7	0.3	0.7	0.3
Lignite								
REVENUES	**342.1**	**430.9**	**29.2**	**26.5**	**595.1**	**654.0**	**966.3**	**1,111.4**
EXPENSES (3RD PARTIES)								
Payroll Cost	43.2	42.2			2.3	2.2	45.4	44.4
Own production lignite								
Third party lignite - Hard coal								
Natural Gas								
Liquid fuel	270.8	268.4					270.8	268.4
Materials & Consumables	16.8	14.7				0.1	16.8	14.8
Depreciations	44.0	49.2	17.6	11.5	0.3	0.3	61.9	60.9
Energy Purchases from third party	0.6	0.9			343.6	459.1	344.2	460.0
Energy imports								
Energy Purchases to wholesale market					40.9	0.0	40.9	0.0
Return of receivable ETMEAR to Administrators					44.9	53.7	44.9	53.7
Return of receivable PSO to Administrators					34.6	41.1	34.6	41.1
Transmission Network Fees								
Distribution Network Fees					37.5	45.1	37.5	45.1
Utilities & Maintenance	7.2	10.7			1.4	1.8	8.6	12.5
Third party fees	2.3	3.2			1.3	3.4	3.6	6.6
Taxes and duties	0.4	0.8			0.3	0.3	0.7	1.1
CO_2 emissions rights	19.8	9.9					19.8	9.9
Provisions	(0.1)	0.9			(22.5)	(14.7)	(22.7)	(13.8)
Financial expenses	21.1	12.8	4.0	3.8	1.0	4.3	26.0	20.9
Financial income	(1.4)	(13.5)	(0.3)	(4.0)	(6.4)	(10.7)	(8.0)	(28.2)
Other (income)/ expense, net	(4.8)	(4.4)	0.5	0.9	(1.2)	(164.0)	(5.4)	(167.6)
Devaluation of fixed assets	17.1		6.9		0.6		24.6	
Impairment loss of marketable securities								
Foreign currency gains/ (losses), net	0.2	(0.3)					0.2	(0.3)
Allocated Administration Expenses	21.1	14.9			2.9	4.1	24.0	18.9
INTERDEPARTMENTAL EXPENSES								
Lignite yard & ash expenses								
Change in stock								
Energy	0.7	0.3					0.7	0.3
PROFIT (LOSS) BEFORE TAX	**(117.0)**	**20.4**	**0.3**	**14.3**	**113.7**	**228.1**	**(3.0)**	**262.8**

CONSOLIDATED AND SEPARATE BALANCE SHEET
AS OF DECEMBER 31, 2018

(All amounts in millions of Euro)

	COMPANY		HEDNO		OTHER COMPANIES		ELIMINATIONS		GROUP	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017	31/12/2018	31/12/2017	31/12/2018	31/12/2017	31/12/2018	31/12/2017
ASSETS										
Non – Current Assets:										
Tangible assets	10,521.3	11,351.5	27.2	30.0	201.8	161.8	7.8	17.6	10,758.0	11,560.9
Intangible assets, net	189.6	71.4	3.7	5.2	0.7	0.5	6.2	(0.5)	200.2	76.6
Investments in subsidiaries	219.5	214.5	-	-	(0.0)	-	(219.5)	(214.5)	-	-
Investments in joint ventures	-	-	-	-	-	-	-	-	-	-
Investments in associates	1.0	1.2	-	-	19.0	19.8	0.0	(0.0)	20.0	21.0
Available for sale financial assets	0.5	1.0	-	-	0.1	0.5	0.0	0.0	0.6	1.5
Other non- current assets	71.5	94.7	0.0	0.0	350.0	498.5	(349.4)	(498.0)	72.1	95.2
Total non-current assets	**11,003.3**	**11,734.4**	**30.9**	**35.2**	**571.7**	**681.0**	**(554.9)**	**(695.4)**	**11,051.0**	**11,755.2**
Current Assets:										
Materials, spare parts and supplies, net	569.1	610.3	161.1	146.9	0.9	0.7	(16.7)	(26.5)	714.3	731.4
Trade receivables, net	1,124.4	1,300.1	302.6	468.6	28.2	16.1	(249.2)	(459.0)	1,206.0	1,325.7
Other receivables, net	157.8	811.6	22.8	17.6	10.6	6.8	(52.0)	246.3	139.2	1,082.3
Income tax receivable	-	-	-	-	0.0	-	13.3	6.6	13.3	6.6
Other current assets	104.1	27.3	135.8	229.5	7.6	1.0	(100.7)	(146.6)	146.7	111.2
Cash and cash equivalents	112.3	163.1	52.3	27.1	33.9	61.4	0.0		198.6	251.6
Restricted Cash	81.7	94.1	-	-	-	-	-	-	81.7	94.1
Assets held for sale	232.4	-	-	-	-	-	170.0	-	402.4	-
Total Current Assets	**2,381.7**	**3,006.5**	**674.6**	**889.6**	**81.1**	**86.0**	**(235.3)**	**(379.1)**	**2,902.2**	**3,603.0**
Total Assets	**13,385.1**	**14,740.9**	**705.5**	**924.8**	**652.8**	**767.0**	**(790.2)**	**(1,074.5)**	**13,953.2**	**15,358.2**
EQUITY AND LIABILITIES										
EQUITY:										
Share capital	575.4	575.4	37.6	37.6	97.6	97.6	(135.1)	(135.1)	575.4	575.4
Share premium	106.7	106.7	-	-	55.3	55.3	(55.3)	(55.3)	106.7	106.7
Legal reserve	128.3	128.3	1.6	1.6	3.3	3.1	(4.8)	(4.7)	128.3	128.3
Fixed assets' statutory revaluation surplus included in share capital	(947.3)	(947.3)	-	-	-	-	-	-	(947.3)	(947.3)
Revaluation surplus	3,726.8	3,956.3	40.8	42.0	24.1	24.1	24.3	24.3	3,816.1	4,046.7
Other Reserves	55.4	21.4	-	-	6.8	6.8	(48.3)	(62.5)	13.9	(34.3)
Retained earnings	179.8	1,637.2	27.4	44.8	53.1	51.1	(10.4)	2.0	249.9	1,735.0
Total Equity attributable to owners of the Parent	**3,825.0**	**5,477.9**	**107.4**	**126.0**	**240.2**	**238.1**	**(229.7)**	**(231.5)**	**3,942.9**	**5,610.4**
NON-CONTROLLING INTEREST	-	-	-	-	-	-	0.1	0.1	0.1	0.1
Total Equity	**3,825.0**	**5,477.9**	**107.4**	**126.0**	**240.2**	**238.1**	**(229.6)**	**(231.3)**	**3,943.1**	**5,610.5**
Non-Current Liabilities:										
Interest bearing loans and borrowings	3,190.5	3,738.9	-	-	349.4	498.0	(349.4)	(498.0)	3,190.5	3,738.9
Post retirement benefits	298.0	255.8	185.3	150.1	-	-	0.1	0.1	483.4	406.0
Provisions	292.8	185.7	34.8	37.5	0.7	1.3	(0.0)	0.0	328.3	22.6
Deferred tax liabilities	(97.3)	205.9	(86.7)	(90.7)	10.7	13.8	13.9	13.9	(159.5)	142.8
Deferred customers' contributions and subsidies	2,544.9	1,331.7	-	-	3.6	4.2	(0.1)	(0.1)	2,548.4	1,335.8
Other non-current liabilities	0.0	514.9	8.6	6.3	1.8	0.2	(1.8)	(0.2)	8.7	521.2
Total Non-Current Liabilities	**6,228.9**	**6,232.8**	**142.0**	**103.2**	**366.2**	**517.4**	**(337.3)**	**(484.3)**	**6,399.8**	**6,369.2**
Current Liabilities:										
Trade and other payables	1,521.5	1,910.5	343.0	482.3	22.1	6.5	(242.6)	(207.6)	1,644.0	2,191.7
Short – term borrowings	30.0	30.0	-	-	16.5	-	0.0	-	46.5	30.0
Current portion of interest bearing loans and borrowings	714.8	500.4	-	-	-	-	(0.0)	-	714.8	500.4
Dividends payable	0.0	0.0	-	-	-	-	-	-	0.0	0.0
Income tax payable	62.9	208.0	12.2	13.2	3.4	(0.0)	(0.0)	(0.0)	78.6	221.2
Accrued and other current liabilities	785.3	381.3	100.8	200.2	4.4	5.0	(103.2)	(151.3)	787.3	435.2
Derivative liability	216.7	-	-	-	-	-	-	-	216.7	-
Liabilities held for sale	-	-	-	-	-	-	122.6	-	122.6	-
Total Current Liabilities	**3,331.2**	**3,030.2**	**456.0**	**695.7**	**46.4**	**11.5**	**(223.3)**	**(358.9)**	**3,610.4**	**3,378.5**
Total Liabilities and Equity	**13,385.1**	**14,740.9**	**705.5**	**924.8**	**652.8**	**767.0**	**(790.2)**	**(1,074.5)**	**13,953.2**	**15,358.2**

CONSOLIDATED AND SEPARATE STATEMENT OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 2018

(All amounts in millions of Euro)

	COMPANY (CONTINUING OPERATIONS)		ΔΕΔΔΗΕ		OTHER COMPANIES		ELIMINATIONS		GROUP (CONTINUING OPERATIONS)	
	31/12/2018	**31/12/2017**	**31/12/2018**	**31/12/2017**	**31/12/2018**	**31/12/2017**	**31/12/2018**	**31/12/2017**	**31/12/2018**	**31/12/2017**
REVENUES										
Revenue from energy sales	4,233.1	4,584.1	860.6	975.0	147.9	51.0	(983.5)	(1,016.5)	4,258.2	4,593.6
Revenue from system usage	-	-	-	-	-	-	-	-	-	-
PSO's revenues	-	-	-	-	-	-	-	-	-	-
Other sales	360.3	262.5	1,730.8	1,704.3	22.9	30.7	(1,630.5)	(1,647.6)	483.4	349.9
	4,593.4	**4,846.6**	**2,591.4**	**2,679.3**	**170.8**	**81.7**	**(2,614.0)**	**(2,664.1)**	**4,741.6**	**4,943.5**
EXPENSES:										
Payroll cost	555.1	482.3	368.4	317.1	3.6	3.0	(55.7)	(58.5)	871.3	743.9
Lignite	(0.8)	(0.2)	-	-	-	-	(0.0)	-	(0.8)	(0.2)
Liquid Fuel	659.5	650.9	-	-	-	-	-	-	659.5	650.9
Natural Gas	383.6	409.1	-	-	-	-	-	-	383.6	409.1
Depreciation and Amortization	631.6	572.9	7.6	7.9	5.7	6.8	(0.0)	(0.0)	644.9	587.6
Energy purchases	1,800.6	1,818.1	1,555.8	1,647.7	120.2	24.9	(1,677.5)	(1,687.0)	1,799.2	1,803.7
PSO's fees	-	(359.8)	-	-	-	-	-	-	-	(359.8)
Materials and consumables	74.3	79.9	73.6	72.8	0.0	-	(41.3)	(38.5)	106.6	114.2
Transmission system usage	157.8	173.7	-	-	-	-	-	-	157.8	173.7
Distribution system usage	319.5	354.8	-	-	-	-	(319.5)	(354.8)	-	-
Utilities and maintenance	159.8	161.6	556.0	554.6	2.9	4.2	(498.2)	(501.3)	220.6	219.1
Third party fees	46.5	46.0	32.6	29.5	1.1	1.2	(13.7)	(16.1)	66.4	60.5
CO_2 emission rights	279.5	141.6	-	-	-	-	-	-	279.5	141.6
Provision for Land restoration	-	-	-	-	-	-	-	-	-	-
Provision for risks	109.6	41.5	(2.7)	1.5	-	-	(0.0)	-	106.9	43.0
Provision for slow – moving materials	7.1	6.2	0.3	1.0	0.1	0.1	(0.0)	0.0	7.4	7.3
Allowance for doubtful balances	(134.6)	24.7	0.7	0.4	0.2	0.1	(0.0)	(0.0)	(133.7)	25.2
Financial expenses	183.5	201.3	0.3	0.1	23.1	35.4	(22.5)	(30.7)	184.4	206.0
Financial income	(111.5)	(110.2)	(1.2)	(0.6)	(2.4)	(3.5)	10.0	4.5	(105.2)	(109.8)
Profit from sale of a subsidiary - ADMIE	-	(198.6)	-	-	-	-	-	198.6	-	-
Devaluation of fixed assets	-	-	-	-	-	-	-	-	-	-
Other (income) expenses, net	(43.5)	47.0	14.2	10.7	9.6	2.2	20.4	22.7	0.8	82.6
Subsidies of valuation of fixed assets	-	-	-	-	3.5	4.3	(0.0)	(0.0)	3.5	4.3
Net loss / (gain) from associates and joint ventures	0.3	-	-	-	(2.4)	(0.5)	(0.5)	(0.0)	(2.7)	(0.5)
Loss / (Gain) of associates and joint ventures net	-	-	-	-	-	-	-	-	-	-
Impairment loss of marketable securities	0.7	(4.0)	0.0	-	(0.1)	(0.0)	(0.0)	(0.0)	0.6	(4.0)
	5,078.7	**4,538.6**	**2,605.5**	**2,642.6**	**165.0**	**78.0**	**(2,598.5)**	**(2,461.0)**	**5,250.7**	**4,798.2**
PROFIT / (LOSS) BEFORE TAX	**(485.3)**	**308.0**	**(14.1)**	**36.7**	**5.7**	**3.7**	**(15.4)**	**(203.1)**	**(509.1)**	**145.3**

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 Decision 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.

It is noted that as of 15/6/2017, IPTO does not belong to the Group's subsidiaries and follows the model of ownership unbundled Operator, fully harmonized with the Directive 2009/72/EC. As a result, information disclosures by operational segment as well as the principles of segment as presented in IFRS 8 "Operating Segment" are stated and refer only to continuing operations of the Company.

2. ACCOUNTING UNBUNDLING METHODOLOGY

The methodology applied for the preparation of the unbundled financial statements consists of the following phases:
a) Determination of activities into which the integrated electric utility should be unbundled,
b) Preparation of unbundled trial balances,
c) Preparation of unbundled balance sheets,
d) Preparation of the unbundled statements of income,
e) Quantification of inter-segment revenues and expenses among activities through the application of an internal pricing system

Determination of activities into which the integrated electric utility should be unbundled

The activities for unbundled financial statements are prepared, on a first level, are Mines, Generation, Distribution Network, Supply, and Corporate.

On a second level, these activities are presented as follows:
- Interconnected System
  - Mines
  - Generation
  - Distribution network
  - Supply
- System of Crete
  - Generation
  - Distribution network
  - Supply
- System of other Non-Interconnected Islands
  - Generation
  - Distribution network
  - Supply

Mines
Mines include the lignite extraction activity carried out in the Lignite Centers of West Macedonia and Megalopolis.

Generation
Generation includes the electricity generation activities in the Interconnected System, the System of Crete and the System of Non-Interconnected Islands.

Distribution
Distribution Network includes the rental of assets to HEDNO SA in the Interconnected System, the System of Crete and the System of Non Interconnected Islands.

Supply
Supply reflects the Company's activity which monitors relationships with final customers in the Interconnected System, the System of Crete and the System of Non-Interconnected Islands.

Corporate
The Corporate is the administrative departments of the Parent Company, which provide support to PPC's activities.
The Balance Sheet and Statement of Income of the Corporate is further allocated based on certain allocation rules, which are described in detail in the following pages. Related parties are reflected as a separate activity in the group unbundled financial statements.

Preparation of unbundled trial balances
In the Company's accounting system, each the cost centre and the profit centre represents an organizational entity, in which the assets and liabilities are recorded. In order for these trial balances to be generated, the following tasks are performed, which are applied per account and cost / profit centre for the minimum account degree in General Accounting:

- Cost / profit centers are recorded in order to identify the boundaries of activities and then all cost / profit centers to be assigned to activities with which they are related to.

- The sum totals of the cost / profit centers and accounts are reconciled with the comprehensive trial balance of the Company.

- The trial balance accounts are codified and grouped into sections of the balance sheet and of the income statement based on Company's consolidated Financial Statements.

Preparation of unbundled balance sheets

At the end of each financial year, balance sheets are prepared for each of the four activities (Mines, Generation, Distribution Network, Supply) in the Interconnected System, in the Crete System and in the Non – Interconnected Islands System.

The balance sheet for each activity is prepared under the principle of independent accounting.

The accounts of each balance sheet are as follows:
i. Direct, which include the direct charges and credits of the accounts of the relevant profit centers of the corresponding level of activity,
ii. Indirect of the administration departments, which derive from the administration departments of each activity and include its allocated balance sheet accounts.
iii. Indirect of the Corporate, which include the allocated balance sheet accounts, which are presented in a separate line on each activity's balance sheet.

In addition, in the accounts of balance sheets there are profitable Activities where funding other Activities for their needs in cash equivalents. The presentation of these transactions reflected in separately lines in the accounts of balance sheet in current assets and current liabilities.

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, Distribution Network, Supply) in the Interconnected System, in the Crete System and in the Non – Interconnected Islands System. Additionally, the Income Statements of PPC's subsidiaries are depicted separately.

Income statement accounts of financial nature are allocated to activities based on the loans of each activity.

Then, income statement account balances that have remained in Corporate are allocated in the activities.
For the allocation of revenues and expenses to Activities the criterion is based on direct expenses of every Activity, with the exception of expenses that relate to the system of customers' monitoring and billing that are assigned only to Supply. Upon completion of the above allocations, the Statements of income for each Activity are prepared. The Corporate expenses and revenues allocated to the activities are presented separately in a line item in each activity.

Quantification of inter-segment revenues and expenses among activities through the application of an internal pricing system

Within the framework of an integrated utility products and services are exchanged among its activities, which would be recorded if these activities would operate as independent entities.

In order for these products and services to be quantified and recorded, an internal pricing system is applied if necessary (where there is no external determination of internal exchanges). The most important services and products internally exchanged in PPC among its Activities, that are presented in the Unbundled Financial Statements are the following:

	Activity which	
Product / Service	**Renders**	**Receives**
Interconnected system		
Lignite	Mines	Generation
Other Services	Mines	Generation
Self-consumption energy	Supply	Mines, Generation
System of Crete		
Self-consumption energy	Supply	Mines, Generation
System of other non-interconnected islands		
Self-consumption Energy	Supply	Generation

Each activity's revenues from product sales or services to another activity are quantified, through the internal pricing system. Also, the activity that receives the product/ service records the related cost.

The internal revenues – expenses for each activity are defined as follows:

In the interconnected system:

- The internal energy sales for self-consumption are calculated based on each Activity's metered consumption of energy with the average marginal price including the Return of receivable Public Service Obligations, Transmission System Tariffs and IPTO uplift charge.

- The Mines internal revenue is calculated in accordance of the agreement for the lignite supply between Mines and Generation. The lignite supply contract determines the internal lignite market, i.e the lignite sales of the activity of the Lignite General Division to the activity of the Generation General Division. The contract covers the consumption of the lignite stations on a continuous basis, as well as with the necessary stock for the specific period. The calculation of the relative amounts takes place on the monthly basis, taking into account the monthly consumption and the calorific value of the lignite delivered.

In the Non-Interconnected system:

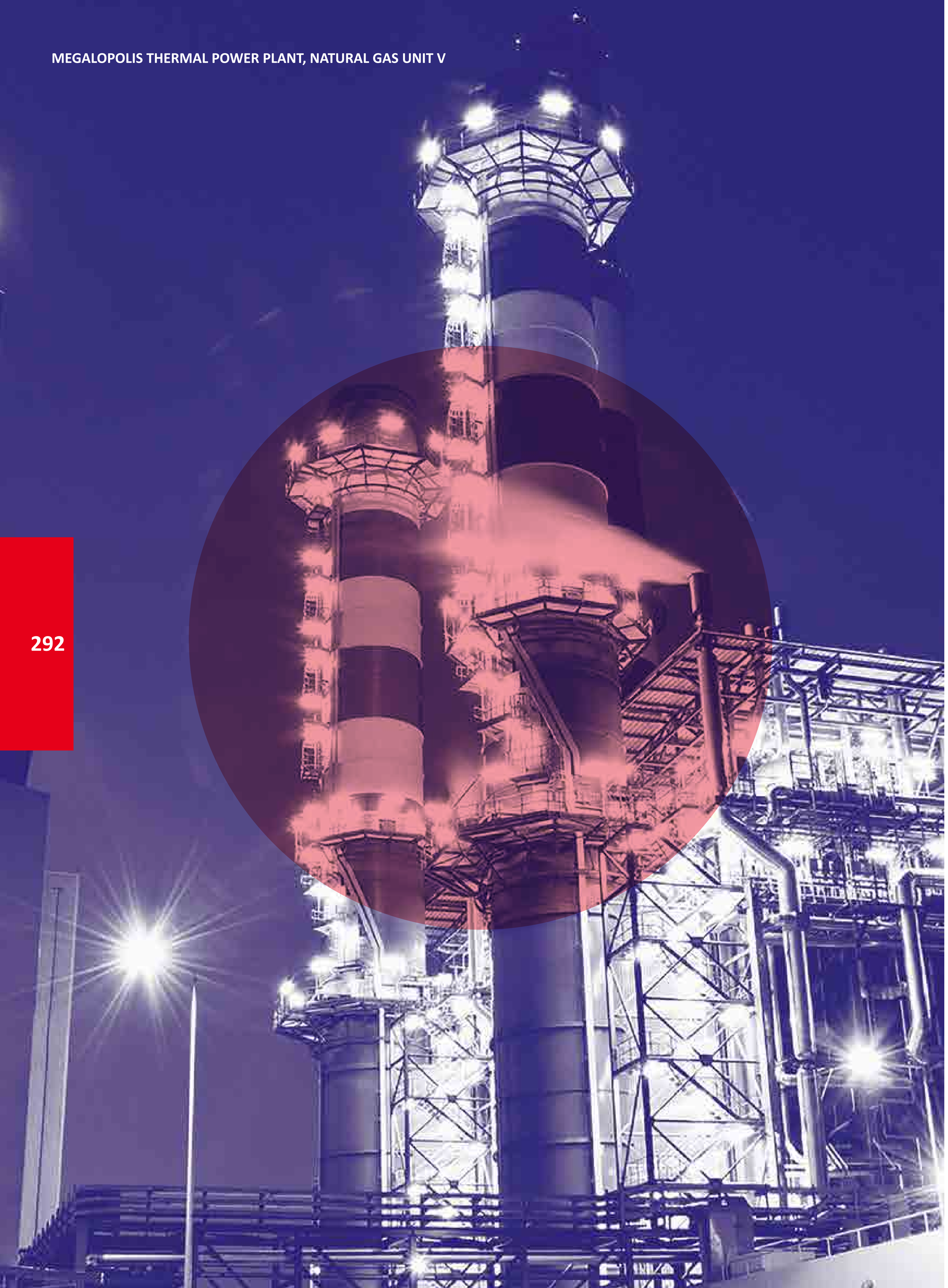
- The internal energy sales are calculated based on each activity's metered consumption of energy priced by the average revenue of PPC's tariffs for the sale of electricity to Medium Voltage for Industrial Use customers.

ANALYSIS OF REVENUES - EXPENSES FROM GENERATION AND SUPPLY

(All amounts in millions of Euro)

	GENERATION		SUPPLY	
	2018	2017	2018	2017
INCOME				
Energy sales			**4,888.3**	**5,387.3**
Competative charges			3,004.2	3,257.8
- Revenue from low voltage sales			2,201.4	2,456,2
- Revenue from medium voltage sales			444.7	497.3
- Revenue from high voltage sales			358.1	304.3
Transmission system usage			174.4	190.8
- Revenue from low voltage sales			135.8	149.9
- Revenue from medium voltage sales			21.6	23.9
- Revenue from high voltage sales*			17.0	16.9
Distribution system usage			584.0	644.0
- Revenue from low voltage sales			544.1	600.6
- Revenue from medium voltage sales			39.9	43.3
Revenue from other charges			2.3	3.0
- Revenue from low voltage sales			1.8	2.5
- Revenue from medium voltage sales			0.5	0.5
Unbilled revenue and discounts *			0.3	(61.0)
Revenue from PSO			467.2	548.7
- Revenue from low voltage sales			359.3	436.0
- Revenue from medium voltage sales			95.8	101.3
- Revenue from high voltage sales			12.1	11.3
- Revenue from the special fee for the reduction of CO_2 emissions			655.8	804.1
- Revenue from low voltage sales			631.8	737.2
- Revenue from medium voltage sales			52.0	62.3
- Revenue from high voltage sales			9.8	9.6
- Provisions			(37.8)	(5.1)
Wholesale energy sales	**2,049.1**	**2,395.6**		
- Sales of energy to wholesale market	1,227.6	1,490.5		
- Sales of energy to HEDNO	726.6	851.1		
- Revenue from covering the generation variable cost recovery	68.7	28.1		
- Transitional Flexibility Assurance Mechanism	16.9	17.8		
- Ancillary services	9.3	8.1		
Other sales			**31.1**	**33.1**
- Revenue from reconnection fees			2.7	3.2
- Other income from consummers			1.7	3.3
- Commission from Municipal Levy and tax			26.6	26.7
EXPENSES			**4,185.3**	**4,713.3**
Purchases of energy- Interconnected System			**2,733.6**	**2,914.4**
- Purchases of energy by wholesale market			2,315.2	2,384.5
- Transitional Flexibility Assurance Mechanism			29.0	41.9
- Coverage of the generation variable cost recovery			59.6	33.1
- Charge according to the thermal units' variable cost			45.6	19.2
- Ancillary services			52.7	43.4
- Settlement of losses - clearances			41.7	39.1
- RES Special Account			196.3	353.5
- Other expenses			(6.5)	(0.3)
Energy imports			**136.9**	**88.5**
Energy purchases from non interconnected islands			**649.6**	**788.9**
Energy purchases from RES			**112.4**	**114.8**
Special fee for the reduction of CO_2 emissions			**552.8**	**806.7**
- Revenue from the special fee for the reduction of CO_2 emissions from interconnected system			460.0	700.8
- Revenue from the special fee for the reduction of CO_2 emissions from non interconnected islands			92.8	105.9

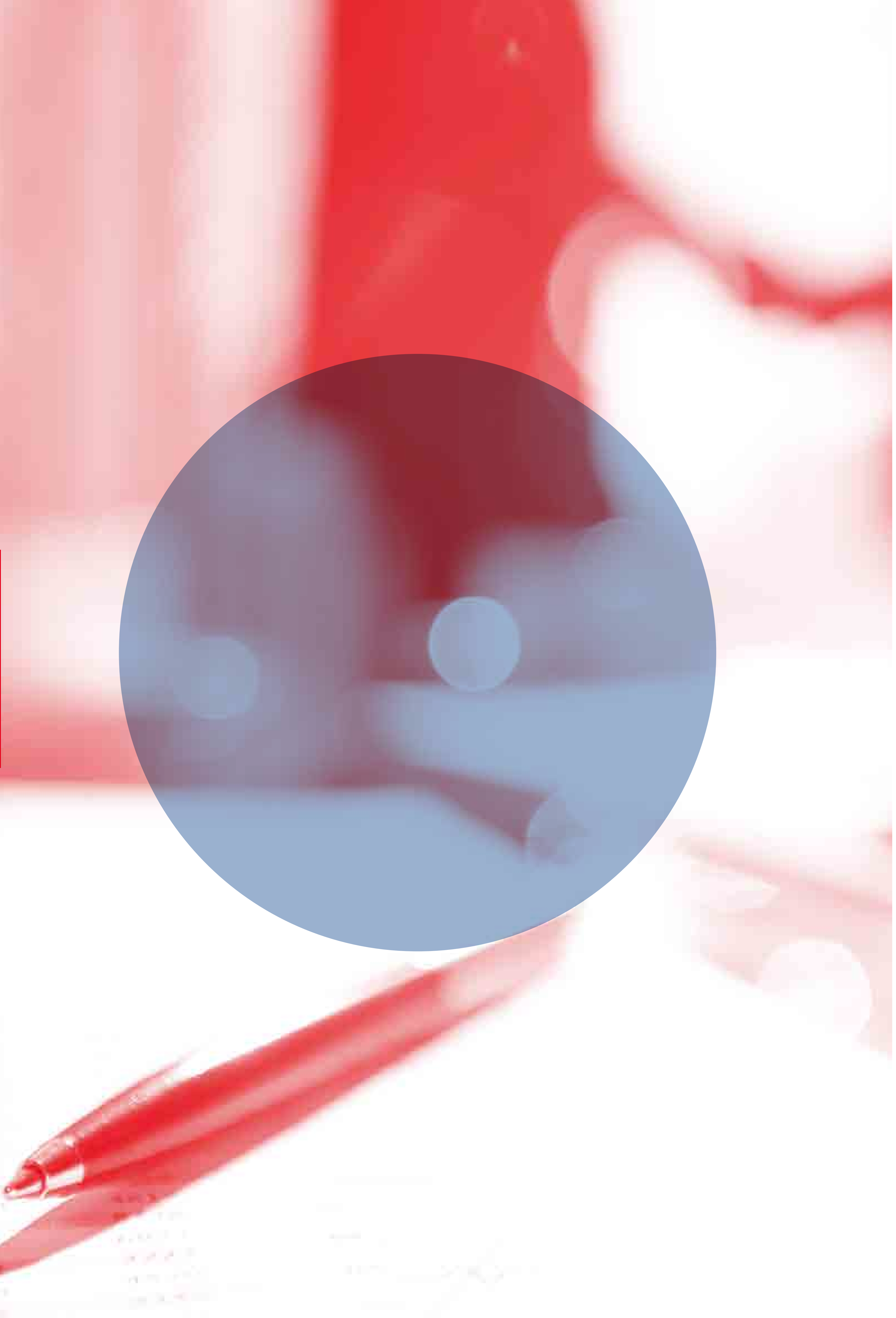
* For the revenue resulting from unbilled and discounts of low voltage, there is no breakdown in competative-monopoly charges to customers.



2
Distribution of Profits for the Year 2018

	Loss of the year	802,480,000.00
MINUS	Income Tax (Deffered Tax expense)	72,207,000.00
	Total	**874.687.000,00**
	1. Legal Reserve	0,00
	2. Dividends	0,00
	3. Retained Earnings (Losses)	874,687,000.00
	Total	**874,687,000.00**

Note
Because of the loss of financial results for the fiscal year 2018, there is no obligation for profit distribution, according to article 161 of L.4548/2018.



3
Related Parties Transactions

Related Party Transactions for the Year 2018
(Amounts in thousands of Euro)

	31.12.2018
Due from:	
PPC RENEWABLES S.A.	886
HEDNO S.A.	770,720
LIGNITIKI MEGALOPOLIS S.A.	27,481
LIGNITIKI MELITIS S.A.	18,023
PPC FINANCE PLC	0
PPC ELEKTRIK TEDARIK VE TICARET A.S.	0
PPC BULGARIA JSCO	0
PPC ALBANIA	160
EDS DOO SKOPJE	1,230
TOTAL	**818,500**
Due to:	
PPC RENEWABLES S.A.	0
HEDNO S.A.	1,044,145
LIGNITIKI MEGALOPOLIS S.A.	343
LIGNITIKI MELITIS S.A.	0
PPC FINANCE PLC	3,259
PPC ELEKTRIK TEDARIK VE TICARET A.S.	62
PPC BULGARIA JSCO	1,863
PPC ALBANIA	0
EDS DOO SKOPJE	131
TOTAL	**1,049,803**
SERVICES RENDERED TO PPC RENEWABLES S.A.	1
SERVICES RENDERED TO HEDNO S.A.	2,057,736
SERVICES RENDERED TO LIGNITIKI MEGALOPOLIS S.A.	277
SERVICES RENDERED TO LIGNITIKI MELITIS S.A.	0
SERVICES RENDERED TO PPC FINANCE PLC	22,606
SERVICES RENDERED TO PPC ELEKTRIK TEDARIK VE TICARET A.S.	4,981
SERVICES RENDERED TO PPC PPC BULGARIA JSCO	44,024
SERVICES RENDERED TO PPC ALBANIA	210
SERVICES RENDERED TO EDS DOO SKOPJE	954
TOTAL	**2,130,789**
Expenses to:	
EXPENSES FROM SERVICES TO PPC RENEWABLES S.A.	2,387
EXPENSES FROM SERVICES TO HEDNO S.A.	1,689,607
EXPENSES FROM SERVICES TO LIGNITIKI MEGALOPOLIS S.A.	56,171
EXPENSES FROM SERVICES TO LIGNITIKI MELITIS S.A.	27,305
EXPENSES FROM SERVICES TO PPC FINANCE PLC	0
EXPENSES FROM SERVICES TO PPC ELEKTRIK TEDARIK VE TICARET A.S.	2
EXPENSES FROM SERVICES TO PPC PPC BULGARIA JSCO	113
EXPENSES FROM SERVICES TO PPC ALBANIA	0
EXPENSES FROM SERVICES TO EDS DOO SKOPJE	260
TOTAL	**1,775,845**

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