



Annual Report 2021

Public Power Corporation S.A.



One
with the future



Georgios I. Stassis Chairman and Chief Executive Officer

2021 was a year of significant milestones for PPC. We re-entered the debt capital markets for the first time after 2014, we launched our activity in e-mobility with PPC Blue, we agreed the sale of 49% of PPC's participation in HEDNO, we proceeded to the successful Share Capital Increase for the Company, we received an additional one notch upgrade by S&P while at the same time we marked further improvement in our Corporate Governance practices.

The recent geopolitical crisis placed Europe and our country in an unprecedented energy crisis unlike anything in the last decades. PPC on one hand must continue the necessary investments in RES and networks which will contribute to the energy transition of the country and on the other hand must support its customers to the extent of its capacity by utilizing its vertically integrated position.

Despite the volatility in commodity markets during 2021, we managed to record a resilient performance due to our integrated activities and our hedging activity. We stabilized our operating profitability with Recurring EBITDA being in line with the guidance provided. At the same time, as the largest energy supplier in the country,

we have managed to support our customers to the extent of our capacity by absorbing a significant part of the price increases that have arisen in the market due to the ongoing global energy crisis.

In parallel, we continue the progress in the implementation of our Business Plan, with a special focus on RES and the support of our customers. The ongoing energy crisis demonstrates the necessity for the implementation of RES projects the soonest possible so that the country eliminates at a quicker pace its dependence from fossil fuels and incoming crises from abroad.

For 2022, even though the external environment remains volatile, our target is to continue investing in RES and networks while at the same time supporting our customers, reiterating the target of our business plan for a Recurring EBITDA at the same level as in 2021.

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Part A'

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1 — Key Developments in 2021

For a sustainable future
with less environmental impact



1 – Key Developments in 2021

A year of milestones for PPC





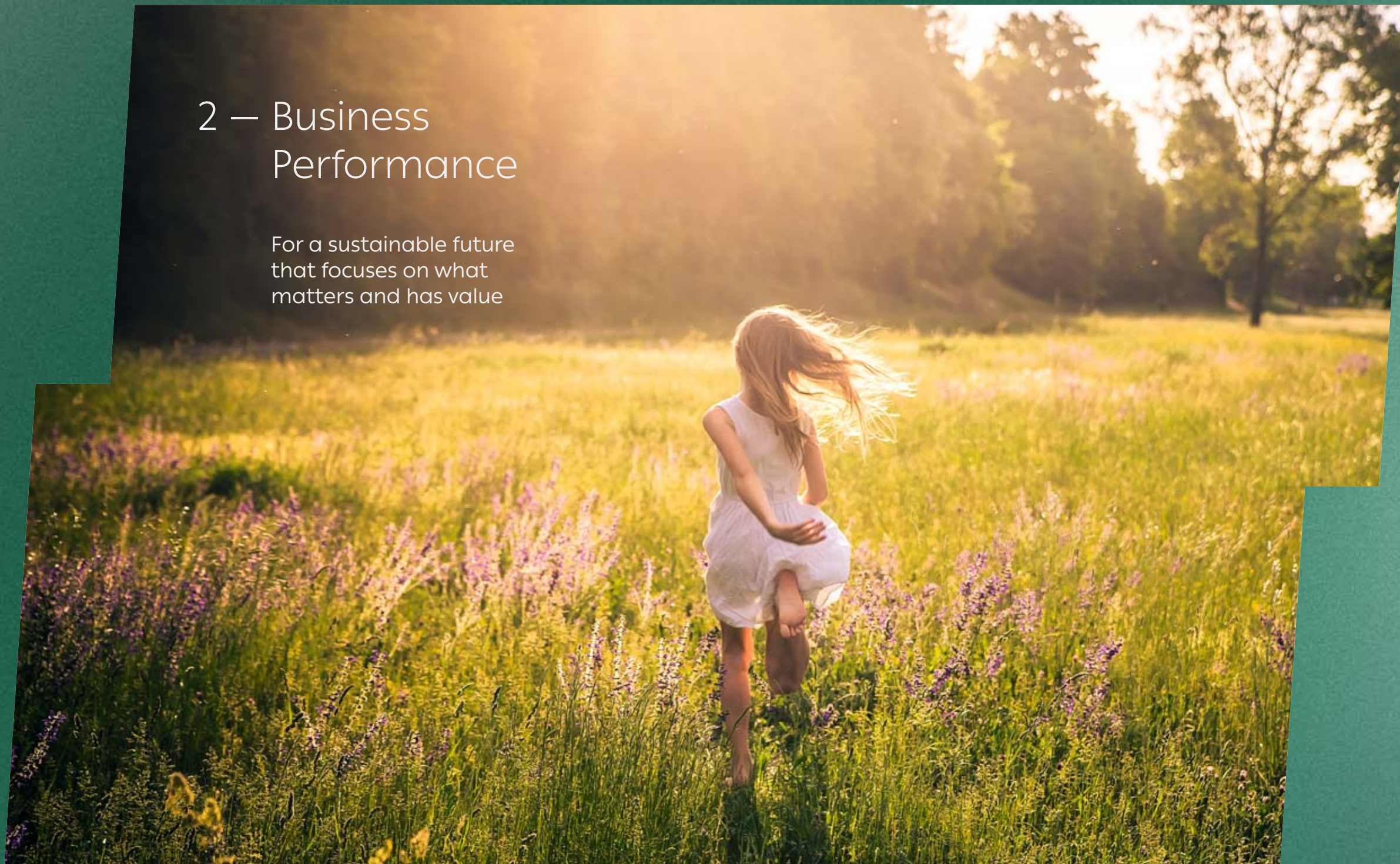
Soil restoration with acacia tree planting, Megalopolis Lignite center



Soil restoration, Lavender

2 — Business Performance

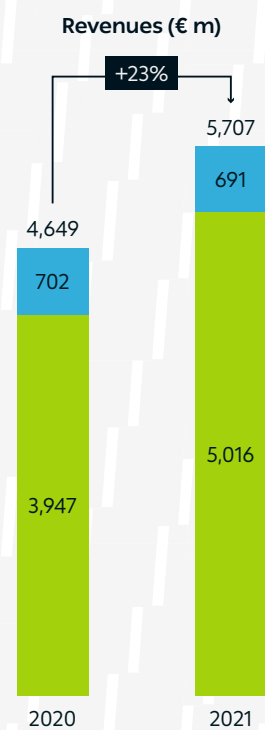
For a sustainable future that focuses on what matters and has value



2 – Business Performance

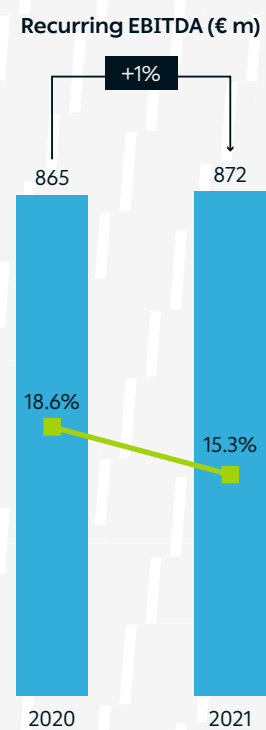
2.1 Key financial data

Turnover & operating profitability 2021 vs 2020



- Energy sales
- Other revenues

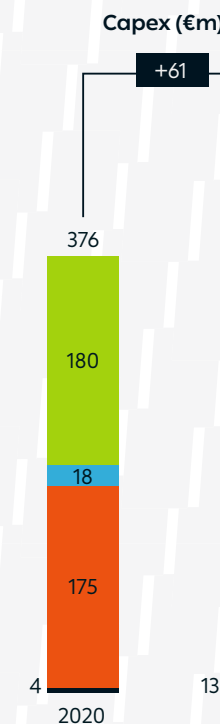
- Higher revenues mainly driven by higher average revenue due to tariff indexation
- Positive contribution from increased domestic demand offsetting market share loss



- EBITDA margin (%)

- Vertical integration counterbalanced higher wholesale cost of the Retail Business with increased margin of the Generation business
- Positive impact from hedging activities in electricity, gas and CO₂ emission rights prices

Capex - Free Cash Flow 2021 vs 2020



- Conventional Generation (including mines)
- Renewables
- Distribution
- Other

Conventional Generation

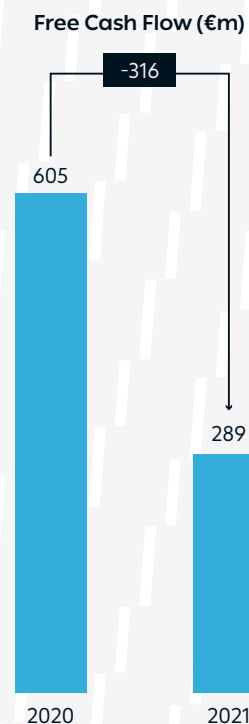
- Stable capex

Renewables

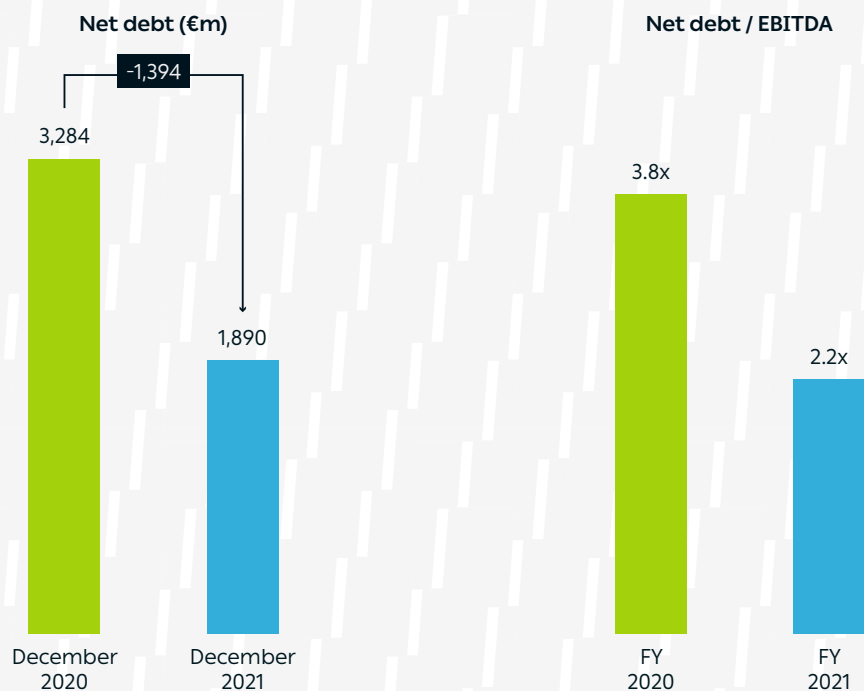
- Increased capex – Further acceleration expected going forward

Distribution

- Increased capex for repetitive projects
- Gradual increase of capex for the modernization of the network

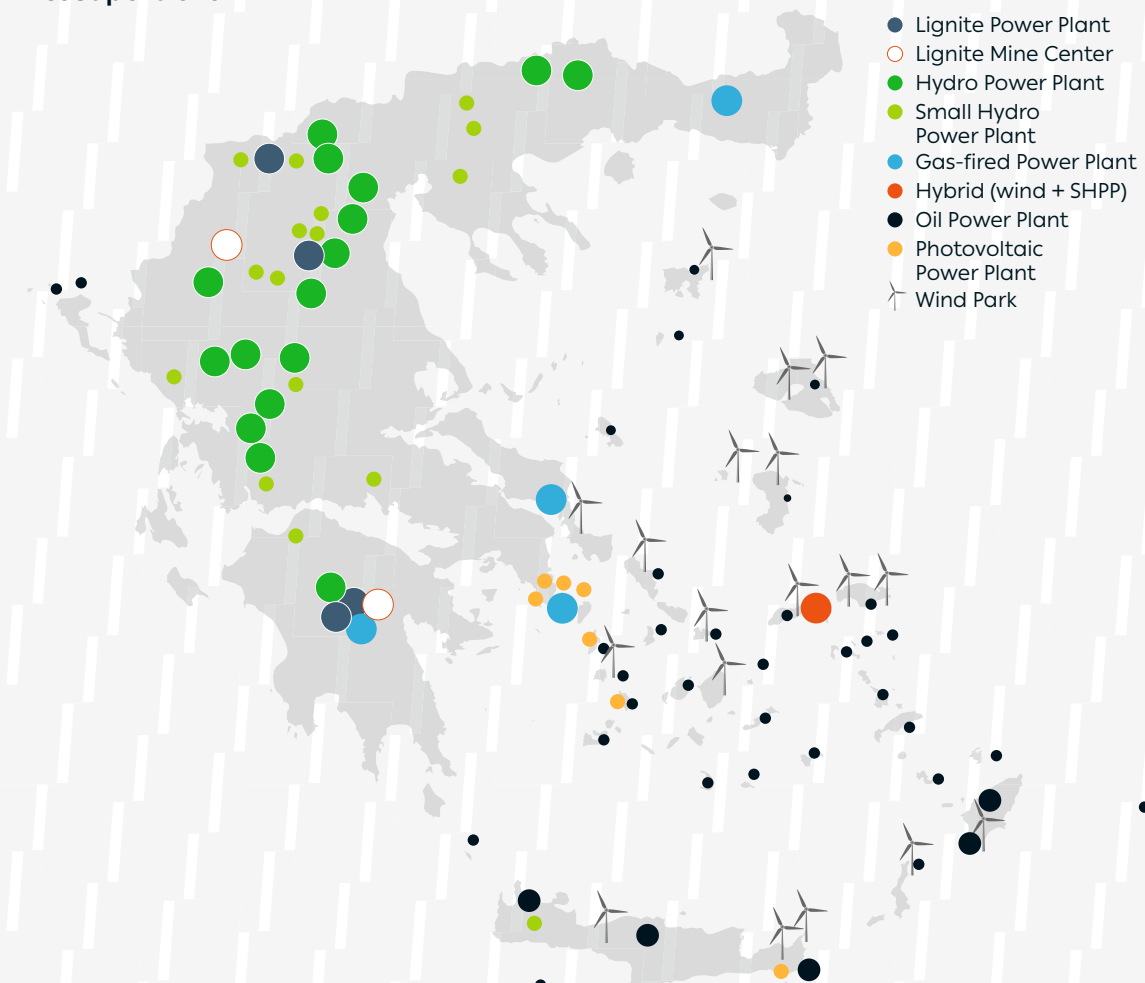


- Positive FCF for another year being supported by resilient profitability
- Increased investments while at the same time reduction of overdue receivables, and absorption of any impact from price volatility but also from the continuous reduction of old overdue payables.



Overview of PPC's asset portfolio

Asset portfolio



2.2 Key Operational data

PPC Today at a Glance

PPC is the largest power generation company, sole distributor of electricity, and biggest power supply provider in Greece.

Operational Data



Generation¹

10,4GW
Installed Capacity

26TWh
Electricity Generated

#1 / 49%
Market position / share²



Distribution

~€3bn
Regulated Asset Base

~244,000km
Distribution Network

#1 / 100%
Market position / share²



Supply

c.5.8 m
Customers

32TWh
Electricity Supplied³

#1 / 64%
Market position / share⁴

Note: All numbers for 2021

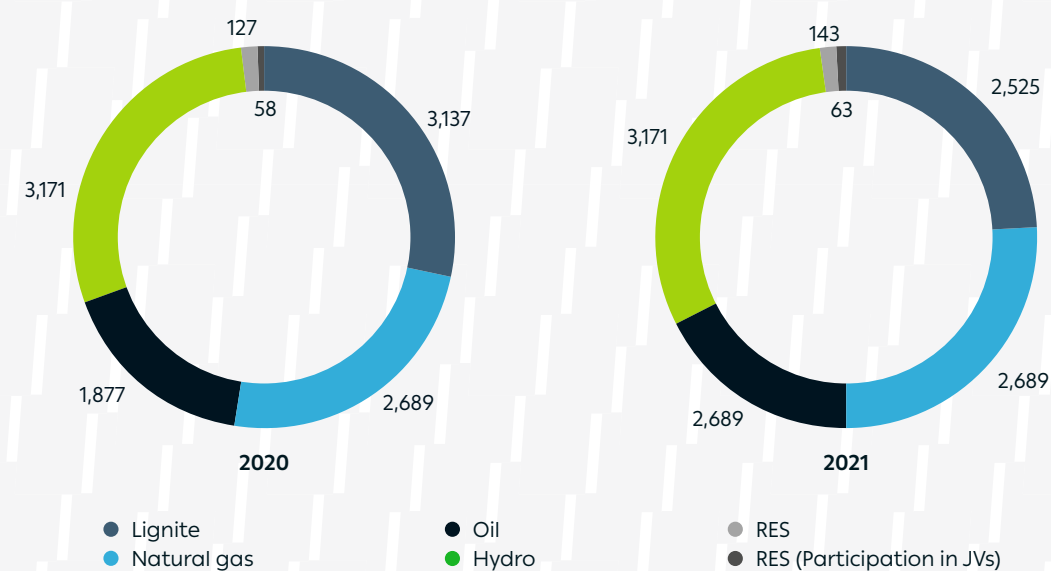
1. Includes Generation and Mining and the subsidiary PPCR

2. Average Market share for 2021

3. Domestic sales only (exports are excluded)

4. Average Market share for 2021 including Universal Service Supplier customers

Installed Capacity (MW)



2.3 Sustainable Development Policy

ESG

ESG factors and sustainability embedded in our strategy – major developments



Environment

- Reduced CO₂ emissions intensity at 0.61 tons CO₂/MWh in 2021 from 0.73
- 0.56 GW lignite capacity phased out
- 65.6m m² restored until 2021 (of which 7.5m m² in 2021)
- ESG financing at € 1.9 bn (c. 40% of total debt)
- 93% of total electricity generation from power plants with certified environmental management systems
- Over 2 GWh of electricity exclusively from RES supplied to customers in 2021 under the GreenPass brand vs 1.5 GWh in 2020



Social

- € 800m support to our customers during the energy crisis, utilizing our integrated position
- €14m covid-19 related measures from €11m
- €6m for donations and support of local communities from €8m
- 99% of personnel under collective labour agreement
- Higher participation of women vs 2020
 - ▶ 28.9% of workforce vs 27.9% ⁽¹⁾
 - ▶ 32% in executive positions vs 26%(1)
 - ▶ 43% in mid-level management positions vs 41%⁽¹⁾
- Gender pay gap at 8.3% vs 7.6%



Governance

- Full compliance with L.4706.20 with revision of a series of internal policies & regulations such as:
 - ▶ Suitability policy (fit & proper) for BoD members
 - ▶ Amended remuneration policy including variable components
 - ▶ Adoption of Hellenic Corporate Governance Code
- Development of Ethics & Compliance Program (policies for AML and conflict of interest in place – program to be concluded in 1H2022)
- Creation of a dedicated Sustainability Department
- Sustainability Committee set up for board oversight of Sustainability and climate related issues

1. For PPC S.A. only.



Up: Acacia flowers from restored soils
Down: Artificial lake of Polyphytos

3 – The Plan for the New PPC

For a sustainable future
with innovative practices
and smart solutions



3 – The Plan for the New PPC

Transformation to the "New PPC"...

Old PPC



Dependence on **fossil fuel**

Under-invested and inefficient

Compressed profitability

High **leverage**

Purely **domestic**

New PPC



Focus on **green energy**

Enhanced **efficiency**

Customer at front and center

Strengthened balance sheet and **increased profitability**

Selectively diversified into adjacent countries

The New PPC plan is supported by a **new, robust regulatory framework** in Greece that fosters operational and financial efficiency for PPC and the sector.

...with clearly defined targets

| | Installed RES Capacity ¹ | EBITDA Target | CAPEX Target ² |
|------|-------------------------------------|---------------|---------------------------|
| 2024 | 7.2 GW | ~€1.3bn | ~€6.0bn |
| 2026 | 9.5 GW | ~€1.7bn. | ~€9.3bn |

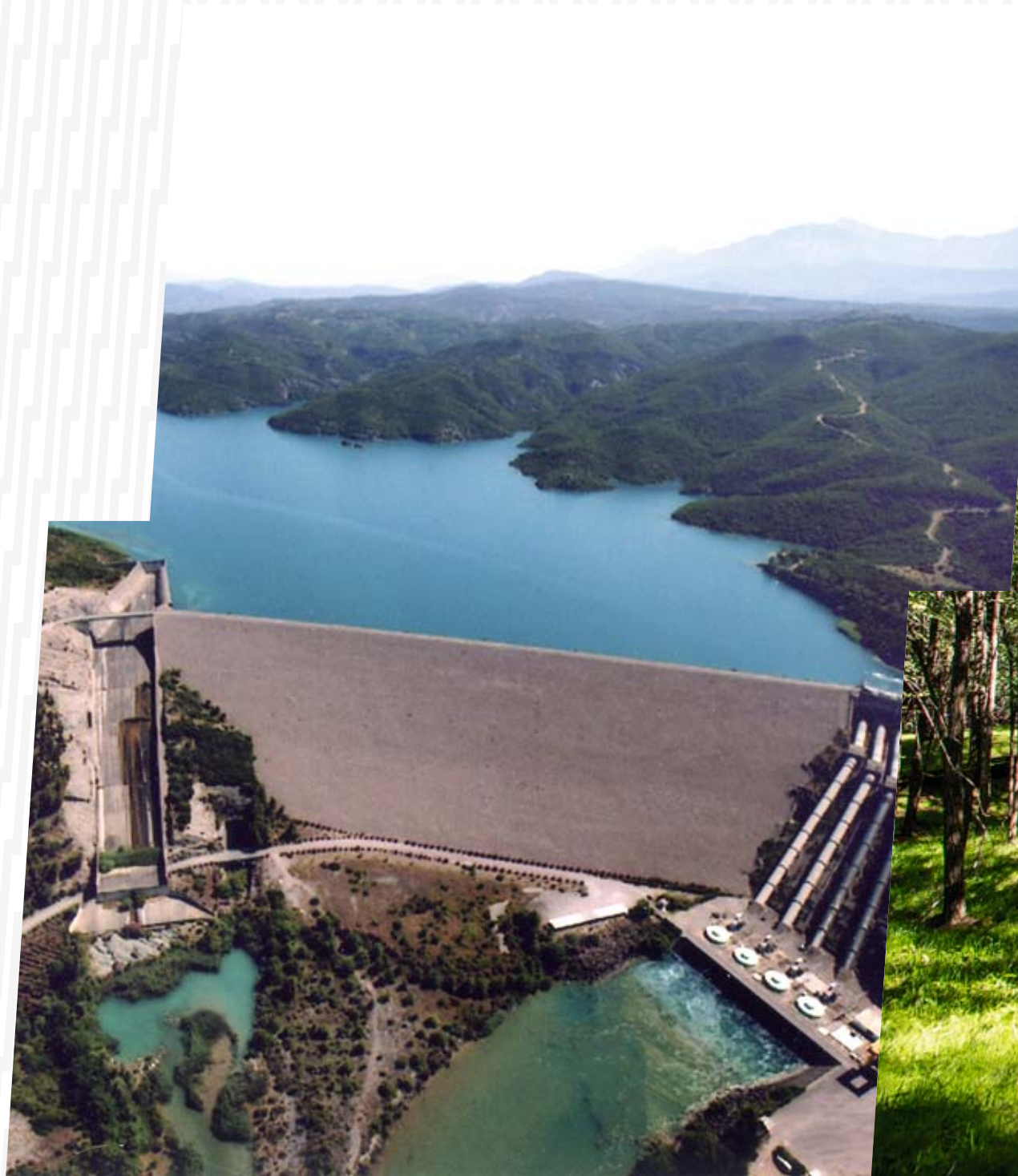
...supporting the rationale for a capital increase

- ✓ Total target capex envelope of **€6.0bn in next 3 years** underpinned by significant acceleration of the **renewable capacity build up**
- ✓ **International expansion** to capture regional growth opportunities and utilise differentiated long position on supply
- ✓ **Increase strategic and operational flexibility** via a more efficient and sustainable capital structure

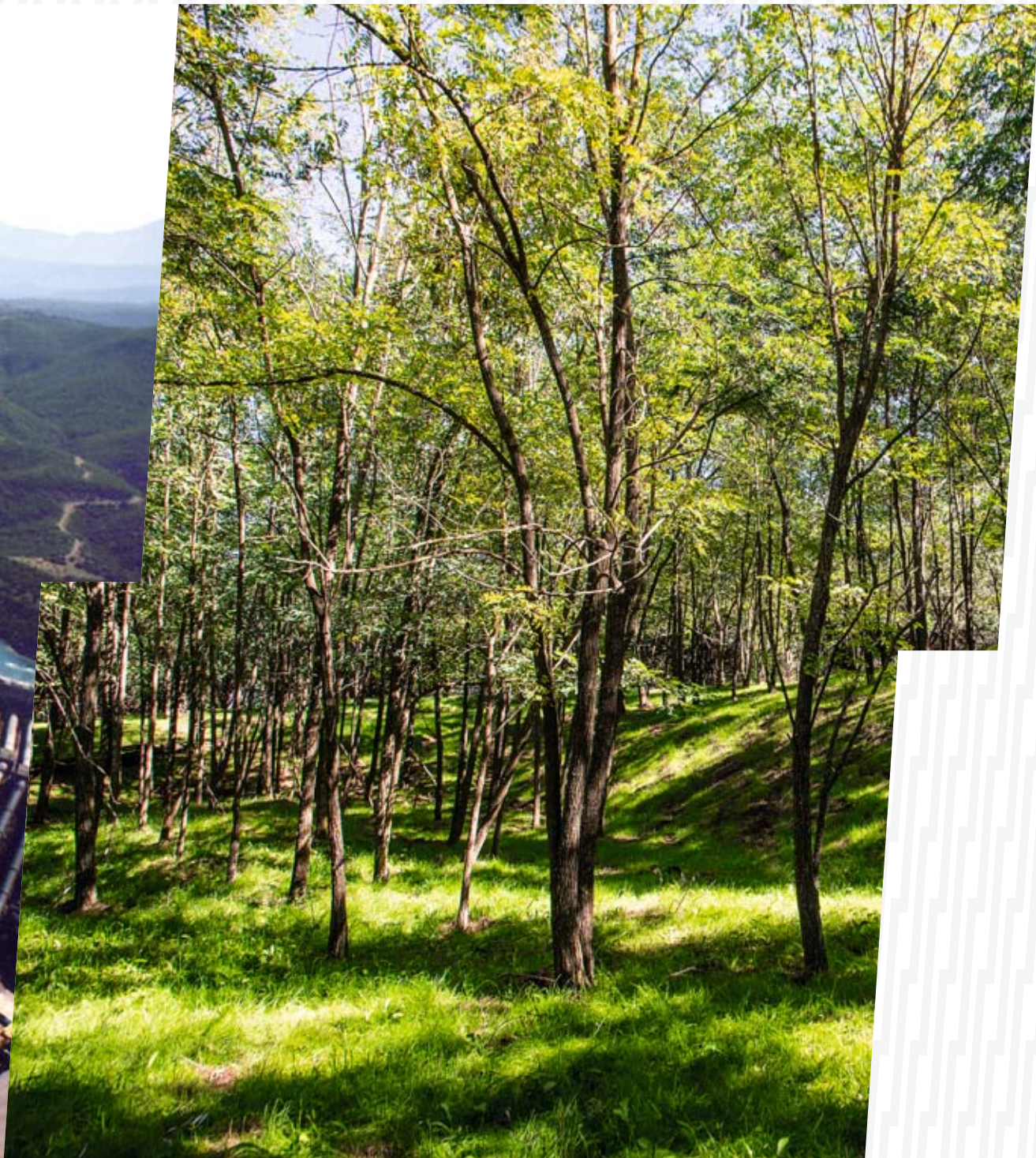
Source: Company Information.

Note: The targets, denoted by "T" or "target", represent our strategic objectives and do not constitute capital spending and earnings projections or forecasts. These targets are based on a range of expectations and assumptions regarding, among other things, our present and future business strategies, cost efficiencies, capital spending program and the environment in which we operate, some or all of which may prove to be inaccurate.

1. Includes Hydro capacity of 3.4 GW in 2024 and 2026 and Storage.
2. Cumulative capex over 2022-2024 and 2022-2026 respectively.



Kastraki hydroelectric dam



Soil restoration, Megalopolis

4 – Company Information

For a sustainable future
built on a solid historical
foundation



4 – Company Information

4.1 OVERVIEW OF COMPANY'S ACTIVITIES

PPC is the leading Greek electric utility, with activities in electricity generation, distribution network operation and supply of electricity to end consumers.

It is the largest power generation company in Greece with a total capacity of 10.4 GW including thermal, hydro and RES power plants. It is the owner of the single electricity distribution network of 244,000 km in Greece with a Regulated Asset Base of c. € 3 bn, which is being operated by its subsidiary HEDNO S.A.

Its power portfolio consists of lignite, gas and oil fired, as well as hydroelectric power plants, but also Renewable Energy Sources (RES) installations.

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 Ionian Islands along with some of the Aegean Islands are connected to the Hellenic Transmission System and together they form the "Interconnected System".

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 capacity of thermal plants exceeding 1,150 MW).

In 2021, PPC's generation of 26 TWh coupled with the 1 TWh that it imported, covered 43.7% of total demand. PPC's energy mix comprised of generation from lignite (20.5%), oil (15.3%), natural gas (42.4%), hydroelectric (20.4%) and renewable energy sources (1.4%).

PPC is the leading electricity supply provider in the country, servicing c. 5.8 m customers which consumed 64.3% of the total electricity supplied to end-customers in Greece in 2021.

PPC remains by far the largest private investor in the country with total investments close to €2.6 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.

4.2 COMPANY'S STRATEGY

PPC is changing in the direction of the energy transformation that is taking place worldwide in the industry, in order to play again a leading role in the Greek market and in Southeast Europe. PPC is entering a new phase during which it plans to transform itself into a modern, strongly outward-looking and efficient European utility.

More precisely the Company is in the middle of energy transition which is represented by the following: decarbonization, digitalization and decentralization. The development of RES, the implementation of cost cutting measures as well as the significant progress

of electrification and the digitalization of the economy are the main pillars for the promotion of energy transition and the boost of socioeconomic development.

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

- **Implementation of the "Green deal" in power generation**
In the context of the implementation of the Green Deal in power generation, PPC decided to accelerate the withdrawal of its existing lignite plants and the emergence of RES as the new dominant power generation technology. The lignite phase-out plan includes the withdrawal of lignite plants with a total capacity of 3.4 GW by 2023. The new state-of-the-art Ptolemaida 5 unit, which is under construction and is expected to be included in the electrical system in 2022, will use lignite as a fuel initially and then it will run on gas alternative fuel, taking market data under consideration.

PPC, with its subsidiary "PPC Renewables" as a leverage, is making significant investments in RES in order to increase its installed capacity to approximately 5 GW by 2026 through both organic development and partnerships.
- **Digitalization and operational efficiency**
The second pillar concerns the digitalization and improvement of the operational efficiency and includes all the parts of the electricity value chain in which PPC operates. Thus, regarding the conventional production, the digitization of the functions of the plants to improve their efficiency is foreseen, as well as those of the lignite mines that will remain in operation for a few more years. At the same time, modern digital systems for weather forecasting and energy management are foreseen for the RES, in order to predict their production as accurately as possible and to optimally plan their participation in liberalized wholesale electricity market.

Finally, regarding supply (retail electricity market) the Company plans various activities in order to collect as much of the overdue bills as possible, as well as to enrich and utilize the digital systems available for big data & advanced analytics.

Following international trends, PPC has planned and implements significant investments in the distribution network of its subsidiary (HEDNO S.A.). Absorption of dispersed production, digitalization and big data & advanced analytics, maintenance through diagnostics, as well as a number of other modern functions, require the automation and installation of new smart networks and telemetering devices.
- **Expansion in new valueadded activities and products with a customer-centric approach**
The strengthening of the Company's customer-centric perception is the third pillar of its transformation and concerns actions related to the retail energy market. It includes the review of the Marketing strategy in order to improve the quality of services as well as the development and introduction to the market of new products and energy services of added value for the end consumer. In this context, PPC entered the retail gas market in 2019. Also, a priority for PPC is the development in the most efficient way of the necessary infrastructure and services for the electrification of transport. PPC will contribute significantly to the development of electromobility in Greece, operating as an integrated provider of Electromobility Infrastructure (CPO) and Services (eMSP), investing in the necessary infrastructure and, more specifically, in the installation of more than 1,000 publicly accessible charging stations in the next few years, while the medium-term goal is the installation of more than 10,000 charging stations throughout Greece.

At the same time, the possibilities of the Company to develop a fiber optic network platform at a national level are carefully examined, in order for PPC to become a main provider of very highspeed broadband services, accelerating the country's competitiveness and creating one more source of revenue for the Company.

In implementing this strategy, a large part of the goals has already been achieved by:

- significant increase in operating profitability which is in line with the business plan
- rationalization of invoices so that costs are reflected, and
- implementation of a new enhanced credit and collection policy

An important aspect for the successful transformation of the company is the adoption of the ESG criteria as a basic principle in this new era of the Group's history.

As a result, PPC returned to the International Capital Markets in March 2021 after seven years, achieving the issuance of the first High-Yield bond in Europe with a sustainability clause, which is fully aligned with the strategic plan, thus expanding the investment base that monitors and invests in the company, while in July 2021 it issued another High Yield bond .

In addition to raising funds through bonds, PPC proceeded in 2021 to raising equity through the share capital increase of € 1.3 billion that was completed in November 2021, with multiple oversubscription and significant participation from long-term investors.

This is a landmark transaction for PPC as it allows the acceleration of the transformation plan that has been initiated in the last two years through investments in RES with the aim of significantly raising its operating profitability. At the same time, the increase of the Share Capital contributes to the achievement of the goals that PPC has set in the framework of the energy transition for the transformation of PPC into an economically and environmentally sustainable digital company.

Through this transaction, the expansion of the share base and the increase of the free float was achieved, while the share of PPC was included in the MSCI Global Standard Index.

In the regulatory part, measures that in the past created distortions in the electricity market have been abolished, while the introduction of the new Target Model of the European Union and the new regulatory framework for the Distribution Network are fully harmonized with other European countries and converge with the Group's strategic plan.

4.3 HISTORICAL BACKGROUND

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

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

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

By virtue of L. 2773/1999 concerning the liberalization of the electricity market and pursuant to the Presidential Decree 333/2000, PPC, as of 01.01.2001, 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.

The Hellenic Republic further reduced its stake in PPC through secondary offerings in December 2002 and October 2003 by a book building process to Institutional Investors and private placement to employees of the Company.

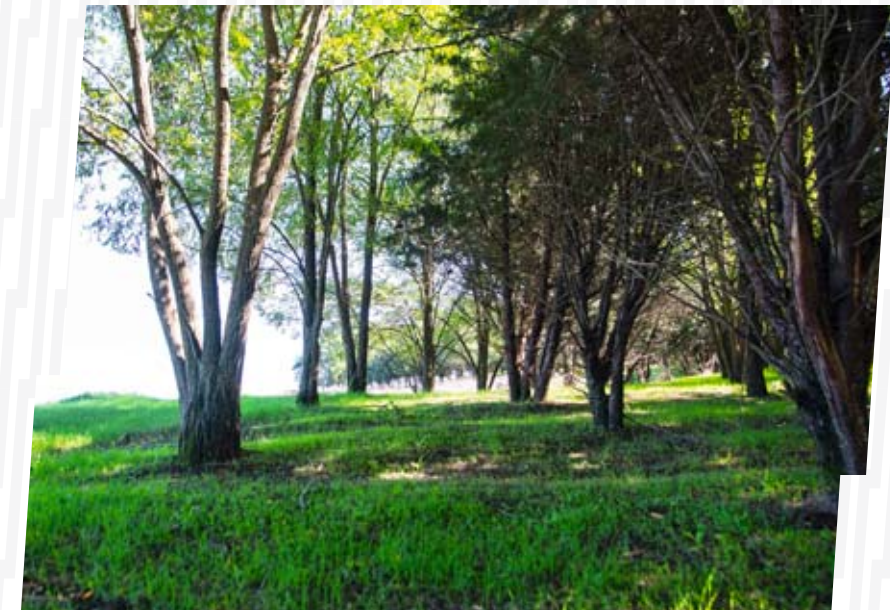
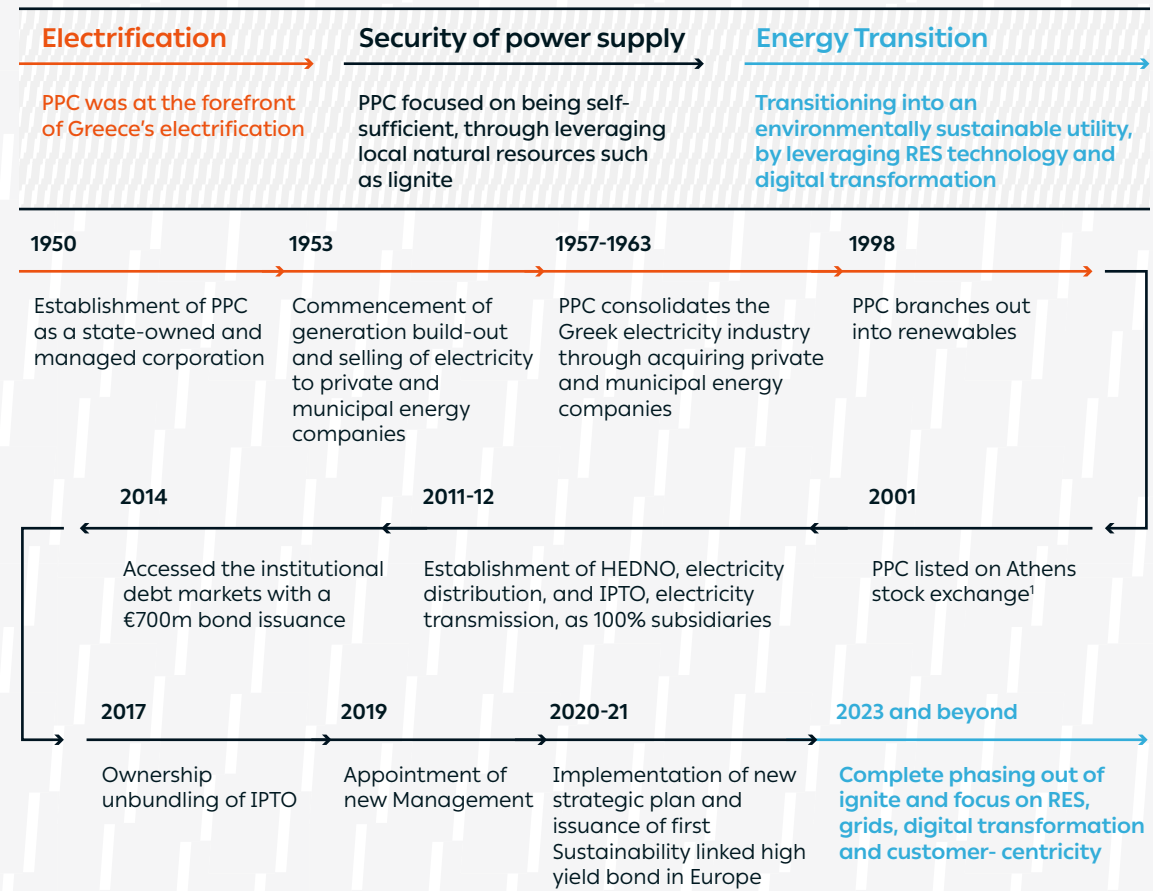
In April 2014, the Greek Biministerial committee for restructurings and privatizations decided the transfer, without consideration, of 39,440,000 ordinary shares with voting rights corresponding to 17% of the existing share capital of PPC S.A, by the Hellenic Republic to the HRADF, pursuant to the provisions of L. 3986/2011. In March 2018, a transfer of 79,165,114 PPC shares (namely 34.123%) by the Hellenic Republic to the Hellenic Corporation of Assets and Participations S.A. (HCAP S.A.), in which the Hellenic Republic holds 100% of its shares and voting rights, was completed and without consideration, according to para. 20, article 380 of L. 4512/2018, as amended para. 1 of article 197 of L. 4389/2016. Given that HRADF is a subsidiary of HCAP, the total percentage of the Hellenic Republic in PPC's share capital, remained indirectly at 51.123%. Following the Share Capital Increase amounting to € 1.3 bln in November 2021, the Greek State's participation decreased to 34.12%.

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

HEDNO S.A. is responsible for the management, operation, development and maintenance of the Hellenic Electricity Distribution Network. PPC S.A. holds 51% of HEDNO S.A. following the sale of a 49% stake of its participation in HEDNO, to Macquarie Asset Management, for a price of €1.3 bln. Such price values 100% of HEDNO's Enterprise Value at €4.3bn, which corresponds to 151% of its RAB.

PPC's History

PPC has been at the forefront of Greece's power industry, and is focused on driving its shift to a greener future



Up: Soil restoration, Megalopolis
Down: Toplou Monastery, wind turbines

1. In 2001, 34% of PPC share capital was offered in initial IPO with state ownership remaining at 66%. Subsequent public offerings in 2002 and 2003 resulted in 15% additional share capital in the free float with indirect State Ownership at c.51%. Following the Share Capital Increase in November 2021, State's participation was reduced to 34%.

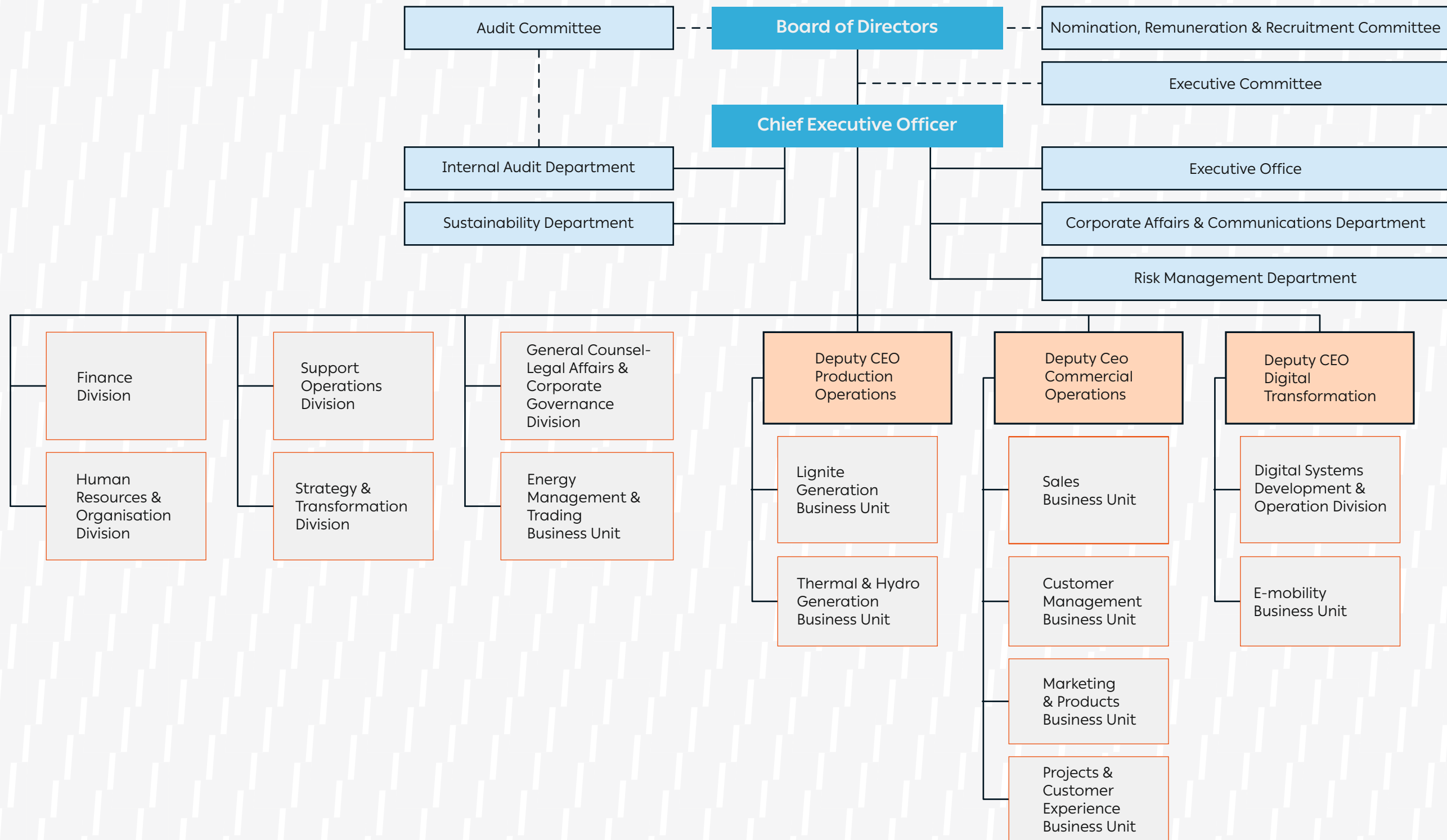


5 – Organizational
structure,
Management
Corporate
Governance,
Employees

For a sustainable future
based on culture and
respect for the environment

5 – Organizational structure, Management Corporate Governance, Employees

5.1 ORGANIZATIONAL STRUCTURE (on 31.12.2021)



5.2 MANAGEMENT - CORPORATE GOVERNANCE

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

The implementation and the observance of corporate governance best practices 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. An indication of the importance that PPC attaches to corporate governance is the newly established Legal Affairs & Corporate Governance Division which is tasked with the introduction of new and the review of the existing corporate governance practices in order to ensure the alignment of the Company and the entire Group with international best practices. Furthermore, PPC, in addition to the requirements of L. 4706/2020, instituted organizational structures, at the level of departments, for the more complete adoption and implementation of Procedures for both Regulatory Compliance and Risk Management.

In the context of strengthening Corporate Governance, the Company in 2021 in full compliance with L. 4706/2020 harmonized all the provisions of its Articles of Incorporation and adopted and implemented Policies and Regulations beyond those required by law, approaching international best practices and in particular:

- New Code of Corporate Governance
- Reformed / Updated Rules of Operation of the Company
- New Policies and Regulations of Compliance and Business Ethical Behavior

Specifically, a series of Policies and Regulations were approved that ensure the adequacy of the members of the Board of Directors (herein "BoD" or "Board of Directors"), as well as its committees and more specifically:

Suitability Policy for the Members of the Board of Directors, the Board of Directors Rules of Operation, the Audit Committee Rules of Operation, the Nominations, Remuneration and Recruitment Committee Rules of Operation and Policy for Notification of the existence of any dependency relations of the Independent Non-Executive Board Members. In addition, the Training Policy for the Board Members, as well as the Executives Training Policy were approved.

Furthermore during 2021 the following regulations and policies were approved: the Privileged Information Management Regulation and the Related Parties Transactions Regulation. The Rules of Procedure of the Internal Audit Unit Department were reformed and the Policy for the Periodic Evaluation of the Internal Control System was adopted. Also, the Sustainable Development Policy was approved, which defines the basic framework of the Company's commitment to the three ESG pillars, namely Environment, Society, Governance.

Also, in the context of the implementation of the "Business Ethics & Compliance Program" (Ethics & Compliance), the Board of Directors approved the Conflict of Interest Policy, as well as the Anti-Money Laundering and Combating Terrorist Financing Policy. Also, in 2021, the Policy against Discrimination, Violence and Harassment at Work and the Sanctions and Whistleblowing Policy were developed. At the same time, the Company is in the process of revising its Code of Conduct, which incorporates the new Policies for Corruption and Bribery and the Whistleblowing Policy. In particular, in order to deal with incidents of corruption, discrimination, violence and harassment at work, the Company, in cooperation with Transparency International Greece, proceeded to

create a channel for receiving reports and complaints that will effectively contribute to the prevention and detection of corruption, unethical or illegal activities.

This framework of corporate governance, corporate social responsibility (herein "CSR") and compliance will constitute the Company's safeguards in the future with the ultimate goal of ensuring sustainable development and maximizing its value.

It is highlighted that the Company, before 16.11.2021, the date of completion of the increase of its share capital, which was decided by the Extraordinary General Meeting of the shareholders on 19.10.2021 and the limitation of the percentage of the Hellenic Republic to 34.12%, had as an indirect main shareholder the Hellenic Republic, which held 51.12% of its share capital. As a result, PPC, as a company of the wider public sector, was subject to specific laws and Regulations that apply to public sector corporations. Consequently, its operations were subject to restrictions provided for in special laws applicable to the Greek public sector, such as, by way of illustration, Policies related to supply and works, remuneration and recruitment. These laws and Regulations may have limited its operational flexibility and the implementation of relevant corporate governance "best practices", despite the fact that L. 4643/2019 introduced Regulations that facilitated a more flexible operation of the Company in critical fields of its activity.

The shareholder structure of the Company, after the completion of its share capital increase on 16.11.2021 and following the transfer by law on 02.03.2022 of the total participation of HRADF in PPC share capital (corresponding to 10.32%) from HRADF to HCAP, in accordance with article 147 of Law 4876/2021, is the following: The Hellenic Corporation of Assets and Participations S.A. ("HCAP", in which the Hellenic Republic holds 100% of the shares and voting rights), holds directly 34.12% of PPC's share capital and voting rights, the company Selath Holdings S.à r.l holds 10% of the Company's share capital and voting rights and the total holdings of Helikon Long Short Equity Fund Master ICAV of PPC's voting rights (i.e. the total of voting rights attached to shares and voting rights through financial instruments) amount to 6.48% (based on relevant notification received on 29.09.2021 from Helikon Investments Limited), while the remaining percentage is held by institutional investors and general public.

The Board of Directors on 31.12.2021 consisted of:

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

PPC S.A.'s updated Board of Directors composition is posted on the company's website (www.dei.gr)

5.3 EMPLOYEES

PPC's Group full time employees on the 31st of December of the years 2021 and 2020, are presented by company and activity on the following table:

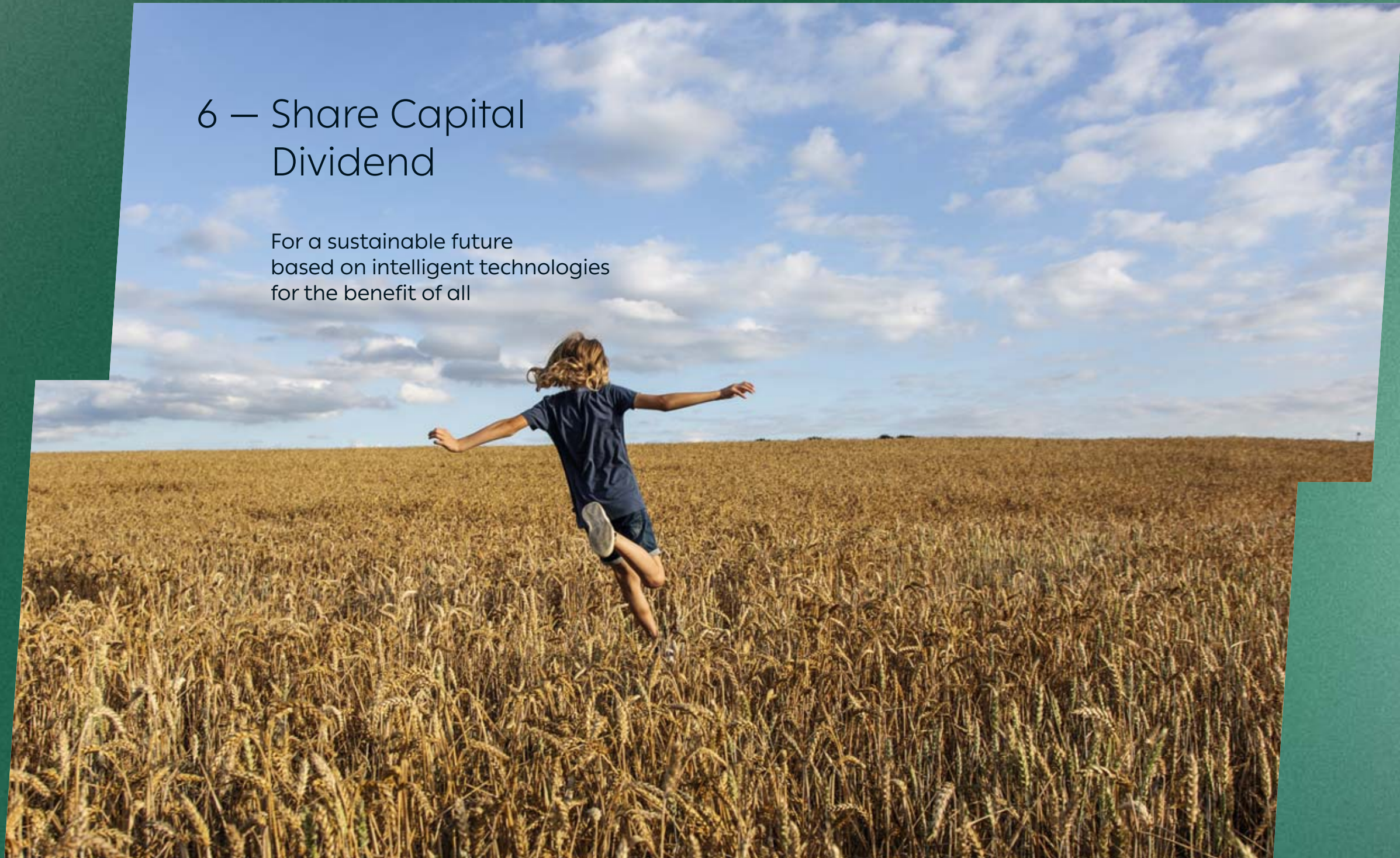
| | 2021 | 2020 |
|--|---------------|---------------|
| PPC S.A. | | |
| Mines | 1,576 | 1,760 |
| Generation | 2,821 | 3,043 |
| Supply | 828 | 911 |
| Administration | 1,398 | 1,390 |
| TOTAL on December 31st | 6,623 | 7,104 |
| HEDNO S.A. | 5,426 | 5,787 |
| PPC RENEWABLES S.A. | 39 | 51 |
| LIGNITIKI MELITIS S.A. | 195 | 189 |
| LIGNITIKI MEGALOPOLIS S.A. | 624 | 668 |
| PPC ALBANIA Sh.a | 2 | |
| TOTAL on December 31st (GROUP) | 12,909 | 13,799 |



Up: Hydroelectric dam, Platanovrisi
Down: Photovoltaics, Sifnos

6 – Share Capital Dividend

For a sustainable future
based on intelligent technologies
for the benefit of all



6 – Share Capital - Dividend

6.1 SHARE CAPITAL

Following the completion of the share capital increase on 16.11.2021 the share capital PPC S.A. amounts to €947,360,000, divided into 382,000,000 ordinary registered shares of a nominal value of € 2.48 each.

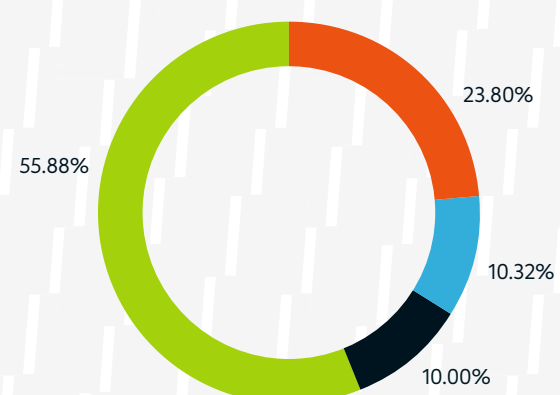
The Company's shares are traded in the Main Market of the Athens Stock Exchange in Greece (ATHEX).

The company's shares are included in a number of indices such as: Athex Composite Share Price index, DOM, FTSE, SAGD, FTSEA, DKO, HELMSI, ATHEX ESG and MSCI Global Standard Index.

6.2 SHAREHOLDING STRUCTURE

The Company's shareholding structure as of the 31.12.2021 was as follows:

Shareholders (31.12.2021)



- Hellenic Corporation of Assets and Participations S.A. (HCAP)⁽¹⁾
- Hellenic Republic Asset Development Fund S.A. (HRADF)⁽¹⁾
- Selath Holdings S.à r.l.⁽²⁾
- Institutional Investors & general public⁽³⁾

(1) Following a relevant notification, received on 22.11.2021 from the "Hellenic Corporation of Assets and Participations S.A." (HCAP) as a result of a corporate event (Share Capital Increase of PPC S.A.), the aforementioned held directly 90,909,860 voting rights (or 23.8%) attached to equal number of shares and indirectly through the Hellenic Republic Asset Development Fund S.A. "HRADF"- a wholly owned subsidiary of HCAP-, 39,440,000 voting rights (or 10.32%) attached to equal number of shares. Hence, HCAP's total holdings of PPC's voting rights (i.e. the total of direct and indirect voting rights attached to shares) amounted to 130,349,860 (or 34.12%) on 16.11.2021.

According to L. 4389/2016, the sole shareholder of HCAP is the Greek State, as legally represented by the Minister of Finance. HCAP owns 100% of the share capital of HRADF.

Therefore, the total percentage of the Greek State's voting rights amounts indirectly, as mentioned before, to 34.12%.

It is noted that following a relevant notification received on 3.3.2022, by the Hellenic Corporation of Assets and Participations S.A. (HCAP S.A.), its participation in the Company's share capital was altered, following an over-the-counter transaction, according to which the transfer by law, without consideration and exempt from any

tax fee and / or right of third parties of the total participation of HRADF in PPC share capital (corresponding to 39,440,000 shares or 10.32%), from HRADF to HCAP S.A., according to article 147 of L. 4876/2021.

Following the above, the direct participation of HCAP S.A. in PPC amounts to 34.12% with the corresponding voting rights, while HRADF no longer participates in PPC's share capital.

(2) On 18.11.2021, "CVC Capital Partners SICAV-FIS S.A." notified the Company that, as a result of a corporate event (Share Capital Increase of PPC), on 16.11.2021, "Selath Holdings S.à r.l.", an entity indirectly controlled by CVC SICAV, held directly 38,200,000 shares which correspond to 10% of PPC's total voting rights.

(3) Including the total holdings of Helikon Long Short Equity Fund Master ICAV, of PPC's voting rights (i.e. the total of voting rights attached to shares and voting rights through financial instruments) which amounted on 13.9.2021 to 15,034,105 (or 6.48%), following a relevant notification received by the Company on 29.9.2021 from Helikon Investments Limited in its capacity as investment manager for its client Helikon Long Short Equity Fund Master ICAV

On 31.12.2021, the Company was not aware of any shareholders, other than the HCAP, HRADF, Selath Holdings S.à r.l., and Helikon Long Short Equity Fund Master ICAV, which held directly voting rights attached to shares in an amount greater than or equal to 5% of its share capital.

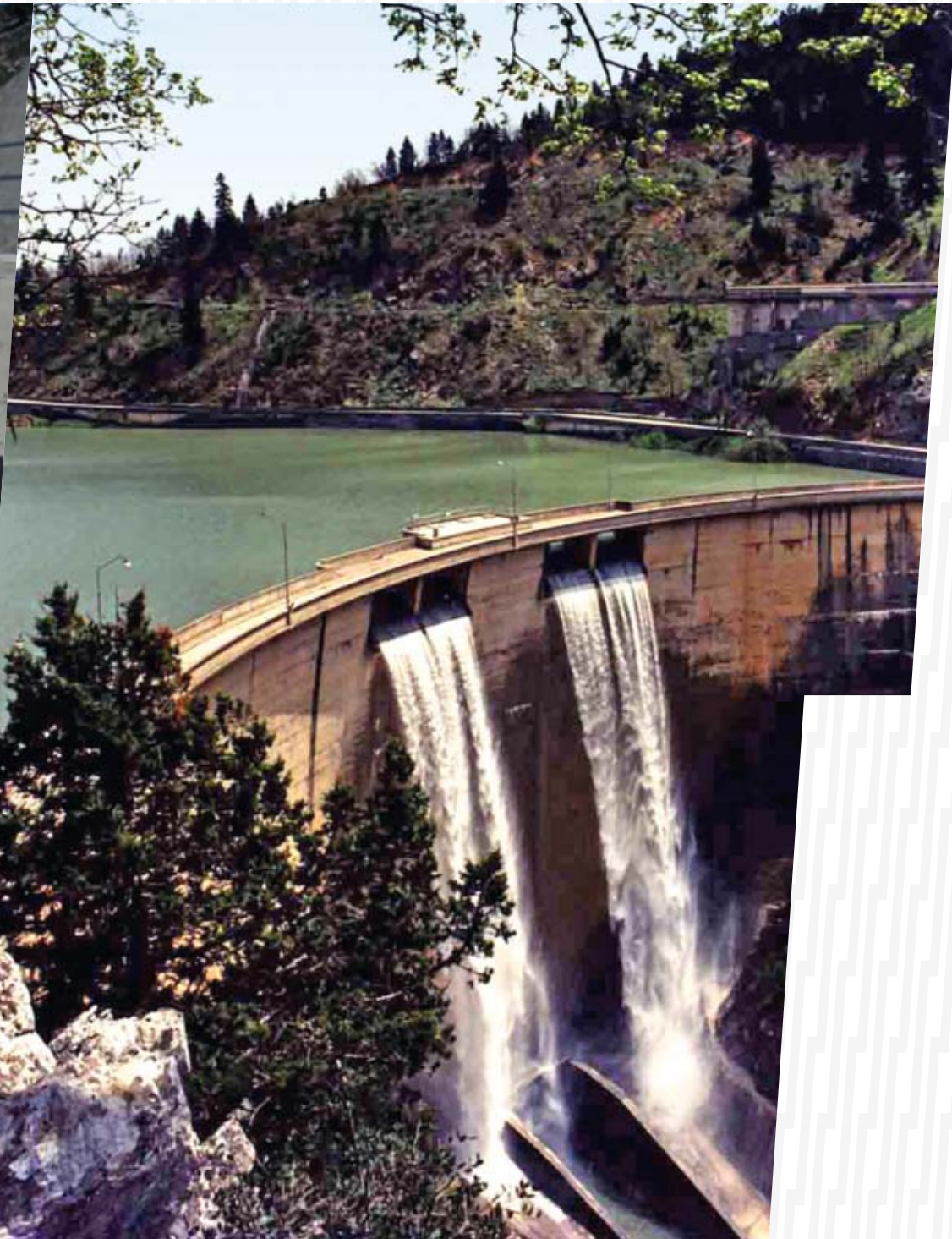
On 31.12.2021 the Members of the Board held 0.002% of PPC shares in total.

6.3 DIVIDEND

Although the year ended December 31, 2021 is profitable for the Parent Company, the Board of Directors will propose to the General Meeting of the shareholders the non-distribution of dividend. The decision of non-distribution of dividend will be finalized at the General Meeting of the Shareholders based on the provisions of the Law as stated above.



Hybrid energy project of Ikaria, Naera



Plastira lake dam

7 – Subsidiaries and Associates

For a sustainable future
with strong allies



7 – Subsidiaries and Associates

The following table presents the participation of PPC S.A. in other companies as of 31.12.2021:

| PPC S.A. | Ownership 31.12.2021 |
|---|---------------------------------|
| HEDNO S.A. ⁽¹⁾ | 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 AD SKOPJE | 100% |
| LIGNITIKI MELITIS S.A. | 100% |
| LIGNITIKI MEGALOPOLIS S.A. | 100% |
| WASTE SYCLO S.A. | 49% |
| PPC RENEWABLES S.A. | Ownership 31.12.2021 |
| 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% |
| PHOIBE ENERGIAKI S.A. | 100% |
| GEOTHERMIKOS STOCHOS SOLE SHAREHOLDER COMPANY S.A. | 100% |
| WINDARROW MOUZAKI ENERGY S.A. | 100% |
| AMYNTAIO PV PARK ONE SOLE SHAREHOLDER S.A. ⁽²⁾ | 100% |
| AMYNTAIO PV PARK TWO SOLE SHAREHOLDER S.A. ⁽²⁾ | 100% |
| AMYNTAIO PV PARK THREE SOLE SHAREHOLDER S.A. ⁽²⁾ | 100% |
| AMYNTAIO PV PARK FOUR SOLE SHAREHOLDER S.A. ⁽²⁾ | 100% |
| AMYNTAIO PV PARK FIVE SOLE SHAREHOLDER S.A. ⁽²⁾ | 100% |
| AMYNTAIO PV PARK SIX SOLE SHAREHOLDER S.A. ⁽²⁾ | 100% |
| AMYNTAIO PV PARK SEVEN SOLE SHAREHOLDER S.A. ⁽²⁾ | 100% |
| AMYNTAIO PV PARK EIGHT SOLE SHAREHOLDER S.A. ⁽²⁾ | 100% |
| AMYNTAIO PV PARK NINE SOLE SHAREHOLDER S.A. ⁽²⁾ | 100% |
| PPC RENEWABLES ROKAS S.A. | 49% |
| PPC RENEWABLES TERNA ENERGIAKI S.A. | 49% |

| PPC RENEWABLES S.A. | Ownership 31.12.2021 |
|--|---------------------------------|
| PPC RENEWABLES NANKO ENERGY-MYHE GITANI S.A. | 49% |
| PPC RENEWABLES MEK ENERGIAKI S.A. | 49% |
| PPC RENEWABLES ELTEV AIFOROS S.A. | 49% |
| PPC RENEWABLES EDF EN GREECE S.A. | 49% |
| EEN VOIOTIA S.A. | 46.6% |
| AIOLIKO PARKO LOYKO S.A. | 49% |
| AIOLIKO PARKO BAMBO VIGLIES S.A. | 49% |
| AIOLIKO PARKO KILIZA S.A. | 49% |
| AIOLIKO PARKO LEFKIVARI S.A. | 49% |
| AIOLIKO PARKO AGIOS ONOUFRIOS S.A. | 49% |
| OROS ENERGIAKI S.A. | 49% |
| ATTICA GREENESCO ENERGIAKI S.A. | 49% |
| VOLTERRA LYKOVOUNI SOLE SHAREHOLDER COMPANY S.A. | 45% |
| VOLTERRA K-R SOLE SHAREHOLDER COMPANY S.A. | 45% |
| BALIAGA IKE ⁽³⁾ | 49% |
| TEICHIO IKE ⁽³⁾ | 49% |
| PIVOT SOLAR SOLE SHAREHOLDER IKE ⁽³⁾ | 49% |
| GEOTHERMIKOS STOCHOS II SOLE SHAREHOLDER COMPANY S.A. ⁽⁴⁾ | 49% |
| METON ENERGIAKI S.A. ⁽⁵⁾ | 49% |
| EDS AD SKOPJE | Ownership 31.12.2021 |
| EDS DOO BELGRADE | 100% |
| EDS INTERNATIONAL SK SRO | 100% |
| EDS INTERNATIONAL KS LLC | 100% |

(1) On 28.02.2022 the sale of 49% of PPC's participation in HEDNO S.A. to Macquarie Asset Management was completed

(2) The abovementioned subsidiaries of PPC Renewables were established on 02.09.2021

(3) PPC's participation to the abovementioned companies began on 07.05.2021 according to contract.

(4) Until 04.11.2021 it was a subsidiary of PPC Renewables S.A. and on 05.11.2021 51% of its share capital was sold and it remained as an associate of PPC Renewables S.A.

(5) Establishment of the Company METON ENERGIAKI S.A. on 22/12/2021



Nest Installation



Photovoltaics, Halki

Part B'

—

1 – Annual Financial Report

DEI Blue. The future is charging



1 – Annual Financial Report

1. FINANCIAL REPORT

(January 1st 2021– December 31st 2021)

The attached Financial Report of the fiscal year 2021, has been prepared 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 5th 2022, 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

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A – Statement of Members of The Board of Directors

STATEMENT OF MEMBERS OF THE BOARD OF DIRECTORS

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

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

hereby

WE DECLARE

that, to the best of our knowledge:

a) the accompanying Financial Statements of the Parent Company and the Group, for the year ended December 31st 2021, which were prepared according to the International Accounting Standards – currently in effect- as adopted by the European Union, truthfully depict assets, liabilities, equity and the statement of income of Public Power Corporation S.A., as well as the companies included in the consolidation, according to the provisions of article 4 of Law 3556/2007 and,

b) the accompanying Board of Directors' Report truthfully depicts the evolution, performance and position of "Public Power Corporation S.A." and the companies included in the consolidation, as well as a description of the major risks and uncertainties they face.

Athens April 5th 2022

Chairman and C.E.O.

Member of the Board

Member of the Board

Georgios Stassis

Maria Psillaki

Stefanos Kardamakis

B – Executive Summary of The Board of Directors

PUBLIC POWER CORPORATION S.A.

Executive Summary of The Board of Directors for the fiscal year 2021.

Dear Shareholders,

Following the end of the Public Power Corporation's twentieth 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 2021, as well as, our comments on the respective statements. Furthermore, we submit for approval the unbundled financial statements for the year 2021 (Appendix I of the Annual Financial Statements) according to the provisions of L. 4001/2011 art. 141 and the approved by the Regulatory Authority of Energy, methodology of accounting unbundling.

The Group's subsidiaries which are consolidated in the Group's financial statements are the following: "PPC Renewables S.A.", "HEDNO S.A.", "Arkadikos Ilios 1 S.A.", "Arkadikos Ilios 2 S.A.", "Iliako Velos 1 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 A.S.", "PHOIBE ENERGI AKI S.A.", "PPC ALBANIA", "GEOTHERMIKOS STOCHOS SOLE SHAREHOLDER S.A.", "AMYNTAIO PV PARK ONE SOLE SHAREHOLDER SA", "AMYNTAIO PV PARK TWO SOLE SHAREHOLDER SA", "AMYNTAIO PV PARK THREE SOLE SHAREHOLDER SA", "AMYNTAIO PV PARK FOUR SOLE SHAREHOLDER SA", "AMYNTAIO PV PARK FIVE SOLE SHAREHOLDER SA", "AMYNTAIO PV PARK SIX SOLE SHAREHOLDER SA", "AMYNTAIO PV PARK SEVEN SOLE SHAREHOLDER SA", "AMYNTAIO PV PARK EIGHT SOLE SHAREHOLDER SA", "AMYNTAIO PV PARK NINE SOLE SHAREHOLDER SA", "WINDARROW MOUZAKI ENERGY S.A.", "EDS AD Skopje", "EDS DOO Belgrade", "EDS International SK SRO", "EDS International KS LLC", "LIGNITIKI MELITIS SOLE SHAREHOLDER S.A." and "LIGNITIKI MEGALOPOLIS SOLE SHAREHOLDER S.A."

Based on L. 4548/2018, as applies, PPC S.A. prepared the financial statements for the year ended December 31st 2021 (twentieth fiscal year), in accordance with the International Financial Reporting Standards (IFRS), as endorsed by the European Union.

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

The annual Report of the main Subsidiaries for the year 2021, 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 |
| Lignitiki Megalopolis S.A. | http://www.lignitiki-megalopolis.gr |
| Lignitiki Melitis S.A. | http://www.lignitiki-melitis.gr |

Amendments in the current legal framework during 2021.

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

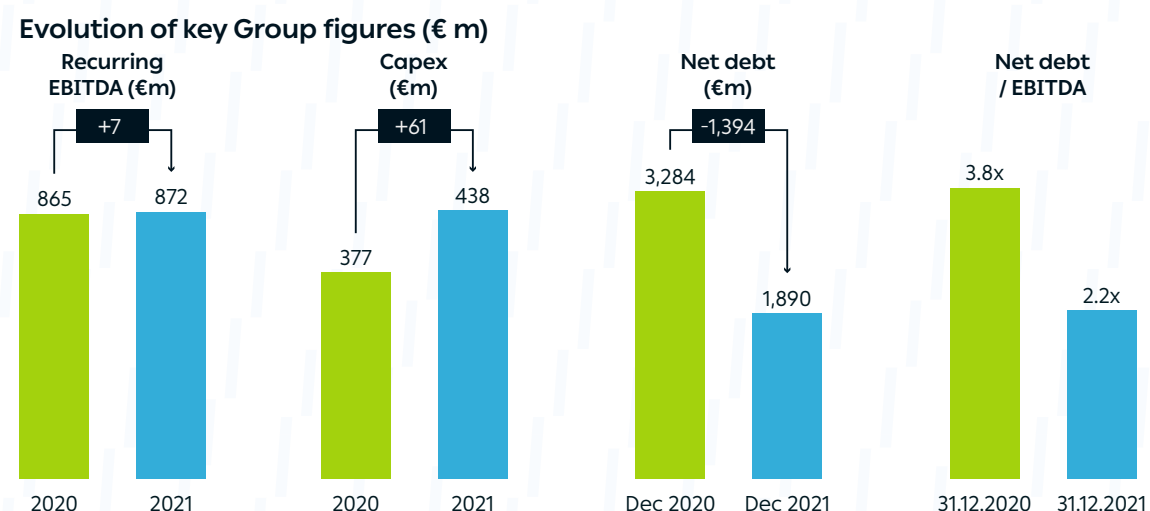
PPC Group FY/Q4 2021 financial results

Key Group Financial Results

| (in € m) | | 2021 | 2020* (restated) | Δ (%) | Q4 2021 | Q4 2020* (restated) | Δ (%) |
|--|---|---------------|---------------------|------------|--------------|---------------------------|--------------|
| Turnover | (1) | 5,706.6 | 4,649.3 | 22.7 | 2,009.1 | 1,129.2 | 77.9 |
| Operating expenses | (2) | 4,834.9 | 3,784.2 | 27.8 | 1,763.9 | 960.1 | 83.7 |
| EBITDA recurring | (3)=(1)-(2) | 871.7 | 865.1 | 0.8 | 245.2 | 169.1 | 45.0 |
| EBITDA margin recurring | (4)=(3)/(1) | 15.3% | 18.6% | | 12.2% | 15.0% | |
| One-offs | Provision for personnel's severance payment | 16.1 | 35.8 | | 1.2 | 3.3 | |
| | Retroactive charge for special allowances from the implementation of the Collective Labour Agreement for the period 2021-2024 | (5) | 34.6 | | (0.1) | | |
| | Credit invoice for 2021-2019 gas procurement cost | | (44.8) | | | | |
| | Special RES Account | | 74.3 | | | 74.3 | |
| EBITDA | (6)=(3)-(5) | 821.0 | 799.8 | 2.7 | 244.1 | 91.5 | 166.8 |
| EBITDA margin | (7)=(6)/(1) | 14.4% | 17.2% | | 12.1% | 8.1% | |
| Depreciation, total net financial expenses and share of profits/(losses) in associates companies | (8) | 863.2 | 878.8 | (1.8) | 233.1 | 230.4 | 1.2 |
| Impairment loss on fixed assets | (9) | 107.6 | (125.3) | | 75.8 | (138.6) | |
| Pre-tax profits/(Losses) | (10)=(6)-(8)-(9) | (149.8) | 46.3 | | (64.8) | (0.3) | |
| Net income/(Loss) | (11) | (18.4) | 19.5 | | 23.8 | 6.7 | 255.2 |

* 2020 figures have been restated due to IAS 19 as well as in order to take into account the note for the financial statements of 2020 which is described in the stock announcement of PPC S.A. dated 29.10.2021 as this had been included in the Prospectus for the Share Capital Increase. For additional information please refer to the 2021 Financial Report (Note 44).

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, 2021, (Appendix: Definitions and reconciliations of Alternative Performance Measures - "APMs").



Profitability evolution

Recurring EBITDA for the Group amounted to €871.7 m in 2021 from €865.1 m in 2020 remaining virtually stable, with the corresponding margin at 15.3% from 18.6% due to increased turnover. Particularly, for Q4 2021, recurring EBITDA amounted to €245.2 m compared to €169.1 m in the respective quarter of 2020. The final results of the separate Group activities also incorporate the benefit from hedging transactions.

The increased expense due to the rise of natural gas and CO₂ emission rights prices and consequently the increase of wholesale electricity market prices, negatively affected the operating profitability of the Retail Business. This negative impact was largely offset by the increase of the average revenue as well as the improvement of the profit margin of the Generation business, which contributed to the support of the customers. The Generation and Retail business were positively affected by the hedging transactions to offset the volatility risk of electricity, gas and CO₂ prices.

Net losses of €18.4 m were recorded compared to net income of €19.5 m in 2020. Respectively, for Q4 2021 net income stood at €23.8 m compared to net income of €6.7m in Q4 2020.

Russia-Ukraine conflict

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

PPC Group does not have a direct exposure in these countries as it does not have a relevant commercial presence, therefore not having a direct impact on its activities. The increased costs in the wholesale electricity market due to the unprecedented increase in the price of natural gas is a development that indirectly affects the activities of the Group, which is largely protected by the vertical nature of its activities, due to its presence in both production and in electricity trading. Indirect effects may arise due to the consequent reduction of our customers' disposable income, as a result of increased energy costs and the intensification of inflationary pressure.

Any overall final economic impact of the Russia-Ukraine conflict on the global and Greek economies and businesses cannot be estimated at present, due to the high degree

of uncertainty arising from the impossibility of predicting the final outcome, but also due to the secondary effects listed above. In any case, the Management of the Group continuously monitors the relevant developments and evaluates any possible further effects on the operation, financial position and results of the Group, being in a state of increased vigilance in order to take appropriate precautionary measures to safeguard the liquidity and business activities of the Group.

ANALYSIS OF REVENUES & OPERATING EXPENSES OF PPC GROUP

Revenues

Turnover for 2021, increased by €1,057.3 m or 22.7% due mainly to the increase of the average revenue as the increase of domestic demand by 4.1%, was substantially offset by market share loss of 4.4 percentage points. Specifically, for Q4 2021, turnover amounted to €2,009.1 m up by 77.9% compared to Q4 2020 as a result of the significant increase of average revenue with domestic demand increasing by 7.4%.

Operating Expenses

Operating expenses before depreciation increased in 2021 by €1,050.7 m (or by 27.8%) to €4,834.9 m compared to €3,784.2 m in 2020, mainly as a result of particularly high expenses for fuel cost and energy which were mitigated from the reversal of bad debt provisions. Operating expenses before depreciation do not include the one-off impact from the retroactive charge for special allowances from the implementation of the Collective Labour Agreement for the period 2021-2024, the provision for personnel's severance payment and the credit invoice from DEPA for gas procurement cost for previous years, as well as from the one-off charges, as part of the measures taken by the Greek state in order to cover the Special RES account deficit. Specifically, for Q4 2021, operating expenses before depreciation (not including the impact from one-off items) amounted to €1,763.9 m increased by 83.7% compared to Q4 2020, mainly due to the particularly high energy mix expenses.

Operating figures (generation - imports- exports)

In 2021, domestic electricity demand increased by 4.1% to 56,991 GWh compared to 54,758 GWh in 2020 as a result of the recovery of economic activity, due to the relaxation of the restrictive measures related to Covid-19. Total electricity demand (including pumping and exports) marked an increase by 9% due to higher Third Party exports (increase by 2,961 GWh or 165.8% compared to 2020). Specifically, in Q4 2021, domestic electricity demand increased by 7.4% to 14,043 GWh compared to 13,071 GWh in Q4 2020.

PPC's average retail market share in the country, declined to 64.3% in 2021, compared to 68.7% in 2020. Specifically, the average retail market share in the Interconnected System was contained to 64.2% in December 2021 from 66.8% in December 2020, while PPC's average market share, per voltage, was 87.8% in High Voltage, 44% in Medium Voltage and 65% in Low Voltage compared to 94.4%, 35.7% and 69% in 2020, respectively.

PPC's electricity generation and imports covered 43.7% of total demand in 2021 (40.3% in the Interconnected System), while the corresponding percentage in 2020 was 40.7% (36.9% in the Interconnected System), due to increased PPC electricity generation.

Specifically, hydro generation increased by 2,393 GWh, as a result of higher inflows in

the hydro power plants' reservoirs during 2021 compared to 2020, but also due to the increased needs of the System.

Generation from PPC's natural gas units increased by 2,475 GWh, while lignite fired generation decreased by 381 GWh. In Q4 2021, the generation from natural gas units of PPC increased by 234 GWh. On the contrary, lignite fired generation decreased by 656 GWh.

At country level, there was an increase in RES electricity generation (including large hydro power plants) by 25.4% or 4.515 GWh. In addition, electricity imports decreased by 21.4% or 2,284 GWh.

Energy mix expenditure

Expenditure for liquid fuel, natural gas, PPC and third party fossil fuel, CO₂ and energy purchases increased by €1,152.8 m (49.7%) compared to 2020.

In detail:

- Liquid fuel expense in 2021 increased by 16.1% to €537 m in 2021 compared to 2020, mainly due to the increase in the prices of fuel oil (by 18.1%) and diesel (by 11.9%) but also due to the increased oil fired generation. Specifically, in Q4 2021, liquid fuel expense increased by 20.8%, as a result of the even higher increase in the respective prices.
- Natural gas expense increased significantly by 205.5% to €910.1 m from €297.9 m primarily due to the great increase of natural gas price by 134.5% and secondly due to the increased electricity generation by 28.9%. During Q4 2021, natural gas expense had a fivefold increase reaching € 457.4 m from € 91.9 m in Q4 2020, for the same reasons..
- Energy purchases expense increased by €168.9 m (15.1%) due to the increase of the Market Clearing Price (MCP) from €45.1/MWh in 2020 to €116.4/MWh in 2021, despite the lower energy purchases volume. More specifically, in Q4 2021, energy purchases expense increased significantly by €77.3 m (29.9%), as the MCP increased from €53/MWh in Q4 2020 to € 220.8/MWh in Q4 2021.
- Expenditure for CO₂ emission rights increased to €699.2 m in 2021 from €393.5 m in 2020, primarily due to the increase of the CO₂ emission rights average price to €44.9/tn from €25.6/tn and to a lesser extent due to the increase of CO₂ quantities by 2.1% to 15.8 m tons. Specifically, in Q4 2021, the expenditure for CO₂ emission rights increased by 22.5% to € 159.8 m from € 130.4 m in Q4 2020.

Expenditures for natural gas and energy purchases incorporate the positive impact from hedging transactions to offset the risk from fluctuations in electricity and natural gas prices.

Payroll cost

Total payroll cost excluding the impact of one-off items, remained essentially the same as last year at € 679.7 m in 2021 (from € 677.8 m in 2020) due to the lifting of the ceiling on the payroll of the Group's staff as well as the re-allocation of Christmas and Easter bonuses. The natural attrition reached 890 employees (from 13,799 at the end of 2020 to 12,909 at the end of 2021).

Provisions

In 2021, due to actions taken for collection improvement, a € 59,7 m reversal of bad debt provisions was recorded compared to an increase of bad debt provisions of € 61.9 m in 2020.

One off items impacting EBITDA

EBITDA in 2021, as it was the case in 2020, were impacted by certain one-off items.

Specifically:

- In 2021, EBITDA was negatively impacted by the €34.6 m expense for the retroactive charge for special allowances from the implementation of the Collective Labour Agreement for the period 2021-2024 and by the provision for personnel's severance payment of €16.1 m. (out of which € 1.2 m relate to Q4 2021)
- Likewise, 2020 EBITDA had been negatively impacted by the provision for personnel's severance payment of €35.8 m, (out of which € 3.3 m relate to Q4 2020) as well as from the one-off charges of a total amount of €74.3 m, as part of the measures taken by the Greek state in order to cover the Special RES account deficit pursuant to Law 4759/2020. On the other hand, 2020 EBITDA was positively impacted by the Credit invoice of €44.8 m from DEPA for gas procurement cost for previous years.

Including the abovementioned one-off items, EBITDA for 2021 amounted to €821 m compared to €799.8 m in 2020.

Capex

Capital expenditure amounted to €437.9 m in 2021 compared to €376.5 m in 2020. As shown in the table below, most of the increase is attributed to higher investments in repetitive projects in the Distribution network as well as in RES projects.

The composition of main capex is as follows:

| (in € m) | 2021 | 2020 | Δ | Δ (%) |
|-----------------------------|--------------|--------------|-------------|--------------|
| Conventional Generation (*) | 170.5 | 179.5 | -9.0 | -5.0% |
| RES projects (**) | 32.4 | 18.0 | 14.4 | 88.0% |
| Distribution network | 221.5 | 174.8 | 46.5 | 26.7% |
| Other | 13.5 | 4.2 | 9.3 | 221.4% |
| Total | 437.9 | 376.5 | 61.4 | 16.3% |

(*) Including Mines capex

(**) Including capex for hydro power plants

Net Debt

Net debt stood at €1,889.8 m on 31.12.2021, decreased by €1,393.8 m compared to 31.12.2020 (€3,283.6 m). Within 2021, sustainability linked bonds totaling € 1.275 m were issued, out of which € 1,070 m were used for debt repayments. It is noted that in the calculation of the net debt, the revenues of € 1.3 b from the Share Capital Increase that was completed in November 2021 have been taken into account.

Net Debt evolution is shown below:

| (in € m) | 31.12.2021 | 31.12.2020 |
|--|------------|------------|
| Gross Debt (1) | 4,775.8 | 4,153.7 |
| Cash and cash equivalents / Restricted cash*/ Other financial assets (2) | 2,886.0 | 870.1 |
| Net Debt (3) = (1) - (2) | 1,889.8 | 3,283.6 |

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

Recent developments

Memorandum of Understanding between PPC S.A. and Motor Oil (Hellas)

In January 2022 MOTOR OIL (HELLAS) and PPC S.A., signed a Memorandum of Understanding (MoU) for the formation of the framework and the implementation through a Joint Venture of Green Hydrogen projects. MOTOR OIL's participation in the Joint Venture will be 51% and PPC's 49%.

The Joint Venture believes that it can lead the development of hydrogen projects in Greece, having access to PPC's developing renewable energy platform and while at the same time taking advantage of MOTOR OIL's capacity and know how as one of the largest energy groups in the country.

The Joint Venture to be established aims at the development of Green Hydrogen generation and storage projects in Greece, thus facilitating Greece's energy transition to Net Zero.

Signing of MoU for the financing of the development of a Fiber To The Home Network

In January 2022, Public Power Corporation S.A. signed an MoU with Alpha Bank S.A and Piraeus Bank S.A. for the financing of the construction and operation of a Fiber To The Home (FTTH) Network in selected areas of Greece.

The agreement includes the issuance of a long term bond loan amounting up to € 530 m under the form of project financing by the 100% special purpose vehicle to be established by PPC and which will undertake the construction, operation, exploitation and maintenance of the fiber optics network to be established.

PPC will proceed to a new announcement after the signing of the contracts which will take place after the finalization of the financing terms following the ongoing due diligence.

Absorption of subsidiary companies "Lignitiki Megalopolis Sole Shareholder S.A." and "Lignitiki Melitis Sole Shareholder S.A."

The Board of Directors of PPC S.A, within the framework of the absorption of its subsidiaries "Lignitiki Megalopolis Sole Shareholder S.A." and "Lignitiki Melitis Sole Shareholder S.A.", approved in February 2022, the subsidiaries' Draft Absorption Agreement, the Transformation Financial Statements as of 30.11.2021 and the relevant assets and liabilities Valuation Reports of said companies.

Completion of the sale of 49% of HEDNO share capital to Macquarie Asset Management

The sale of 49% of PPC's participation in HEDNO S.A. (Hellenic Electricity Distribution Network Operator S.A.) share capital was completed in February 2022 with the deposit of EUR 1,320 m by Macquarie Asset Management for the acquisition of the aforementioned stake. Said consideration has been adjusted to reflect the change in the Net Asset Value of HEDNO until 28.2.2022, according to the terms of the Share Purchase Agreement.

Amendments

On December 31, 2021 the Group and the Parent Company have proceeded in the attached financial statements for the year 2021 to the restatement of certain amounts for previous years, as follows:

1. Provision for allowance for employees' severance payments

The Committee for the Interpretation of International Financial Reporting Standards issued in May 2021 the final decision of the agenda entitled «Distribution of benefits in periods of service (IAS 19)». This decision / interpretation clarifies the handling of the provisions for allowance for employees' severance payments, paid to them when they leave service due to retirement, based on the provisions of Greek labor law (Law 3198/1955), which reaches its maximum point after 16 years of service in same employer.

The above decision of the Committee has no impact on the financial figures of the Parent Company, while the 100% subsidiaries subsidiaries of HEDNO SA are affected. & PPC Renewables SA

The Commission Decision is evaluated as a Change in Accounting Policy, in accordance with the provisions of paragraphs 19-22 of International Accounting Standard 8 (IAS 8). The change in accounting policy is applied retroactively from 1/1/2020, with a corresponding adjustment of the opening balance of each affected item for the older of the presented periods and the other comparative amounts for each previous periods presented, as if the new accounting policy had always been in use. Although this effect was not considered significant for the Group, the Group restated the individual item for Decemb 31 2020 and January 1 2020.

2. Revenues for network usage fees for electricity consumed but not yet billed

The Group (through its subsidiary HEDNO) at each balance sheet date calculates based on an estimation method the Network Usage Fees related to the consumed and non-billed energy for the non-monthly metered electricity LW connections in the Non-Interconnected Network. This estimate is invoiced by HEDNO to the electricity providers and in the next period the relevant settlement is carried out. This specific procedure is performed on a monthly basis due to the extra obligations of the relevant HEDNO Department according to RAE and the additional role it plays in the energy market in Non-Interconnected Islands.

On the contrary, for the non-monthly metered LW electricity connections in the Interconnected Network, due to the complexity, the significant number of connections, but also the different obligations of HEDNO in the Interconnected Network and the way of pricing the relevant Network Usage Fees, HEDNO did not establish a corresponding provision for the recognition of accrued income until the year ended 31.12.2019.

During the year ended 31/12/2020, HEDNO redefined the method of recognizing the revenue from Network Usage Fees in the Interconnected Network, in order to reflect those that correspond to the consumed and not metered electricity, which has not yet been billed for these electricity connections, restating the individual figures for December 31 2020 and January 1 2021.

In the Group's and the Parent Company's financial statements as at December 31 2020, no restatement of the comparative figures for the above adjustment took place as the effect of the restatement on the financial figures of the Group and the Parent Company and especially on «EBITDA» and «EBITDA Recurring» was not considered significant. On October 29, 2021 and following the recommendation of the Hellenic Capital Market Commission, the Group and the Parent Company proceeded to an announcement to the Stock Exchange, clarifying all the above.

Although the Group's Management continues to evaluate the above effect as insignificant, following the letter of the Hellenic Capital Market Commission dated 01.02.2022, both the Group and the Parent Company proceeded to restate the comparative figures of their consolidated and separate financial statements for the year ended December 31 2021.

More information on the above two (2) restatements of comparative figures for previous years, is provided in Note 44 of the attached financial statements in the Annual Financial Report for the year 2021.

Capital Expenditure Program of Business Units

Total capital expenditure for the Parent Company amounted to € 354.1 mil. and was allocated as follows: € 61.4 mil to Mines, € 108.8 mil to Generation, € 170.4 mil to the Distribution Network, € 1.3 mil. to Commercial and € 12.2 mil. to activities of the Administrative Divisions. Capital expenditure for the Parent Company for the year 2021 has increased by € 9.1 mil., compared to 2020, representing an increase of 3%.

Total capital expenditure for the Group for 2021 amounted to € 437.8 mil. and includes besides the Parent Company' capital expenditure, also those of PPC RENEWABLES S.A. amounting to € 32.4 mil., of HEDNO S.A. amounting to € 51.1 mil and of the two Lignite subsidiaries amounting to € 0.2 mil. Capital expenditure for the Group for the year 2021 increased by € 61.4 mil., compared to 2020, representing an increase of 16%.

Mines Business Unit

Capital expenditure of the Mines Business Unit for 2021 amounted to approximately €61.4 mil. and is related to projects in Western Macedonia Lignite Center (WMLC). A breakdown of the capital amount was spent during 2021 is presented below:

1. €29.5 mil. were spent on land expropriations of which €21.1 mil. on land acquisition in the region "ODPK1", €4.7 mil. in the region of "Choremi". Also, €26.1 mil. were spent on related to the Ptolemais V unit construction works.

2. € 3.8 mil. were spent on electromechanical works of which €2.1 mil. on belt conveyor's extension, and the rest on equipment upgrades and reconstructions.
3. € 0.9 mil. were spent on civil engineering works and other technical projects (berm floor construction, road asphaltting).
4. € 1.1 mil. were spent on environmental projects and commitments to third parties (national road and railway relocation, waste management projects, fences construction etc)

Total excavations in the Mines of Western Macedonia amounted to 51.2 mil. cubic meters and lignite production to 8.6 mil. Tones

Generation Business Units

Exploitation:

- During 2021 the total net production of the General Division of Lignite Generation (GDLG) and General Division of Thermo- and Hydro-electrical Generation (GDTHG) power stations (excluding the subsidiary companies Lignitiki Megalopolis S.A., Lignitiki Melitis S.A. and PPC Renewables S.A.) amounted to 23.9 TWh, increased by 23.8% compared to 2020 (19.3 TWh). PPC's share of electricity production decreased from 44% in 2020 to 42% in 2021.
- The lignite based generation (excluding the subsidiaries') was 3.6 TWh reduced by 10% compared to 2020 (4.0 TWh). The lignite Units' availability factor was 56.67%, reduced by 8.6 p.c. units compared to 2020. The load factor of lignite fired units reached 24.52%, as opposed to 18.60% in 2020. The utilization factor reached 43.26% in 2021 from 28.47% in 2020. Furthermore, in 2021 Units III and IV of Kardias Lignite Power Plant were decommissioned.
- In 2021 the hydroelectric generation reached 5.3 TWh, increased by 2.4 TWh or 82.76% compared to 2020 (2.9 TWh).
- Natural gas based generation in 2021 reached 11.0 TWh, 2.4 TWh more than in 2020, which is a 28.35% increase. The Units' load factor reached 47.86% in 2021, an increase of 10.74 p.c. units compared to 2020. The availability factor in 2021 was 84.57%, decreased by 4.36 p.c. units compared to 88.93% in 2020. The utilization factor increased by 14.71 p.c. units reaching 56.61% in 2021 from 41.90% in 2020.
- In view of the increased load demand placed on Crete's and the Other NII systems during the summer of 2021, extra 85 MW of non-permanent capacity were used.
- Electricity generation of Lignitiki Megalopolis S.A.'s in 2021 was 1.2 TWh, which is a reduction of 0.23 TWh to 2020's generation of 0.97 TWh. Load availability and utilization factors were 53.22%, 91.23% and 59.26%, respectively, whereas the corresponding 2020 values were 22.21%, 82.34% and 27.41%. Lignitiki Melitis S.A.' generation reached 0.55 TWh in 2021 and was 0.18 TWh less than the 2020 annual generation of 0.73 TWh. The load factor was reduced to 22.17%, which is 7.11 p.c. units less than the 29.28% of 2020. The power plant's availability increased to 67.82% in 2021 from 63.65% in 2020. Its utilization factor was reduced from to 46.01% in 2020 to 32.69% in 2021.

Investments:

Total Investments of the General Division of Lignite Generation and the General Division of Thermo- and Hydro-electrical Generation during 2021 amounted to €108.8 mil. (excluding the Mines Business Unit referred above).

In the context of PPC S.A.'s Strategic Priorities Plan, the GDTHG and the GDLG have undertaken the implementation of Investment Projects in order to replace obsolete Units with new, environmentally friendly ones, of modern technology and higher performance. Concerning the progress of the Projects during 2021 it is noted that:

• Thermal Units:

- Steam Electric Unit V, of Ptolemaida Station, of 660 MW (+ 140 MWth for District Heating) installed capacity, using pulverized lignite fuel: The Unit's Building Permit was issued on July 1st, 2015. PPC, in accordance with the contractual provisions, has already paid to the Contractor two payments in advance, of approximately € 198 mil. each, against relevant Letters of Guarantee of Advanced Payment, of approximately € 227 mil., each. During 2021, the Unit's construction progress reached to such an extent that the peripheral systems of the Unit were gradually stepped into operation. Covid-19 pandemic affected the progress of the project as specific precautionary measures had been in force in the construction site to mitigate the spread of coronavirus in compliance with state guidelines. In summary, at the end of 2021 and in terms of budgetary cost, the civil work progress has reached to 98.7% and the electromechanical erection has reached to 94.3%. The expenditure for the project during the fiscal year 2021 (Main Contract) amounted to €56.3 million. The Unit is expected to start its trial operation within 2022.

• Hydroelectric Units:

- Messochora Hydro-Electric Project (HEP) (160+1.6 MW): The Council of the State, with its Decision 2230/2020 published in Dec. 2020, cancelled the project's Approval Decision of Environmental Terms and Conditions. PPC has submitted a new Environmental Impact Study and has obtained a new Approval Decision of Environmental Terms and Conditions, issued on 21.12.2021. PPC started the procedures to incorporate the new terms in order to announce tenders for completing the remaining works for the project and for the ground stabilization of Sector D of the Mesochora village.
- Metsovitiko HEP (29 MW): The construction is ongoing according to the new time schedule, after the issuance of building permits, in December 2020, for its commercial operation at the beginning of 2024. During 2021 construction and other Civil Engineering works took place, as well as studies for the installation of electromechanical equipment. Furthermore, delivery and installation of electromechanical equipment is in progress. For the fiscal year 2021 the expenditure for the project amounted approximately to €2.3 mil.

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

- New South Rhodes Station, of 115.4 MW net capacity, consisting of seven similar generating sets (G/S) with four – stroke Diesel engines: All Units were put into commercial operation in 2018 and the Temporary - Final Acceptance Protocol was approved on 8th July 2021. Following that, the objections put forward by the Contractor in said Protocol were rejected by PPC and both parties agreed to resort to the Amicable Settlement negotiation process as stipulated in the contract. A Commission for the Amicable Settlement of the disputes was formed for reaching an agreement. The Commissions' report was approved by PPC's Board of Directors and subsequently the letters of performance guarantee were returned to the Contractor.
- The total investment expenditure for the Island of Rhodes and the Other NII for fiscal year 2021 amounted to € 20.7 mil.

Environmental Management / Health and Safety:

- **Environmental Management:** During 2021 and towards the improvement of the environmental behavior of the Power Generation Units of GDLG and GDTHG:
 - Environmental Management Systems (EMS) according to ISO 14001:2015 of twenty four (24) PPCs' Steam and Hydro Electric Stations and the Lignite Center of Western Macedonia were re-certificated by independent Certification Bodies, after surveillance audits. Two (2) Steam Electric Stations (SES), namely SES Melitis and SES Megalopolis, are the ownership of PPC's 100% subsidiaries Lignitiki Melitis S.A. and Lignitiki Megalopolis S.A., respectively.
 - The process for the issuance of a new EMS according to ISO 14001:2015 for SES South Rhodes (SES Kattavia) continued as a separate System (EMS)
 - The process for a new EMS according to ISO 14001:2015 for HPS N. Plastira continued.
 - The tender aiming at re-certifying the Thermal and Hydroelectric Power Plants according to ISO 14001:2015 has been completed.
 - Energy Management System (EMS) according to ISO 50001 of the Lignite Center of Western Macedonia was re-certificated by independent Certification Bodies, after surveillance audit. The Lignite Center was certified according to ISO 50001, for the first time in 2019.
 - In collaboration with the Recruitment, Development & Training Director of PPC, the following training courses were organized:
 - ISO 14001:2015 Environmental Management System Lead Auditor (IRCA Certified)
 - ISO 14001:2015 Environmental Management System Internal Auditor (IRCA Certified)
 - The preparatory work aimed at developing Environmental Management Systems according to ISO 14001 to Autonomous Power Stations of Milos, Thira, Lesvos, Paros and Ikaria, was planned.
- **Health and Safety:** The transition from the OHSAS 18001:2007 (ELOT 1801) standard to the new ISO 45001:2018 standard was completed, following successful recertification inspections of the Occupational Health and Safety Management Systems applied in all Thermal Power Plants (TPP) of the Company by independent bodies, except for the Main Field Mines and the Kardaria Field of the Western Macedonia Lignite Center, as well as the Support Units of the Western Macedonia Lignite Center whose transition is to be completed within 2022. At the same time, the two (2) joint committees which were set up with executives from the Occupational Health and Safety Department and the Thermal and Hydro

Generation Business Unit/Lignite Power Plants Operation Department continue their work. The first committee's focus is to prepare and adapt the Occupational Health and Safety Management Systems of the various TPPs so that they comply with the updated ISO 45001:2018 standard, while the second one is responsible for drafting a directive on protection measures against any possible presence of hexavalent chromium in gas turbines at PPC power plants.

Commercial Business Unit

Capital expenditure for the Commercial Business Unit for 2021 amounted to 1.3 mil., mainly related to retrofitting the Unit's stores.

With a new philosophy, the remodeling of the stores network began in July 2021, with two new pilot stores, in Maroussi and Kallithea. The aim of the new stores is to upgrade the customer experience. The new stores will emphasize on friendly service, innovation, interactivity, through a modern, pleasant environment of high aesthetics.

In the new PPC store, apart from the energy products (electricity & natural gas), there will be a special department for the sale of smart products, of the latest technology.

Since February 2021, the new add on service Greenpass Home is available for PPC Home customers, which ensures that the amount of energy consumed in their households is produced by Renewable Energy and reserved by PPC for them.

Moreover, since April 2021, another new PPC product, myHome Enter +, is available to its customers. It offers free urgent technical service to the customers who choose it and through this product, PPC further expands its product portfolio in Electricity.

In the first four months of 2021, PPC decided to absorb the possible charge that could result from the CO₂ adjustment clause in the Low Voltage Electricity tariffs, while the CO₂ adjustment clause has been activated from May 2021.

From August 5, 2021, the CO₂ adjustment clause in the tariffs has been replaced by a new supply charge adjustment clause that is applied, based on market price fluctuations, while discounts from 30% to 50% have been introduced on energy bills, depending on the tariff, in order to align the adjustment clause to the market.

Also, regarding the significant increase in energy prices, PPC, on top of the measures announced by the Ministry of Energy & Environment, announced an additional discount of €30/MWh for monthly consumptions from 300kWh to 600kWh for its Low Voltage indexed tariffs, for consumptions from 1/10/2021 to 31/12/2021.

Proportionally to Low Voltage, the CO₂ adjustment clause in the MV tariffs was replaced by a price adjustment clause based on market fluctuations in October 2021. Moreover, during October the gas retail product portfolio was modified to reflect cost conditions. Finally, on December 2021 myHome products were modified, adjusting prices to the updated cost conditions.

For the whole of 2021, a discount of 5% was maintained for customers who payed on time their bills.

PPC introduces a new Credit Policy, in accordance with the Electricity Supply Code, in the framework of which intensifies its actions with the ultimate goal of reducing debts and increasing collections rates. PPC continues its cooperation with a company providing specialized support services, in the context of the securitization of receivables of its customers, in order to manage more effectively its customer base.

Finally, it expands and establishes new electronic and telephone bill collection services for the better access of its customers to the collection channels.

HEDNO S.A.

Development & Operation of Networks

In 2021, the length of distribution lines increased by 781 km in the medium voltage grids, by 611 km in the low-voltage grids, while an additional 335 Low/Medium transformers were installed and 2.900 relocations (displacements) were made.

Therefore, the Medium Voltage network extends to 114,139 km and the Low Voltage network extends to 128,822 km while transformers stand at 166,160.

Active users of the Distribution network totaled 7,648,284, of which 14,018 in the Medium Voltage.

Turnaround Times of New Connections

The average time for the design and construction of simple new user connections was 21.5 working days, while for connections requiring network workings it was 42.4 working days and 42.51 working days for relocation (displacement) requests.

Environmental Issues

The Company takes care to improve its environmental performance. In this direction, during 2021 it signed with a specialized Consultant a contract for the design and development of a methodology concerning the recording of the Carbon Footprint of HEDNO S.A.

The aim of the project is to identify and calculate the greenhouse gas emissions of HEDNO, directly (Scope 1) or indirectly (Scope 2 & Scope 3), which are indicative of fuel, electricity consumption, supply chain, fixed equipment and electricity losses in the Network, so that the Carbon Footprint can be calculated and in turn HEDNO be able to adopt an integrated system for recording, calculating, monitoring and publishing the carbon footprint on an annual recurring basis in accordance with ISO 14064: 2018. In the first place, within 2021, the carbon footprint was calculated for the Scope 1 and 2 categories covering the period from 01.01.2020 to 31.12.2020 and the respective data used for the 1st Sustainability Report of the PPC Group.

At the same time, HEDNO S.A. implements actions for the protection of natural wealth such as the pruning of trees and the cleaning of underground vegetation with the aim of forest protection. The «aesthetic» protection of the environment is another basic aim, giving priority to the undergrounding of networks and the replacement of bare Low Voltage pipelines with twisted cables in traditional or special interest (cultural or tourist) areas. Indicatively, within 2021, 1,745.95 km twisted cables in Low Voltage were installed.

The 1,273.48 km were placed in replacement of a corresponding length of Low Voltage bare pipeline networks, with multiple positive effects on the environment, such as the conservation of the bird fauna and the aesthetic upgrade, but also the exploitation of the network.

A top priority for HEDNO S.A. is to prevent the loss of biodiversity and protect the endangered species. In cooperation with local bodies and organizations, the company continues the actions of improvement of the networks located in places where rare birds live, including important interventions with new technologies (e.g. HEDNO participates in the program LIFE17 NAT/GR/000514-LIFE Bonelli east-Med, for the conservation and management of the sparrow population in the Eastern Mediterranean which provides for the installation of special insulating covers in selected locations of the Medium Voltage Network. It also takes care of the safe passage and residence of migratory species in our country and cooperates closely with NGOs for the care and protection of wildlife in our country. In 2021, in collaboration with NGOs, HEDNO S.A. installed stork nests and assisted in the maintenance of stork nests and stork ringing in several areas of Greece.

Finally, in 2021 it procured wooden poles impregnated with water-soluble preservatives with the aim of installing them in new aerial networks, so as to investigate the use of poles without creosote, but with more environmentally friendly materials, on a large scale.

PPC Renewables

Generation

Electricity generation in the year 2021 was 373,776MWh compared to 297,337 MWh in 2020.

Investment activity

Wind Parks

In 2021 the reconstruction and electrification of the Wind Park Moni Toplou in Sitia, Crete (6 MW) has been completed, which was within the framework of the Contract for the Design, Supply, Transportation, Installation and Commissioning of 10 Wind Parks of total capacity 19.8 MW in the Aegean. Also, in July 2021 the Wind Park of Kefalonia (9.2 MW) started its operation, while in September 2021 the Wind Park 0.7 MW in Lemnos (Agios Sozon) was electrified. The construction works of the Wind Park at the locations of «Aeras» of the Municipality of Mouzaki and «Afentiko» of the Municipality of Argitheia and the GIS type High Voltage Substation 20/400kV, of 100 MVA power, at the location «Diaselo-Prophet Elias» of the Municipality of Mouzaki, Karditsa are on a full scale, and it is expected to be completed during 2022.

Small Hydro Plants

The commercial operation of the Small Hydropower Plant Louros (3X2.9 MW) was completed on 09.11.2021 (12-month warranty period). The adjacent Louros Substation, with a power increase at 40 / 50MVA, was commissioned on September 27th, 2021, including the completion of works of IPTO remit (Digital Control System, Digital Carriers, Wave Traps, etc.). It is expected that provisional acceptance from the Contractor Partnership will take place during July 2022.

The Construction of the Smokovo II SHPP (3.2 MW) has been almost completed and it is expected that provisional acceptance from the Contractor Partnership will take place during July 2022. The Powerhouse and the abutment hydraulic works (Penstock, Tailrace, Funnel) have been completed, the Electromechanical Equipment has been fully installed and cold commissioned and the construction of the Interconnection Grid by HEDNO is complete.

The Construction of Makrochori II SHPP (5 MW) is in full scale. The excavation works of the Diaphragm Wall lasted from April 12th until November 2nd, 2021, while the elevation works around the Forebay Canal and the excavation works around the Powerhouse are almost complete. Presently, the Detailed Study of the Project is under development, while the Main and Auxiliary Electromechanical Equipment (Turbines, Generators, Hydromechanical Equipment, etc.) are under construction. The project is expected to be electrified in the 4th quarter of 2022.

In Oct 14th 2021 took place the signing of the contract for the construction of the SHPP Vermio (1.96 MW) which it is expected to be completed on March 2023. The final licensing procedure is complete (Connection Terms, Installation Permit, Building Permit) and presently the Detailed Study of the Project is under development.

Ladonas SHPP (10 MW) is located on the Ladonas river, downstream of the existing Ladonas HPP of PPC SA, within the regional unit of Arcadia and the Municipality of Gortynia, about 120km from Tripoli. The Project is implemented by the participating company PPC – TERNA and it includes:

- headworks and water intake (0.5km downstream of the HPP)
- water conveyance works
- powerhouse (3km downstream of the water intake)
- main and auxiliary electromechanical equipment
- grid interconnection works

The Final Civil Works Study was submitted on 19.04.2021.

Presently, actions are being taken for the definition of the technical and contractual-economical part of the Project, the selection of the electromechanical equipment supplier and the completion of the EPC Contract.

Theissoa SHPP (5 MW – 16.4GWh) is located on Alfeios river, within the regional unit of Ileia and the Municipality of Andritsaina - Krestena, in the Municipal Community of Theissoa. The Project is implemented by the participating company PPC RENEWABLES SA (49%) - NANKO ENERGY SA (51%), which is the owner of the Gitani SHPP (4.2 MW). The Production Permit was issued on Oct 6th, 2021, by the Regulatory Authority of Energy, after the application submission in June 2021.

Presently, actions have been taken for the Final Hydrology Study of the Project.

Pournari III SHPP (0.7MW - 4.1GWh) is located downstream of the Pournari II HPP of PPC SA (Regional Unit of Arta). The project utilizes the hydroelectric potential of the ecological flow of the river Arachthos, which till day flows freely from the right bank overflow. Presently, the project licensing is in progress, while the elaboration of the Final Study will follow.

Photovoltaic Stations

Construction works from the 100% subsidiary of PPCR "ILIAKA PARKA DYTIKIS MAKEDONIAS ENA SINGLE-MEMBER S.A." for the PV Plant of 14,99MW capacity, with fixed tilt mounting structure, and the 20/150kV "Agios Christoforos" Substation, which will include a 20/25MVA power transformer, of a total budget of Euro 9.7mil. at "Paliampela" plot, in the regional unit of Kozani, are in progress. METKA-EGN LTD is the EPC Contractor. It is expected that the semi-commercial operation of the PV Plant will commence in April 2022.

Construction works from the 100% subsidiary of PPCR "ILIAKA PARKA DYTIKIS MAKEDONIAS DYO SINGLE-MEMBER S.A.", for the PV Plant of 14,99MW capacity, with horizontal single-axis trackers, and the 33/150kV "Charavgi" Substation, which will include a 20/25MVA power transformer, of a total budget of Euro 11.5 mil. at "Xiropotamos" plot, in the regional unit of Kozani, are in progress. TERNA S.A. is the EPC Contractor. It is expected that the semi-commercial operation of the PV Plant will commence in April 2022.

Construction works from the 100% subsidiary of PPCR "ILIAKO VELOS ENA SINGLE-MEMBER S.A.", for the PV Plant of 200MW capacity, with horizontal single-axis trackers and bifacial PV modules, of a total budget of Euro 83.8 mil. at three separate plots of "Lignitiko Kentro Dytikis Makedonias" area, in the regional unit of Kozani, began in June 2021. METKA-EGN LTD is the EPC Contractor. It is expected that the semi-commercial operation of the PV Plant will commence in December 2022.

Construction works of the PV Plants of 39MW and 11MW capacity, from the 100% subsidiaries of PPCR "ARKADIKOS ILIOS I SINGLE-MEMBER S.A." and "ARKADIKOS ILIOS II SINGLE-MEMBER S.A." respectively, with horizontal single-axis trackers, and a 33/150kV Substation, of a total budget of Euro 23.9 mil., at "Megales Lakkes" plot, in the regional unit of Arcadia, began in September 2021. TERNA S.A. is the EPC Contractor. It is expected that the semi-commercial operation of the PV Plants will commence in November 2022. Currently, the Contractor is in the process of preparing the Final Implementation Study and updating the relevant licenses.

It should be mentioned that the company "ARKADIKOS ILIOS I SINGLE-MEMBER S.A." will participate in the market with the respective PV Plant of 39MW capacity, within the Target Model context, through a bilateral Power Purchase Agreement (PPA), while the company "ARKADIKOS ILIOS II SINGLE-MEMBER S.A." has ensured a Reference Price (FiP price) for the respective PV Plant of 11MW capacity, after its successful participation in RAE's competitive bidding process in July 2020.

The construction of the "Agios Christoforos 1" PV Plant with 64,983MW capacity with fixed tilt mounting structure, and the expansion works of the 150kV "Agios Christoforos" Substation through the addition of a new 33/150kV transformer, of a total budget of Euro 31.8 mil., in the Municipality of Eordea, Kozani Regional Unit was awarded in AVAX S.A. Contract signing is expected in April 2022. The PV Plant has already been granted Producer Certificate, Environmental Terms Approval and Grid Connection Terms by IPTO S.A.

Cooperation with other Groups for the joint development of RES Projects

Following the initial signing of a Head of Terms between PPC Renewables and RWER in February 2021, with the aim of co-development and construction of a portfolio of PV projects of up to 2GW total installed capacity, the two companies agreed on the final terms of cooperation and proceeded with the signing of the Joint Venture Formation Agreement (JVFA) in October 2021. In January 2022 the process for the establishment of Meton Energy SA was completed where PPC Renewables contributed in kind its 100% subsidiaries (Amynteo companies) and acquired a 49% stake while RWER contributed

cash and acquired a 51% stake in Meton Energy S.A. Amynteo companies develop PV projects of 940 MW capacity within the boundaries of ex Amynteo lignite mine. Along with that, RWER has already secured a PV portfolio of similar capacity in Greece which is expected to be contributed in Meton Energy S.A. in the future.

Local co-development agreements to expand and strengthen RES portfolio

In the context of expanding its portfolio, PPC Renewables has entered in co-development agreements with three Greek private companies, Pivot, Teichio and Baliaga with a total portfolio under development of circa 2GW in Greece.

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

Significant events for the year 2020 are presented in detail in Note 3 of the Financial Statements.

Effects of the COVID-19 Pandemic

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

Due to the fact that the majority of the impacts mainly comes from the measures taken, both worldwide and in Greece since mid-March 2020 to reduce the spread of the pandemic and to mitigate the economic impact on businesses and individuals, the Group's and the Parent Company's operation has been affected, initially causing short-term positive effects on their financial position, operating results and cash flows, mainly due to the considerable decrease in oil and natural gas prices. In the medium to long term, the pandemic has resulted in the delay or freezing of new energy investments, which at least partially corresponds to the high prices of energy products (electricity, gas, oil, CO₂ emission allowances etc.), observed in 2021, combined with the strong global recovery in demand for these energy products during 2021, as well as with geopolitical frictions that create nervousness in the energy markets. In particular in Greece, after the recovery of electricity demand observed in the first half of 2021, during the second half of 2021 a further increase in the demand for electricity was observed in the Interconnected System, with a significant increase in its price in the Day-ahead Market, which in combination with the increase in prices for emission allowances CO₂ and natural gas, contributed to the increase of the energy balance cost of both Greece and PPC for this period.

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

The overall final economic impact from the COVID-19 pandemic, on the global and the Greek economy as well as on business activities, cannot be assessed at this moment

due to the high degree of uncertainty resulting from the inability to predict the final outcome but also due to the secondary effects mentioned above. However in any case, the Group's and the Parent Company's Management monitors constantly the developments of the COVID-19 pandemic and evaluates any possible further effects on the operation, financial position and results of the Group and the Parent Company, being alert to take further appropriate precautionary measures to safeguard the Group's and the Parent Company's liquidity and business activities.

Major Risks - Uncertainties

The Group's and the Parent Company's activities are subject to various risks. Any of the following risks could have a material adverse effect on the Group's and the Parent Company's business, financial position or results. The risks described below are not the only risks that the Group and the Parent Company face. Additional risks and uncertainties not currently known to the Group and the Parent Company or that are currently deemed to be immaterial may also materially adversely affect in the future their business, financial position, results and cash flows. The order in which the risks are presented does not necessarily reflect the likelihood of their occurrence or the magnitude of their potential impact.

Risks related to the Group and Parent Company's business

1. Risks related to the inability to implement the strategies and the business plan

The Group and Parent Company face many risks that could adversely affect their ability to successfully implement the key strategies in their business plan. These risks include potential changes in electricity demand in Greece and in Europe generally, changes in electricity and emission allowance and fuel prices and the regulatory framework, increases in generation, transmission and distribution costs, future developments affecting electricity infrastructure within Europe, technological changes, energy services, competition in the geographical markets in which they operate (or intend to expand into), political and economic developments affecting Europe and EU legal and regulatory requirements. The Group and Parent Company also face the risk of internal or political resistance against their key strategic initiatives by employees, labour unions, local communities, political parties and/or other stakeholders. Any failure to successfully implement key strategies within the targeted timeframe could have a material adverse effect on the Group and Parent Company's business, results of operations and financial condition.

The Group's renewable energy project pipeline, which is one of the largest renewable energy project pipelines in Greece and totals approximately 10.0 GW, is one of the most important components of its strategy. The Group has already obtained the necessary licences for a significant portion of its renewable energy project pipeline and a portion of which will be rolled out at the Group's depleted lignite fields, largely in parallel with the decommissioning of all of its lignite-fired generation assets. If the Group and Parent Company are not able to fund these renewable energy projects at economically favourable prices or secure the necessary licences, there will be delays or even cancellations of certain of these projects.

Any delay or objection in relation to the process for obtaining the relevant approvals, permits or licences, procurement or construction delay or change in government policy could result in delays to the estimated commencement date for commercial operations, increased costs, and the need to obtain planning amendments. For the Group's renewable energy projects that are not contemplated to be developed

on owned land, the Group must obtain, among other matters, planning and other approvals, permits or licences from relevant authorities, secure any required easements from landowners and construct the physical connection between each project and the Distribution Network. Any failure or delay to obtain or delay in obtaining the necessary approvals, permits or licences, or to enter into the procurement or construction agreements or delays in establishing the connection with the Distribution Network could materially affect the timeline for increased renewable energy generation capacity and have an adverse impact on the Group and Parent Company's business, operations, prospects, financial condition and results of operations.

Furthermore, all large-scale development projects are complicated and subject to a complex, overlapping legislative regime. There can be no guarantee that any renewable energy project will be completed in a timely manner or that an interested stakeholder will not challenge the Group's compliance with such regimes. Any such risk could have a material adverse impact on the Group and Parent Company's business operations, prospects, financial condition and results of operations.

In addition, the Group and Parent Company have undertaken in the past, and may continue to undertake in the future, various initiatives in order to increase the productivity and operating efficiency of their power plants, as well as measures to decrease operational costs (such as wage cuts). These measures were implemented with a view towards improving the Group and Parent Company's competitiveness and profitability and reducing the total cost of operations. Although these initiatives have historically been implemented in an effective manner, there can be no assurance that they will continue to be effective in the future, and such initiatives may not fully materialise, or the Group and Parent Company may not be in a position to capture the total benefit therefrom due to external factors over which they have little or no control. Such factors include general macroeconomic conditions in Greece, the level of competition in this industry, restrictions in hiring and retaining qualified personnel, and the manner in which profitability measures are viewed and accepted by the Group and Parent Company's customers, their suppliers and their employees.

The Group and Parent Company's ability to implement their strategy depends on a variety of factors, some of which are outside their control, including, among others, adverse regulatory decisions, interpretations or administrative actions, as well as institutional resistance, delays in the recovery of the Greek economy and other adverse global macroeconomic developments, market disruptions and unexpected increases in funding costs. There can be no assurance that the Group and Parent Company will be able to successfully implement their strategy and achieve their planned operational targets, including the goals have been set for the period from 2022 to 2026 within that timeframe or at all, and the expected benefits of this strategy may not materialise or may only partially materialise. This, in turn, could have a material adverse effect on the Group and Parent Company's business, financial condition and results of operations.

2. Risks related to medium- to long-term financial performance

The Group and Parent Company have established targets for medium- and long-term financial performance, all of which assume, inter alia, the successful and timely execution of the transformation strategy and five- year business plan, which were announced on 23 September 2021. The management of the Group and the Parent Company has based these targets on a number of assumptions regarding, inter alia, the contemplated deployment of capital expenditure according to their five-year business plan, domestic and global economic and political developments, continuity in their regulatory, legal and tax environment, the Group and Parent Company's plans for international expansion, the accuracy of their modelling and assumptions with respect to supply and demand dynamics, market developments and pricing, macroeconomic conditions, such as interest and inflation rates and GDP growth, and the absence of material business disruptions.

Such assumptions are inherently subject to significant business, operational, economic, financial and other risks, many of which are outside of the Group and Parent Company's control. Accordingly, such assumptions may change or prove to be incorrect. Should one or more of the assumptions underlying the targets for financial performance prove to be incorrect, the Group and Parent Company's actual medium- to long-term financial performance could differ materially from the targeted medium- to long-term financial performance

3. Risks related to the fluctuations of fuel, CO₂ emission rights and electricity prices

The Group and Parent Company participate in the Greek energy wholesale market both as producer and as supplier of electricity, which exposes them to market price risk stemming from commodity price fluctuations. The Group and Parent Company's generation business is exposed to the fluctuations in the prices of natural gas, oil and CO₂ emission rights, which are traded in international commodity markets as well as to the fluctuations of the Greek wholesale prices. As supplier of electricity, Parent Company is subject to exposure to increased Greek wholesale prices for supplying energy to its customers to the extent that these customers have tariffs not indexed to wholesale power market prices. Its exposure to wholesale electricity market risk is determined by its net financial exposure, i.e. the quantity of energy generated by their power units that exceeds the needs of their customers with tariffs that are not indexed to the electricity market prices. As a result, any change in both the Group and Parent Company's commercial and generation portfolio (taking into consideration in particular the not-indexed electricity tariffs) results in a fluctuating net financial exposure. Currently as almost 79% of their customers have tariffs indexed to the wholesale power market prices their financial exposure in the electricity market is long.

The price of natural gas significantly affects the Parent Company's generation costs as well as the Greek wholesale power market prices at which it sells or purchases wholesale electricity. During 2021, approximately 51% of its net electricity production in the Interconnected System was generated by natural gas-fired power plants.

While the CO₂ emissions have significantly decreased due to the lignite decommissioning plan in progress, thus also reducing exposure to the price of CO₂ emission rights, significant quantities of CO₂ emission rights still need to be purchased every year and any upward movement of relevant prices could materially, directly or indirectly, affect the Group and Parent Company's financial condition, results of operations and cash flows. Their exposure to the risk of increasing CO₂ emission rights' prices is also linked to their ability to pass these increases on to customers in their electricity tariffs. While an automatic mechanism (clause) for passing on increases in the cost of CO₂ emission allowances in High Voltage tariffs has been adopted, the relevant cost may not be fully offset.

In order to limit the Group and Parent Company's exposure to these market risks, they have adopted risk management policies for the hedging of price risk in line with limits and targets assigned by the senior management. Hedging activities typically entail the use of derivatives instruments to reduce the risk. Nevertheless, their exposure to these risks has not been eliminated and they may not manage to adequately hedge against volatility in natural gas prices and volatility in wholesale power market prices either because of low liquidity in the Forward Power Market recently established in Greece, or because of other reasons. In addition, electricity, gas and other commodity price hedging contracts are available in the market only for limited forward periods, hence not protecting against adverse price movements in the medium-long term. Moreover, the execution of hedging activities through their participation in organised commodity exchanges is creating new needs for credit and cash settlement requirements, as well as for cash margining to cover adverse price movements or stop-loss procedures, which could result in significant liquidity needs. As a result of the above, despite their hedging activities, significant variations in fuel, CO₂ emission rights and electricity prices, and any relevant interruption in supplies, could still have a material adverse effect on the Group and Parent Company's operating expenses and liquidity, thus negatively affecting their business prospects and results of operations.

4. Risk of exposure to competition in the wholesale and the supply markets

The Group and Parent Company face intense competition and share loss in the wholesale market due to the increased penetration of renewables units in the System and the Distribution Network, increased electricity imports from neighbouring countries and intense competition by third-party independent electricity producers, as well as low efficiency factors mainly in the form of aged lignite-fueled power units which, according to the decommissioning plan, will be withdrawn by the end of 2023. Potential changes in the competitive environment, through the introduction of new laws and/or regulatory mechanisms in the electricity market that benefit the Group and Parent Company's competitors may adversely affect their operating results and liquidity.

Law 4389/2016 set a target for the Parent Company to decrease its generation and supply market share in Greece to below 50.0%. The Parent Company's market share is already below 50% for generation activity, but not for supply. The management of the Parent Company believes that large parts of the supply market will be unattractive to potential competitors and thus, it is anticipated that they will attempt to "cherry-pick" its best customers, while the Parent Company could be required to continue to supply electricity to less profitable customers with riskier credit profiles. This dynamic may put it in a competitive disadvantage and cause the loss of a large number of their Low and Medium Voltage customers, which could have a greater net negative impact on profitability than the loss of its High Voltage customers.

In the recent past, the Parent Company's obligation to supply its competitors with a substantial amount of wholesale electricity at below cost pursuant to NOME-type auctions had a detrimental impact on the business and results of operations. While NOME-type auctions were abolished in October 2019, on 10 September 2021, the European Commission made legally binding, under the EU antitrust rules, the measures proposed by the Greek authorities on 1 September 2021 to resolve the outstanding Anti-Trust Case (decisions C (2008) 824(3) and C (2009) 6244(4) of the EC) and in view of accelerating the opening of the Greek electricity market, which oblige the Parent Company to sell quarterly forward products of 2022 and 2023 power in the Greek Energy Exchange (HEEx) and/or the European Energy Exchange (EEX) by the end of Jan 2022 and Jan 2023 respectively. The Parent Company has complied with the above-mentioned obligation timely within 2021 for 2022. There is no guarantee that the compliance will not adversely impact its financial position. Such measures or reforms,

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

5. Risks related to the operation in a capital-intensive business sector and a significant increase in capital costs

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

The Group and Parent Company expect to finance a substantial part of these capital investments out of the cash flows from operating activities. However, if these sources are insufficient, additional external sources of funding may need to be sought. Although the Group and Parent Company have entered into long-term financing agreements for major projects and, historically, the European Investment Bank has financed a major part of generation and Distribution Network projects, no assurance can be given that they will be able to raise the financing required for the planned capital investments on acceptable terms or at all. In such a case, they may have to reduce their planned capital investments, which could have a material adverse effect on long-term business, financial condition, prospects or results of operations. Additionally, they may be required to make investments requested by RAE in the Distribution Network, which may result in increased capital expenditure requirements and adversely impact the Group and Parent Company's cash flows.

6. Tariff risk for the competitive activities

Despite the deregulation of tariffs, the Parent Company's ability to formulate its tariffs is limited by (i) current socioeconomic conditions in Greece, (ii) the ability of its customers to cope with new tariffs and pay their bills, (iii) decisions of RAE and/or strategic initiatives of the Greek government and (iv) competitive pressure from alternative energy suppliers. If any new proposed tariff structures are not well received and accepted by customers, their ability or willingness to pay their electricity bills may be negatively impacted, which could in turn negatively affect the collectability of the Parent Company's bills. Moreover, if tariff increases provide alternative suppliers with a competitive advantage against the Parent Company, the potential implications could negatively influence the Group and Parent Company's business, financial condition and results of operations.

In addition, the Parent Company may face difficulties incorporating increased commodity costs through increased tariffs. In this context, the Hellenic Republic or RAE may propose tariff policies to serve wider economic objectives. Such proposals may negatively affect the Parent Company's ability to freely determine tariffs based on its business needs and strategy. Additionally, RAE may affect the Parent Company's tariff policy indirectly, for instance through market incentivisation, institutional resistance or financial penalties.

Furthermore, a significant part of the Group and Parent Company's revenue depends on regulated charges. Such regulated charges are set by RAE and reviewed periodically every four years. The Greek government and/or RAE may decide to limit or reject increases in regulated charges or may change the conditions of access to such regulated charges, including changes to the price setting mechanisms as a result of political and socioeconomic concerns. Despite having adequate visibility over RAE's changes in regulated charges, such changes may affect the Group and the Parent Company's electricity distribution revenues and could have a material adverse effect on their business, results of operations and financial condition, as well as weaken their ability to raise equity or loans for funding their investment plans to a certain extent.

The Group and the Parent Company cannot provide any assurance that new tariff mechanisms will not be put in place in the future or that regulated charges will be set at a level which would allow them to preserve their investment capacity while ensuring a fair return on the capital invested in their electricity generation, distribution and supply assets.

7. Risks associated to the Group's industrial customers and to the expansion of its operations

The Group and Parent Company maintain power supply contracts with certain High and Medium Voltage industrial customers in key economic sectors in Greece. The inability of such customers to pay in full amounts billed in relation to their electricity consumption, the increased availability of competitors' offers, or the outcome of negotiations with such customers on financial and other terms for extending their contracts may have an adverse effect on the Group and Parent Company's business, financial condition and results of operations.

Additionally, the Group and Parent Company may not successfully manage the risks associated with expanding their operations, integrating newly acquired subsidiaries or participating in joint venture projects where they have granted protective rights to minority holders, such as in connection with the HEDNO joint venture, or which they do not manage or otherwise control.

While the Group and Parent Company intend to undertake due diligence reviews in relation to acquisitions and joint ventures, such reviews may not reveal all existing or potential risks and liabilities and they cannot give any assurance that their acquisitions and their participation in joint ventures are not or will not become subject to liabilities of which they are unaware, they may not have correctly assessed or against which they have not obtained full legal protection.

8. Risks related to climate change

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

Risks related to the transition to a lower carbon economy include risks related to the adoption of strategies and decisions to prevent and mitigate the effect of climate change (such as the introduction of regulatory incentives and penalties, carbon pricing systems, energy efficiency solutions and low carbon products and services). The implementation of policies to promote carbon reduction may significantly impact the operations and value of the Group's thermal plants. While the Group is actively implementing its delignification strategy, the renewable energy rollout is still in its nascent phase and thus the Group remains dependent on its conventional generation units for the bulk of its electricity production. The Group and Parent Company believe they have the largest renewable energy project pipeline in Greece, totalling approximately 10.0 GW. If the Group and Parent Company are not successful in the rollout of their renewable pipeline, they will face challenges from the anticipated hostile regulatory environment and strong competition from greener and more modern electricity producers.

Risks related to the physical impacts of climate change include risks that are triggered by changes in mean temperatures and/or changes in wind patterns and solar radiation. The increased incidence of extreme weather events caused by climate change could also significantly affect conventional and renewable generation, as well as the resilience and performance of the Distribution Network. While the Group and Parent Company follow and regularly assess such risks and their response to them at both management and board level, they may not be able to predict, mitigate or adapt to the medium or long-term physical changes associated with some climate change risks, which may adversely impact their financial condition, business and results of operations.

9. Risks related to climate conditions and seasonal variations

Electricity consumption is seasonal and affected mainly by climate conditions. In Greece, electricity consumption is generally higher during the summer months with periods of hot weather resulting in sudden increases in demand, a situation that may be exacerbated by climate change leading to warmer weather conditions. However, the vast penetration of RES has created significant changes in the residual load that needs to be covered by thermal and hydro generation, both in terms of seasonality and the intra-day load curve. Currently, load peak demand appears more often in the winter period.

Electricity generation may also depend on climate conditions. Droughts or/and heat waves, speed and direction of winds and sunshine availability may significantly affect power generation. In very extreme cases, climate conditions might also create problems in the supply of liquified natural gas ("LNG").

Weather conditions are outside of the Group and Parent Company's control and therefore they cannot guarantee that, primarily, their hydropower plants will be able to meet their anticipated generation levels, as there is a dependence upon hydrological conditions prevailing from time to time in the geographic regions where their hydroelectric generation facilities are located.

In an average year, approximately 10.0% of the Interconnected System demand is expected to be covered by hydro generation. However, given the low capacity of hydro reservoirs in Greece, it is not possible to keep hydro reserves for long periods and, therefore, volatility in hydro inflows is directly reflected in the operation of the wholesale market. Therefore, in years when the hydrological conditions lead to drought or there are other conditions that negatively affect the hydroelectric production, the Group and Parent Company have to rely more heavily on thermal production and on electricity purchases from abroad and third parties for their marginal demand requirements, which results in increased operating expenses.

Consequently, the Group and Parent Company's revenues reflect the seasonal character of the demand for electricity and may be adversely affected by significant variations in climate conditions. The Group and Parent Company may need to compensate for a reduction in electricity generated by their units, especially at times of increased demand, by utilising other electricity generation means at higher cost or by resorting to the wholesale market at higher prices, which could have a material adverse effect on their business, results of operations and financial condition.

10. Risks related to sustainability obligations and objectives

The Group and Parent Company take a sustainable approach to business and, thus, they are transforming their business model with the aim of reducing their carbon footprint. The Group and Parent Company's environmental strategy is in line with the European Union's and Greece's ambitious medium- and long-term objectives for climate neutrality by 2050, including the new and most immediate target for reducing greenhouse gas ("GHG") emissions and increasing RES capacity and use by 2030. To this end, the Group and Parent Company have developed their "Green Deal" in power generation, with the aim of accelerating the decommissioning all of their lignite units and respective mines, expanding and establishing RES as their dominant energy generation technology and assisting in the advancement of electromobility in Greece.

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

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

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

In light of the above, being subject to sustainability-related obligations may carry consequences, which could, have a material adverse effect on the Group and Parent Company's business, financial position and results of operations.

11. Risks related to the effective performance of the equipment and electricity and natural gas distribution networks

The Group and Parent Company's business and ability to generate revenue depend on the availability and operating performance of the equipment necessary to operate their power plants and electricity and natural gas distribution networks. Mechanical failures or other defects in equipment, or accidents that result in non-performance or under-performance of a power plant or electricity and/or natural gas distribution network, may have a direct adverse impact on the revenues and profitability of the Group and Parent Company's activities.

In addition, the Group and Parent Company periodically shut down certain power plants or individual units in their power plants and incur expenses in connection with inspections, maintenance or repair activities. However, their power plants, distribution infrastructure, mining facilities and information systems controlling these facilities are subject to failure, breakdowns, unplanned outages, capacity limitations, system loss, breaches of security or physical damage due to natural disasters, such as adverse weather conditions, storms, floods, fires, explosions, landslides, slope ruptures or earthquakes, sabotage, terrorism, human error, computer viruses, fuel supply interruptions, criminal acts and other catastrophic events. The Group and Parent Company may have to unexpectedly shut down all or part of their power plants as a result of the occurrence of any of these events and any physical damage to their facilities may be costly to repair. In addition, the Group and Parent Company's regularly planned shut-downs may increase in the future due to, for example, increased environmental and other requirements or regulations. Furthermore, the transmission of electricity from their power plants to their customers is dependent upon the infrastructure and reliable operation of both the Transmission System and the Distribution Network. Any failure or inadequate development of the Transmission System and/or Distribution Network, natural disasters and insufficient maintenance could prevent the distribution from power plants to end-consumers.

Due to the complexity of operating power stations, the Group and Parent Company are not able to eliminate the risk of unplanned outages and they cannot predict the timing or impact of these outages with certainty or provide any assurance that accidents will not occur or that the preventive measures taken by them will be fully effective in all cases, particularly in relation to external events that are not within their control, such as floods and other natural disasters. The Group and Parent Company's emergency response, disaster recovery and crisis management measures may not effectively protect them from these events. Any failure, breakdown or unplanned outages in the Group and Parent Company's power plants or any failure or interruption in their transmission or distribution infrastructure could have a material adverse effect on their reputation, business, results of operations and financial condition. may result in decreased electricity generation and customer dissatisfaction and may also lead to liability for damages, the imposition of penalties and other unforeseen costs and expenses, which could have a material adverse effect on the Group and Parent Company's reputation, business, results of operations and financial condition.

12. Risks related to the default or delay by any of the counterparties (partners, contractors, subcontractors and suppliers), as well as by financial institutions

The Group and Parent Company have significant capital expenditure targets related to the modernisation, renewal and construction of their power plants, RES facilities, mining and Distribution Network assets and other strategic objectives. The Group and Parent Company face the risk of potential default or delay by their counterparties, which include their partners, contractors, subcontractors and suppliers. Any default by their counterparties may affect the cost and completion of their projects, the quality of their services, or expose them to reputational risk, business continuity risk and the risk of loss of important contracts, as well as to substantial additional costs, particularly in cases where they would have to pay contractual penalties, find alternative counterparties or complete the respective projects themselves.

Additionally, the Group and Parent Company are exposed to the risk that counterparties that owe them money, energy or other commodities as a result of market transactions will not fulfil their obligations. Should the counterparties to these arrangements fail to fulfil their obligations, the Group and Parent Company may be required to enter into alternative hedging arrangements or honour the underlying commitment at then-current market prices. In such an event, they may incur losses in addition to amounts, if any, already paid to the counterparties.

The Group and Parent Company rely on current and future relationships with major suppliers and service providers for the operation and growth of their business and will continue to be reliant on third parties for their further development. For example, the Group and Parent Company rely on external providers to regularly maintain and service their power plants, as well as on external suppliers for their liquid fuel and natural gas requirements. The Group and Parent Company's dependence on these relationships may impact their ability to negotiate favourable contract terms with these counterparties, and there is no guarantee that they will be able to replace any material suppliers or service providers in a timely manner, or at all, in the event that any of these relationships were to be suspended or terminated. The Group and Parent Company may also be unable to negotiate favourable contracts with their suppliers or service providers, or replace them appropriately in cases where such suppliers or service providers are unable to fulfil their obligations, or terminate their cooperation with them. All of the above, individually or in combination, could have a significant negative impact on the business activities, results of operations and financial condition of the Group and the Parent Company.

13. Risks related with delays in constructing or connecting electricity generation facilities

The Group and Parent Company face risks relating to the construction of their electricity generation units, including risks relating to the availability of equipment from suppliers, availability of building materials and key components, availability of key personnel, including qualified engineering 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 authorisations or legal actions brought by third parties in relation to, among others, the Group and Parent Company's compliance with environmental laws and regulations.

Moreover, the Group and Parent Company may experience local opposition, which they may not be able to overcome on a timely basis, if at all, in order to obtain the necessary licences, permits and financing. Various groups may publicly oppose certain

development projects. This opposition, along with political developments, could hinder or prevent their development of such projects, which could have an adverse effect on the Group and Parent Company's business, financial condition and results of operations.

14. Risks related to extraordinary events

Unexpected events, including, among other things, natural disasters, adverse meteorological conditions, fires, war, terrorist activities and strikes may lead to a breakdown or the interruption of the operation of the mines, power plants and Distribution Network. Additionally, adverse macroeconomic developments, as well as financial and operating problems of basic suppliers and contractors may have a negative impact on the Group and Parent Company's ability to purchase liquid fuels, spare parts and materials and may increase their operating expenses.

The Group and Parent Company's operations are susceptible to industrial accidents, and employees or third parties may suffer bodily injury or death as a result of such accidents. In particular, while the Group and Parent Company believe that their equipment has been well designed and manufactured and is subject to rigorous quality and assurance control tests, and although their power plants and facilities are in compliance with applicable health and safety standards and regulation, the design and manufacturing process is ultimately controlled by their equipment suppliers, manufacturers and engineering, procurement and construction (the "EPC") contractors rather than them, and there can be no assurance that accidents will not result during the installation or operation of this equipment. Additionally, the mines and power plants that the Group and Parent Company operate, their networks and employees may be susceptible to harm from events outside the ordinary course of business, including natural disasters, catastrophic accidents and acts of terrorism. Such accidents or events could cause severe damage to their power plants and facilities, requiring extensive repair or the replacement of costly equipment and may limit their ability to operate and generate income from such facilities for a period of time. Such incidents could also cause significant damage to natural resources or property belonging to third parties, or personal injuries, which could lead to significant claims against the Group and Parent Company and their subsidiaries.

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 neighbouring residents. The Group and 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 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/or man-made disasters mentioned above and in the past, they have paid civil liabilities to third parties due to such disasters. These liabilities may result in the Group and Parent Company being required to make indemnification payments in accordance with applicable laws.

The occurrence of one or more of any of these natural and/or man-made disasters, and any resulting civil liabilities or other losses, could have an adverse effect on the Group and Parent Company's business, financial condition and results of operations.

15. Risks from the absence of Fixed Asset insurance

In addition to the risks of natural and man-made disasters, hazards such as fire, explosion, fuel spillage, emissions, collapse, machinery failure and hydro dam leakage are inherent in the Group and Parent Company's operations. These events may occur as a result of inadequate internal processes, technological flaws, human error or external events. The hazards described above can cause significant personal injury or loss of life, severe damage to and destruction of property, plant and equipment, contamination of or damage to, the environment or natural resources and suspension of operations. The occurrence of any of these events may result in the Group and Parent Company's being subject to investigation, remediation requirements, substantial damages, environmental clean-up costs, personal injury and natural resource damages, fines and/or penalties and loss of revenue from suspended operations, among other things.

Except for directors' and officers' insurance, the Group and Parent Company do not currently maintain insurance against the usual risks associated with their power plants (with the exception of certain renewable energy projects), distribution assets, property and equipment. Only major information technology equipment, time-chartered tankers (against charterer's risk), transported fuel loads and transportation of heavy equipment (by any means) are insured. Moreover, materials and spare parts as well as liabilities against third parties, including liabilities with respect to the Distribution Network, are not insured. This is 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, as well as the Group and Parent Company's dispersed network of power plants. During the construction period, major assets (except for networks) are insured by EPC contractors.

Any severe damage to the Group and Parent Company's key power plants, distribution assets or mining equipment could have a significant adverse impact on their business, financial condition or results of operations. Additionally, business interruptions due to labour disputes, strikes, earthquakes, fires, and adverse weather conditions, among other factors, could potentially, depending on their severity and duration, result in a loss of revenues or increased costs for the Group and Parent Company. The Group and Parent Company can provide no assurance whether they will be able to repair or finance the restoration of potential damage to their plants or equipment should these be too severe or widespread to repair on a timely basis, if at all, which could have an adverse effect on their business, financial condition and results of operations, as well as their reputation.

16. Risk related to the operation, management and generation capacity of the Non-Interconnected Islands Network

The islands that are not connected to the mainland transmission system constitute the Non-Interconnected Islands Network (NII) and are mainly served by autonomous oil-fired power plants, though in some of these islands, demand is also covered by RES facilities. The largest power plants in the Non-Interconnected Islands are in Crete and Rhodes. In order to cover demand in the NII, especially during the summer months, when the influx of tourists results in increased electricity consumption, HEDNO, in its capacity as the operator of the NII Network, may rent or transfer generation capacity from one island to another, as needed. The same procedure, of renting or transferring generating capacity, is also followed when electricity demand in an island cannot be covered due to an unexpected major failure, and only for the time needed to repair the failure. The Group and Parent Company cannot guarantee that failures in their NII Network will not occur in the future or that they will be able to cover demand in the event of such failures. Any such failures in the NII Network may have an adverse effect on the Group and Parent Company's business, financial condition and results of operations, as well as their reputation.

The NECP foresees the interconnection of almost all currently NII with the Interconnected System by 2030. As the interconnections progress from island to island, the relevant thermal power plants owned by the Parent Company will cease operations and will be either decommissioned or set at cold reserve status (based on each island's supply needs), following an opinion by IPTO and a decision by RAE.

Following the electrification of the Non-Interconnected Islands with the Interconnected System, IPTO assumes management responsibility of the islands' high voltage grid system and power units dispatching. The grid status of islands is automatically revised from non-interconnected to interconnected when grid interconnections, serving their energy needs, become fully operational. However, Crete's interconnection project is being developed in two stages: a small-scale interconnection, which became operational in July 2021, and a large-scale interconnection expected in 2023. Following the launch of the small-scale interconnection, Crete is considered as an interconnected island, even though this infrastructure's capacity will be able to cover only about 30.0% of the island's energy needs and the remaining will continue to be covered by thermal and RES units existing on the island. Based on Articles 106-108 of Law 4821/2021, as of 1 August 2021, the ownership of the Crete high voltage system passed automatically from PPC to IPTO, while the management of the system passed from HEDNO to IPTO on 1 November 2021 according to the latest RAE decision no. 734/28.09.2021. These provisions regulate, among others, the transitional model of the market following the electrification of the small-scale interconnection.

For all the above thermal power plants the Group and Parent Company's risk not recovering their unamortised capital costs. In particular, for the thermal power plants to be set at cold reserve, the Group and Parent Company's have an additional risk of not recovering their operating expenses. The above may have an adverse effect (especially in the case of large islands such as Crete and Rhodes) on the Group and Parent Company's business, financial condition and results of operations.

17. Risk associated with the difficulty in hiring and retaining qualified personnel

In order to maintain and expand the Group and Parent Company's business, they need to recruit, train, develop, promote and maintain executive management and qualified technical personnel. Experienced and capable personnel in the energy industry are in high demand both in energy industry as well as various organisations and authorities. Consequently, in cases where the Group and Parent Company's experienced employees leave their business, they may have difficulty, and incur additional costs, in replacing them. In addition, the loss of any member of their senior management team may result in a loss of organisational focus, poor execution of their operations and corporate strategy including strategies relating to the growth of their business.

The Group and Parent Company's failure to hire, train or retain a sufficient number of experienced, capable and reliable personnel with appropriate professional qualifications, especially in senior and middle management positions, or to recruit skilled professional and technical staff, could have a material adverse effect on their business.

Even though the share capital that is indirectly owned by the Hellenic Republic as a result of the Combined Offering, fell below 50%, it remains their largest shareholder. There are certain special laws applicable to the Public Enterprises that will continue to apply and such laws may affect certain aspects of the Group and Parent Company's employment policies, labour relations and other matters. Moreover, the Parent Company will continue to be subject to special laws that apply specifically to it, regardless of its shareholder composition. For example, the Parent Company is and will continue to be subject to provisions regulating specifically the hiring and employment of its personnel, such as Articles 3 and 4 of Law 4643/2019, which, inter alia, provide for the involvement of the Supreme Council for Civil Personnel Selection (or ASEP, a Greek independent authority responsible for securing the correct implementation of public sector staff recruitments) in permanent recruitment processes. Such laws and restrictions, which are not applicable to the Group and Parent Company's competitors, may continue to limit their ability to freely seek, attract and hire new personnel.

18. Risks related to potential strikes

Almost all of the Group and Parent Company's employees are members of labour unions. Their unions are considered to be strong and politically influential, but the Group and Parent Company's believe that their relations with them are generally good despite certain claims of employees and pensioners against them and occasional strikes. There can be no assurance that good relations will continue in the future. From time to time, the Group and Parent Company's employees may engage in industrial action that may disrupt their operations, which may have a material adverse effect on their business.

19. Risks related to the security of the IT systems

A large portion of the Group and Parent Company's operations is based on information systems and they are exposed to the risk of non-availability, data integrity corruption, power disruptions, malicious cyber-attacks and unauthorised access to these systems. In order to minimise these risks, the Group and Parent Company take measures for the enhancement of their IT security, such as defining and continuously updating their IT security policies and standards and covering their IT systems by maintenance contracts.

The Group and Parent Company believe that they currently have adequate insurance policies in place to cover risks associated with the operation and maintenance of their IT infrastructure and perform regular audits of the security of their systems. However, there can be no assurances that they will be able to prevent technology failures, IT security breaches or malicious cyber-attacks in a timely manner or continue to have adequate insurance coverage to compensate for related losses (including litigation claims, liability and data loss), which could disrupt their operations or harm their reputation and have a materially adverse effect their business.

Risks related to macroeconomic conditions in Greece and the European Union**20. Risks related to adverse developments in the global and Greek economy**

Substantially all of the Group and Parent Company's assets and operations are in Greece and thus Greece's economic situation is anticipated to be reflected in the Group and Parent Company's business. Economic data and fundamentals even amidst the pandemic suggest that Greece has emerged from its previous downward trajectory in 2017. However, there is no guarantee that the Greek economy will continue its growth trajectory and be able to ease the medium-to long-term debt financing constraints on the country as well as whether the Greek government will be in a position to continue to implement the structural reforms required by its enhanced post-programme surveillance framework and its Recovery and Resilience Plan or to mitigate the consequences of the COVID-19 pandemic in full and in a timely manner. Any potential future deterioration in economic activity in Greece or failure to perform necessary structural reforms could adversely affect the Group and Parent Company's business, financial condition and results of operations.

The Group and Parent Company's business activities and results of operations are highly dependent on residential and business demand for electricity in Greece, as well as their customers' ability to pay their electricity bills in a timely manner. Electricity consumption in Greece is heavily dependent on levels of disposable income, spending capacity and employment trends, as well as the availability and cost of funding for their industrial and commercial customers. The financial crisis and prolonged recession affected the available income of customers and, consequently, the Group and Parent Company's business. The financial crisis also led, in the past, to a material increase in delinquencies and defaults by the Group and Parent Company's customers. More recently, the COVID-19 pandemic has also adversely affected economic activity. Any potential future deterioration in economic activity in Greece could result in a decrease in demand for the electricity the Group and Parent Company's supply and/or generate an increase in unpaid and overdue bills and provisions for expected credit losses, which could adversely affect the Group and Parent Company's business, financial condition and results of operations.

21. Risks related to the impact of the COVID-19 pandemic

Beginning in December 2019, the COVID-19 pandemic spread rapidly throughout the world, contributing to a climate of macroeconomic uncertainty, disruption and significant volatility in the financial markets. Although COVID-19 vaccination programmes are progressing, such containment measures continue to impact economic activity. It remains unclear how long these restrictions will be in place and what their ultimate impact will be on global, regional and national economies. There can also be no assurance that a potential tightening of liquidity conditions in the future as a result of, for example, further deterioration of public finances of certain European countries will not lead to new funding uncertainty, resulting in increased volatility and widening credit spreads.

The degree to which the COVID-19 pandemic impacts the Group and Parent Company's results of operations, liquidity, access to funding and financial position is outside of their control and will depend on future developments, such as the further spread of COVID-19 or variants thereof, the success and pace of vaccination programmes and the response of the local authorities and the global community, which are still highly uncertain.

In response to the COVID-19 pandemic, the Group and Parent Company have prepared an operational plan to ensure the continuity of their activities. This plan is continuously supplemented and revised, taking into account the development of the COVID-19 pandemic and health and safety measures from governmental bodies. Given the uncertainty around the COVID-19 pandemic, no assurance can be provided that the measures taken will be adequate in protecting the Group and Parent Company's staff and operations from the effects of the COVID-19 pandemic.

Even after the COVID-19 pandemic has been contained, the Group and Parent Company may continue to face certain adverse impacts on their business, operating results, financial condition and prospects as a result of its global economic impact, including a recession, declines in income levels and loss of personal wealth, economic slowdowns or increases in unemployment levels.

22. Risks related to European economic and geopolitical developments

In the ordinary course of the Group and Parent Company's business, they are exposed to the risk of a reduction in demand for their electricity, which may occur as a result of global financial and economic uncertainty.

The short and long-term implications of Russia's invasion of Ukraine are difficult to predict at this time. The imposition of sanctions may have a negative impact on both energy and financial markets due to the impact on quantities and prices of energy goods, mainly electricity and gas, which in turn may have a material adverse effect on the Group and Parent Company's business. Furthermore, the Group and Parent Company's activities and operations, related to cyber security, supply chain, energy markets and their potential inability to access additional funds, may have a material adverse effect on their business, financial condition and results of operations. Therefore, due to the extremely uncertain and dynamic nature of these events, it is currently not possible to estimate the impact of the Russian-Ukraine war on the business of the Group and the Parent Company.

Any changes in global commodity prices, available cross-border capacities or material changes in electricity demand in Europe could have an impact on electricity prices and a material adverse effect on the Group and Parent Company's business, results of operations and financial condition. Furthermore, a potential disruption in gas supply could have a material adverse effect on the Parent Company's business.

Risks related to the regulatory and legal framework

23. Risks associated with a complex and uncertain regulatory framework in Greece and the EU

The laws, regulations and policies of the Hellenic Republic and the EU affect the Group and Parent Company's business, financial condition and results of operations. Regulation of the Greek electricity market changed significantly following the implementation of regulatory and legal reforms designed to liberalise and create more competition in the Greek electricity market. The European Commission monitors the Hellenic Republic to ensure that the Greek regulatory regime and electricity market comply with the applicable Electricity Directives and other EU laws and regulations.

The European Commission and other EU institutions, together with national courts and tribunals, also enforce European competition, environmental and other rules. The European Commission may adopt implementing and/or delegated acts at any time, and applicable Greek law and regulations may change in the future pursuant to decisions of the EU institutions and/or policies of the Greek State with respect to relevant directives, laws and regulations. In addition, future changes in EU or Greek regulatory policies, including, for example, a determination that there is insufficient liberalisation or competition in the electricity market, may influence future regulation. Potential amendments to the regulatory and legislative framework governing the electricity market, as well as RAE's decisions concerning the regulation and functioning of the Greek electricity market in general, and any restructuring or other changes to the Group and Parent Company's business driven by the regulatory framework, may have a material adverse effect on their business, financial condition and results of operations.

In addition to these risks, the Greek electricity system and market are in the midst of broader developments as the regulatory landscape in Europe is subject to changes, which are related to promoting the integration of European electricity markets, enhancing competition in energy markets, developing the renewable energy sources, limiting the use of solid fossil fuels in electricity generation providing consumers with viable alternatives and generally promoting sustainable energy investment. As such, the Group and Parent Company anticipate that the regulatory framework of the Greek energy market will continue to evolve in light of ongoing European and national developments, decisions and regulations. Any potential modifications and adjustments to the applicable regulatory and legislative framework, which would restrict business activities or lead to inadequate market liberalisation, could have a significant adverse effect on the Group and Parent Company's business, financial position and operating results.

In particular the following are under discussion in the EU:

- Implementation of the EU Green Deal plan:
- Energy Taxation:
- Provisions concerning the "Just Transition Fund"
- European Regulatory Framework on Sustainable Finance

As an electricity utility company, the Parent Company is subject to the regulatory framework and requirements prescribed by applicable regulatory and administrative authorities, such as RAE. In view of its role as an electricity utility company, its day-to-day operations inherently entail frequent communications and interaction with RAE for the purpose of ensuring its compliance with the regulatory regime applying to its business from time to time.

Given the increased human, technical and financial resources needed to respond to decisions of RAE or other national or international institutions, especially as such

decisions may not take into account all relevant factors which could have uncertain consequences on its business and its operations, the Parent Company cannot give any assurances that Parent Company will be at all times in a position to fully and timely satisfy the regulatory, environmental, financial and any other requirements imposed by the relevant regulator, which could have a significant adverse effect on the Group and Parent Company's business, financial position and operating results.

24. Risks related to uncertain or unexpected decisions of governmental or regulatory authorities

The Group and Parent Company's business and industry are subject to extensive and complex regulation, much of which may be open to interpretation and subjective implementation by numerous national and international institutions as well as regulatory and administrative authorities. Regulation impacts many areas of their business, including the sources of their power generation activity, the overall energy market structure, the construction and operation of electricity generation facilities, the trading of commodities and financial derivatives, market behaviour rules, present or prospective wholesale or retail competition and general health and safety and environmental matters. These rules and policies have affected and may continue to affect the Group and Parent Company's business, and any changes in law or regulation, or decisions by governmental bodies or regulators, including RAE, could negatively affect their business.

In particular, the Group and Parent Company's results of operations, financial position and cash flows historically have been affected by a number of regulatory developments, including the impact of structural reforms, special levies and fees, PSOs and developments aiming at the liberalisation and increased competition in the Greek electricity market. Although some of these special levies and fees have now been abolished, there is no assurance that additional levies and fees will not be imposed upon the Group and Parent Company in the future, which could have a significant adverse effect on their business, financial position and operating results.

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

25. Risks related to regulatory interventions and/or proceedings relevant to the position and share in a formerly monopolistic market

In light of the concurrent competence of the EU and their member states in shaping energy policy and liberalising the energy sector into a unified market across the EU, over the last decade the Group and Parent Company have been made subject to certain regulatory interventions and/or proceedings initiated by European regulators and/or the Greek government with respect to, among others, the reduction of the Group and Parent Company's market share in the wholesale and supply electricity market and their position as the only vertically integrated electricity producer and supplier with exclusive access to certain types of power generation, such as lignite.

Law 4389/2016 set a target, according to which Parent Company was obliged to reduce its market share in both the generation (plus imports) and the supply markets in the Interconnected System to below 50.0% by no later than the end of 2019. While the targeted decrease in its generation market share has been achieved within this timeframe, the share in the supply market remains at 64.9% (with the supply market share in the Interconnected System at 63.8%) as at 31 December 2021. The European Commission has acknowledged, in Greece's increased surveillance report of November 2020, a continued downward trend in such share, however, the Group and Parent Company believe a substantial portion of the supply market could be practically impervious to opening up given the payment profiles of certain segments of the retail market as well as other reasons. Accordingly, there can be no assurance that the Parent Company will be successful in reducing its supply market share to below 50.0% and it cannot preclude that the Group and Parent Company may be made subject to further structural, financial or other measures towards this and/or be imposed with fines if they were to be found to have failed in timely reducing the supply market share or complying with any such measures. If any such circumstance was to occur, the Group and Parent Company's business, financial condition and results of operations could be adversely affected.

There have been several regulatory interventions with respect to Parent Company's exclusive access to lignite. As a result of Greece's conviction regarding the lignite power exclusivity, which was until recently pending as of 2008 (the "Anti-Trust Case"), the Greek government has sought to procure the Parent Company's divestment from certain lignite power plants, which was abandoned on 18 July 2019. Further to discussions between the Greek Ministry of Environment and Energy and the European Commission in relation to the Anti-Trust Case remedies, it was announced in January 2021 that, following appropriate market testing, a new mechanism will be put in place for the next three years whereby the Group and Parent Company will be entering into bilateral contracts with suppliers for lignite-produced power against prices linked to the Day-Ahead Electricity Market. The measures so proposed set out that:

- The Group will sell quarterly forward electricity products on the organised exchanges of the European Energy Exchange ("EEX") and/or the HEnEx, resulting in buyers obtaining electricity at a stable price every day during the quarter in question.
- The Group will obtain a net seller position on EEX and/or HEnEx, meaning that its sales of the forward electricity products in question should exceed its purchases by a certain volume. The volumes to be sold are calculated as a share of the Group's lignite-fired generation during the respective quarter of the previous year.
- The Group's obligations in terms of the timing of the sales and of the deliveries will give its competitors the ability to hedge against price volatility for a sufficiently long period in advance.

The volumes that the Group and Parent Company are expected to sell to their competitors are directly linked to the amount of their lignite-fired generation but the remedies do not require them to fulfil the volumes they have to sell using lignite fired generation. The Group and Parent Company will have full discretion to fulfil these

volumes through any possible source including gas-fired generation, hydropower or other renewables and purchases from third parties. The European Commission has concluded that the proposed measures fully address the infringement identified by the European Commission in its 2008 and 2009 decisions in light of the Greek plan to decommission all existing lignite-fired generation by 2023 in line with Greece's and the EU's environmental objectives. The remedies will lapse when existing lignite plants stop operating commercially (which is currently expected by 2023) or, at the latest, by 31 December 2024. Although the main elements of these measures are in line with the Group and Parent Company's expectations, there can be no assurance that the official decision of the European Commission will not have a material adverse effect on their business, financial condition and results of operations.

Furthermore, in February 2017, an investigation for possible abuse of the Parent Company's position in the wholesale power market was initiated by DG Competition under Article 102 TFEU and is currently under way. With respect to this investigation, DG Competition has sent three sets of official "Requests for Information" to the Parent Company so far. All three Requests for Information have both been duly and timely replied to by the Parent Company. No statement of objection has been notified to the Parent Company. On 16 March 2021, DG Competition formally opened an investigation in this respect. In particular, the European Commission is concerned that the Parent Company may have restricted competition in the Greek wholesale electricity markets with its bidding behaviour, namely by allegedly adopting predatory bidding strategies hindering the ability of its rivals to compete in the wholesale and related electricity markets. There has been no definitive indication as to the timing of this investigation and there is no guarantee about the outcome of this investigation and/or the possibility of extending the scope of this investigation to other market segments. In case DG Competition decides that the Parent Company has breached competition law, then penalties and/ or remedies may be imposed on it, which may have an adverse impact on its business, financial condition and results of operations.

26. Risks related to the prior subjection of PPC to public enterprises

Following the recent increase in the Parent Company's share capital, the indirect, participation of the Greek State, through the Hellenic Corporation of Assets and Participations S.A. ("HCAP"), decreased to less than 50%. As a result, PPC has ceased to be under the control of the state and to be a public enterprise within the meaning of Law 3429/2005. The transition to a new operating framework, which will now correspond to that of a private sector company, rather than a public enterprise, is expected to lead to interpretive issues and disputes, which may affect its operation. At the same time, laws will continue to be applied to PPC, particularly Law 4643/2019, which concern the Group and the Parent Company exclusively. Despite the fact that this law facilitates the Parent Company's more flexible operation in a number of areas, such as e.g. in the procurement area, its degree of flexibility still lags behind that of its competitors, purely private companies.

27. Risks related to the licences and permits

The Group and the Parent Company's mining, generation, distribution and supply of electricity operations require various administrative authorisations at local, regional and national levels. The procedures for obtaining and renewing these authorisations can be protracted, complex and not entirely predictable. Additionally, any failure to obtain or renew the necessary licences and permits might result in interruptions to some of the Group and the Parent Company's operations, including also their ability to obtain funding for their activities.

As a result, the Group and the Parent Company may incur significant expenses in order to comply with the requirements for obtaining or renewing these authorisations. Furthermore, these licences and permits, once granted, or the existing licences and permits, once renewed, may have more stringent environmental conditions that will require the Group and the Parent Company to make additional and possibly unanticipated expenditures. In addition, the Group and the Parent Company often invest resources on projects or activities prior to obtaining the necessary permits and authorisations, particularly in connection with feasibility studies and environmental studies.

Delays, high costs or the suspension of the Group and the Parent Company's industrial activities due to their inability to obtain, maintain, or renew authorisations, may also have a negative impact on their business activities and profitability. In addition, the operations of the Parent Company and HEDNO are regulated by the Energy Markets Law and require them to obtain a licence from RAE. Articles 122 et seq. of the Energy Markets Law applies to the operation, legal status and structure of the Distribution Network. These articles set out the relationship between the Parent Company and HEDNO. By virtue of Articles 122 and 126, respectively, the licence for exclusive ownership and the licence for the operation of the Network have been issued by RAE (decisions no. 82/2014 and 83/2014, respectively). These two licences restrictively define the competences of each of the Parent Company and HEDNO and their obligations with respect to the Network, as well as their respective rights upon it. As a result, the Parent Company's ownership right (as defined in Licence 82/2018) is very limited. Judicial decisions have already ruled upon this limited right and have released the Group and the Parent Company from any liability for actions and omissions stemming from the management of the Distribution Network. By virtue of Law 4819/2021, upon transfer of the ownership of the distribution assets to HEDNO through the Hive- Down, the licence for the exclusive ownership of such assets will be transferred to HEDNO by operation of law. However, there can be no assurance that the implementation of certain provisions of the licences mentioned above may not have an adverse effect on the Group and the Parent Company's business, financial condition or results of operations.

28. Risks associated with health, safety and environmental laws and regulations

The Group and the Parent Company's core operations of electricity generation, electricity distribution and mining are subject to extensive environmental regulation under Greek law, including laws adopted to implement EU Directives and international agreements. Environmental regulations and standards affecting the Group and the Parent Company's business primarily relate to emissions, mine reclamation, waste disposal, water management and dealing with water pollution incidents. The primary focus of environmental regulations applicable to the Group and the Parent Company's business is to reduce such emissions.

The Group and the Parent Company may incur significant costs in complying with environmental legislation and regulation, which require them to implement preventative or remedial measures. In some cases, environmental issues may require them to restrict or even terminate existing operations or projects. Future laws or regulations such as the use of certain fuels or technologies or the upgrading of environmental investments or charging for water use at hydropower and / or thermal power plants could potentially have an impact on business, strategic and financial planning. Due to the nature of the Group and the Parent Company's operations, they are involved in a number of environmental proceedings that arise in the ordinary course of business. Future related costs as a result of financial penalties, enforcement actions and/or third-party claims for environmental damage and/or insurance cost for environmental liability could have a material adverse effect on their business, results of operations and financial position, as well as their reputation.

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 compliance reporting. Compliance with obligations under applicable environmental laws and regulations, including soil and water decontamination, can also be extremely costly to comply with.

Violations of applicable environmental laws and regulation or non-compliance with their licences could result to complete shutdown of power plants, penalties and other sanctions, in addition to negative publicity and significant damage to their reputation. While environmental and health and safety laws are complex, change frequently and tend to become more stringent over time. Group and the Parent Company have budgeted for future capital and operating expenditures in order to comply with current applicable environmental and health and safety laws. Furthermore, new laws may be adopted imposing additional capital expenditure requirements resulting in even more significant capital expenditure requirements. Therefore, the Group and the Parent Company's costs of complying with current and future applicable environmental laws and their obligations arising from past or future releases of, or exposure to, hazardous substances could have a material adverse effect on their business, as well as their reputation.

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

29. Risk associated with the deficit in the Renewables Special Account

The Renewables Special Account (ELAPE, per its Greek initials) was established in 1999 as means to support renewable energy generation in Greece. The deficit of the Renewables Special Account, which has arisen a number of times, due to the account's revenues being insufficient to cover payments to RES at a regulated tariff, created both uncertainty and a market liquidity issue. There is uncertainty as to whether or to what extent such measures to reduce any future possible new deficit in the Renewables Special Account may adversely affect the Group and the Parent Company's results of operations and cash flows and they cannot preclude that their duration will be extended or that other measures will be put in place to address the deficit of the Renewables Special Account to the detriment of their business, financial position and results of operations.

30. Risk related to the provision of Public Service Obligations (PSOs)

The Group and the Parent Company, and all other Suppliers, are entitled to compensation for the PSOs they provide, which is based on the relevant costs incurred and is calculated according to the methodology established by RAE. Potential changes in compensation rights for the existing PSOs that the Group and the Parent Company provide, or changes in the calculation methodology of such PSO compensation that may result in inability to fully recover their costs, or partial recovery of PSO compensation for previous years, or a potential introduction of new PSOs for which they may not be entitled to full compensation, may have an adverse effect on the Group and the Parent Company's costs, financial position, results of operations and cash flows

31. Risk of non-compliance with the European Union's General Data Protection Regulation («GDPR»)

The EU's General Data Protection Regulation ("GDPR") became effective on 25 May 2018. The GDPR implements more stringent operational requirements for processors and controllers of personal data. Although the Group and the Parent Company have taken such actions as required in order to be materially compliant with the data protection legislation, they operate in an industry in which they process a considerable amount of personal data, including in connection with the collection of overdue receivables, and therefore are inevitably more exposed to the risk of being penalised for failing to continuously comply with the regulations imposed.

If the Group and the Parent Company fail to maintain compliance with applicable data collection and privacy laws or other applicable data security standards, they could be exposed to administrative sanctions, including reprimands and fines, penalties, restrictions, litigation or other expenses. Any inability to adequately address data protection and/or privacy concerns, even if unfounded, or comply with applicable privacy or data protection laws, regulations and policies, could result in additional cost and liability to the Group and the Parent Company, damage their reputation, and adversely affect their business.

32. Litigation Risk

- 1 The Group and the Parent Company are defendants in a significant number of legal proceedings arising from their operations which, if determined unfavorably, could have a material adverse effect on their business, financial position or results, or reputation.
- 2 In addition, the Group and the Parent Company are one of the largest listed industrial groups in Greece, with complex activities and operations across the country in heavily regulated industry sectors. Violations of such legislations, including rules and regulations of regulatory authorities, entail, among others, administrative fines and criminal sanctions for the Board of Directors, employees and utilities that are subject to those rules.
- 3 In the ordinary course of the Group's and the Parent Company's business, from time to time, competitors, suppliers, customers, owners of property adjacent to our properties, the media, activists, and ordinary citizens, raise complaints (even to public prosecutors) about their operations and activities, to the extent they feel that these activities and operations cause or are likely to cause economic or other damage to their interests, businesses or properties or adverse environmental impact in general. In the context of advancing those complaints, these parties often file criminal complaints against the Group and the Parent Company. In this context, reports involving complaints and accusations for allegedly unlawful acts of executives against them 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.
- 4 As a result, the Group's companies and the members of their Board of Directors may have and could be in the future, subject to various criminal or other investigations at various stages of procedural advancement. These investigations and legal proceedings may disrupt 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 their reputation and cause them to incur significant legal fees, which could in turn have a material adverse effect on their business, financial position or results.

Risks related to the Group and Parent Company's financial condition, financial results and financing arrangements

33. Credit Risk

Even though the Parent Company has entered into settlement agreements providing for discounts to Low and Medium Voltage customers it continues to experience delays in collecting payments of overdue bills from a large number of Low and Medium Voltage customers, and there is no assurance that settlement terms will be observed by its customers. In particular, the Parent Company's customers' ability to comply with settlement agreements and make timely payments have been, and may continue to be, impacted by general macroeconomic conditions in Greece.

Furthermore, the Parent Company may face additional difficulties or delays in collecting overdue bills from its Low and Medium Voltage customers as a consequence of the inclusion of additional charges in the invoices that it is legally obliged to collect in favour of third parties. Its collection enforcement mechanisms have been and may be further affected by legal or regulatory measures, including decisions and guidelines or further interventions by RAE.

The Group and the Parent Company have implemented a number of initiatives to improve collection techniques and reduce provisions for expected credit losses. They have also arranged for securitisations backed by performing and non-performing customer receivables. However, there can be no assurance that these actions will contribute towards the reduction of overdue receivables, or the increase in the collection of overdue payments, if at all. Their customers' inability to pay their bills on a timely basis combined with their difficulty in collecting the overdue payments may have a material adverse impact on the Group and the Parent Company's financial position, results of operations and cash flows.

34. Cash flow risk

The Group and the Parent Company face liquidity risk, which may result in additional working capital requirements, due to a number of factors relating to their ability to timely collect from their customers, including:

- delays in the payment or non-payment of energy bills, which may increase if economic conditions in Greece deteriorate;
- the Parent Company's obligation to pay the Renewables special levy, the special consumption tax on electricity, as well as VAT when due, irrespective of whether it has collected the relevant amounts from its 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;
- the increase of Vulnerable customers, such as families with low income, long-term unemployed, people with special needs and people on life support, who are entitled to lower tariffs; and
- incidents of electricity theft and unauthorised reconnection of electricity supply in cases of electricity disconnection due to customer defaults.

The Group and the Parent Company may also face, following decisions by the Regulator, increased working capital requirements in relation to their payments to and from other market operators that could have a significant effect on their liquidity.

In addition, the Group and the Parent Company's ability to manage their working capital requirements and liquidity risk depends, in part, on maintaining positive working relationships with their suppliers. If they are unable to maintain current working arrangements with their suppliers, their working capital requirements could materially increase and result in increased liquidity risk, which may have a material adverse effect on the Group and the Parent Company's business, financial condition and results of operations.

35. Credit rating risk

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

The Group and the Parent Company's ability to access the 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. The Group and the Parent Company currently expect to operate with sufficient liquidity to maintain or improve their current credit rating. However, this is dependent on a number of factors, some of which may be beyond their control. If they fail to maintain adequate levels of liquidity or as a result of certain changes in their capital structure, their rating may be downgraded, which could have a material adverse effect on the Group and the Parent Company's business, results of operations and financial condition.

36. Risks associated with potential changes in the current taxation regime in Greece

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, royalties or levies or changing interpretations or application of tax regulations by the tax authorities as well as the harmonisation 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 cash flows.

Even if the effect of these taxes and levies is passed onto the Group and the Parent Company's customers, such taxes and levies may impact collection rates for their electricity bills, lower the demand for electricity or result in a loss of market share due to competition, all of which will have negative impact on the Group and the Parent Company's cash flow. Conversely, if they do not increase their tariffs to match an increase in taxation, an adverse impact on their financial results and liquidity may follow. There may also be other new or increased taxes in the future that could increase the Group and the Parent Company's costs and/or reduce their turnover, thereby adversely impacting their business, financial condition and results of operations.

37. Risk from potential undertaking of Social Security liabilities

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

38. Interest rate and foreign currency risk

The Group and the Parent Company's debt obligations consist of bank loans, bonds and overdrafts. It is their policy to have a balanced distribution of the loan portfolio between fixed and variable interest rates according to the prevailing conditions and to hedge on a case-by-case basis through derivatives, solely to mitigate risk, against the fluctuation of floating interest rates and/or foreign currency exchange rates affecting their debt portfolio. All of their indebtedness is denominated in euro.

Furthermore, the fluctuation of the euro against U.S. dollar exchange rate may adversely impact the prices of the Parent Company's liquid fuel purchases (diesel and heavy fuel oil) and the price of natural gas purchases, whose price is calculated based on the oil price. 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. There is no assurance that such undertaken hedging transactions will provide full or adequate protection against these risks.

39. Risks relating to impairment of assets

The Group and the Parent Company are exposed to risks related to the value of their participation in the share capital of subsidiaries and associates and the value of their property plant and equipment, including the effects from a significant change and/or non-recoverability of the value of their participation in the share capital of their subsidiaries and associates, as well as from a significant change in the fair value of the property plant and equipment in the context of the periodic reassessment.

In the future, the value of the Group and the Parent Company's participation in the share capital of subsidiaries and associates and the value of their property, plant and equipment may be significantly impaired due to their earlier retirement or loss of competitiveness due to regulatory or policy changes or other such circumstances beyond their control.

40. Risks associated to loan covenants

Certain agreements governing the Group and the Parent Company's existing indebtedness contain covenants that impose significant restrictions on the way they can operate and require the Company to maintain specified financial ratios.

These covenants could limit the Group and the Parent Company's ability to finance future operations and capital needs and their ability to pursue acquisitions and other business activities that may be in their interest. The Group and the Parent Company's ability to comply with these covenants and restrictions may be affected by events beyond their control, such as prevailing economic, financial and business conditions.

If a default occurs under the above loans, the lenders thereunder could terminate their commitments and declare all amounts outstanding, together with accrued and unpaid interest and other fees, to be immediately due and payable. Borrowings under other debt instruments that contain cross-acceleration or cross-default provisions also may be accelerated or become payable on demand. In these circumstances, the Group and the Parent Company's assets may not be sufficient to repay in full that indebtedness and their other indebtedness then turn to outstanding.

41. Leverage risk

The Group maintains a high net leverage ratio. This significant leverage could have important consequences for the Group's business and operations.

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

There can be no assurance that the Group and the Parent Company will be able to refinance their indebtedness as it comes due on commercially acceptable terms or at all and, in connection with the refinancing of their debt or otherwise, they may seek additional refinancing, dispose of certain assets, reduce or delay capital investments, or seek to raise additional capital. The Group and the Parent Company may be able to incur substantial additional debt in the future, including indebtedness in connection with any future acquisition. Although their financing agreements contain restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of significant qualifications and exceptions.

Balances and Transactions With Related Parties

PPC balances with its subsidiaries as of December 31st, 2021 and December 31st, 2020 are as follows:

| Subsidiaries | December 31, 2021 Amounts in '000€ | | December 31, 2020 Amounts in '000€ | |
|------------------------------|---------------------------------------|------------------|---------------------------------------|------------------|
| | Receivables | (Payables) | Receivables | (Payables) |
| PPC Renewables S.A. | 1,814 | (399) | 1,275 | – |
| HEDNO S.A. | 221,202 | (380,849) | 496,022 | (681,929) |
| LIGNITIKI MEGALOPOLIS S.A. | 25,885 | (684) | 51,957 | (709) |
| LIGNITIKI MELITIS S.A. | 20,999 | – | 30,002 | – |
| ILIAKA PARKA ENA S.A | 13 | – | – | – |
| ILIAKA PARKA DIO S.A | 4 | – | – | – |
| ILIAKO VELOS ENA S.A | 143 | – | – | – |
| ARKADIKOS ILIOS ENA S.A | 11 | – | – | – |
| ARKADIKOS ILIOS DIO S.A | 3 | – | – | – |
| AMYNTAIO PV PARK ENA S.A | 2 | – | – | – |
| AMYNTAIO PV PARK DIO S.A | 2 | – | – | – |
| AMYNTAIO PV PARK TRIA S.A | 2 | – | – | – |
| AMYNTAIO PV PARK TESSERA S.A | 2 | – | – | – |
| AMYNTAIO PV PARK PENTE S.A | 2 | – | – | – |
| AMYNTAIO PV PARK EKSI S.A | 2 | – | – | – |
| AMYNTAIO PV PARK EPTA S.A | 2 | – | – | – |
| AMYNTAIO PV PARK OKTO S.A | 2 | – | – | – |
| AMYNTAIO PV PARK ENNEA S.A | 2 | – | – | – |
| PPC Finance Plc. | – | (71) | – | (37) |
| PPC Elektrik | 110 | – | 649 | – |
| PPC Bulgaria JSCO | 9 | (374) | – | (1,537) |
| PPC Albania | 40 | – | – | – |
| EDS AD Skopje | 20,026 | – | 395 | (142) |
| Total | 290,277 | (382,377) | 580,300 | (684,354) |

The company has an additional claim from the subsidiary HEDNO SA amounting to € 43.4 million due to repayment of loans on behalf of the subsidiary, which came to it due to the separation of ownership of the Network to HEDNO SA.

Within the first half of 2021, a dividend of € 6.7 million was approved by the subsidiary HEDNO SA. from profits for the year ended December 31, 2020, which was paid to the Parent Company on September 6, 2021. Respectively, within the first half of 2020 the Parent Company received a dividend of € 23.0 million from the subsidiary HEDNO SA from Profits for the year ended December 31, 2019.

The above mentioned balances with the subsidiary PPC Finance Plc relate to its management expenses, which are ultimately borne by the Parent Company.

On December 31, 2021, the Parent Company recognized a forecast of expected credit loss on receivables and other accrued income for the subsidiary «Lignitiki Megalopolis SA», and «Lignitiki Melitis SA», amounting to € 25.2 million (31.12.2020: € 51.2 million) and € 21 million (31.12.2020: € 30.0 million) respectively.

On March 19, 2021, the Parent Company signed a loan agreement with the 100% subsidiary Energy Deliver Solutions (AD) JSK Skopje amounting to € 3.7 million, with an interest rate of 3.8% and an expiration date of June 30, 2021, which it raised the subsidiary on the same date.

On August 3, 2021, this loan obligation to the Parent Company was converted into a share capital of the subsidiary.

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

The Transactions of the Parent Company with subsidiaries for the period ended December 31, 2021 and December 31, 2020 are as follows:

| Subsidiaries | December 31, 2021 Amounts in '000€ | | December 31, 2020 Amounts in '000€ | |
|-------------------------------|---------------------------------------|------------------|---------------------------------------|--------------------|
| | Invoiced to | Invoiced from | Invoiced to | Invoiced from |
| PPC Renewables S.A. | 2,998 | (380) | 2,313 | – |
| HEDNO S.A. | 1,567,808 | (1,653,766) | 1,673,252 | (1,791,851) |
| LIGNITIKI MEGALOPOLIS S.A. | 98,775 | (928) | 47,909 | (993) |
| LIGNITIKI MELITIS S.A. | 42,176 | – | 28,901 | – |
| ILIAKA PARKA ENA S.A. | 49 | – | – | – |
| ILIAKA PARKA DIO S.A. | 47 | – | – | – |
| ILIAKO VELOS ENA S.A. | 138 | – | – | – |
| ARKADIKOS ILIOS ENA S.A. | 11 | – | – | – |
| ARKADIKOS ILIOS DIO S.A. | 3 | – | – | – |
| AMYNTAIO PV PARK ENA S.A. | 2 | – | – | – |
| AMYNTAIO PV PARK DIO S.A. | 2 | – | – | – |
| AMYNTAIO PV PARK TRIA S.A. | 2 | – | – | – |
| AMYNTAIO PV PARK TESSERA S.A. | 2 | – | – | – |
| AMYNTAIO PV PARK PENTE S.A. | 2 | – | – | – |
| AMYNTAIO PV PARK EKSI S.A. | 2 | – | – | – |
| AMYNTAIO PV PARK EPTA S.A. | 2 | – | – | – |
| AMYNTAIO PV PARK OKTO S.A. | 2 | – | – | – |
| AMYNTAIO PV PARK ENNEA S.A. | 2 | – | – | – |
| PPC Finance Plc. | – | (62) | – | (38) |
| PPC Elektrik | 8 | (3,097) | 289 | (6,333) |
| PPC Bulgaria JSCO | 115 | (19,262) | – | (34,056) |
| PPC Albania | – | – | – | – |
| EDS AD Skopje | 12,751 | (350) | 76 | (547) |
| Total | 1,724,897 | 1,677,845 | 1,752,740 | (1,833,818) |

Guarantee in favour of the subsidiaries

As of December 31st, 2021, the Parent Company has provided a guarantee to its subsidiary PPC Renewables S.A. for a total credit line of up to Euro 8 mil., through overdraft facilities, out of which PPC Renewables S.A. has used an amount of Euro 418 thousands relating to letters of guarantee.

As of December 31st, 2021, the Parent Company has provided a guarantee to its subsidiary Energy Delivery Solutions AD (EDS) of Euro 14.1 mil., for loans concerning working capital needs. EDS Group drew an amount of Euro 10.7 mil.

On February 21, 2022, bank deposits of the Parent Company were pledged on behalf of the loan of the subsidiary EDS.

As at 31.12.2021 the Parent Company provided a corporate guarantee to EDS for the electricity supplier Energy Financing Team AG - St Gallen amounting of up to € 3.5 million and for the electricity supplier Alpiq Energija amounting of up to € 1.5 million

In addition, on 31.12.2021 the Parent Company provided a corporate guarantee to PPC Bulgaria for the suppliers of Alpiq Energy and CEZ of up to € 2.2 million and up to € 371 thousands, respectively.

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

The following table presents the transactions and balances with the companies Hellenic Petroleum («ELPE») and Public Gas Company («DEPA») which are suppliers of liquid fuels and natural gas, respectively, and in which the Greek State participates. In addition, the transactions and the rest with DAPEEP SA are presented. EXE SA, ENEXCLEAR A.E., IPTO SA and LARCO GMME.

| | 01.01.2021 – 31.12.2021 Amounts in '000€ | | 01.01.2020 – 31.12.2020 Amounts in '000€ | |
|-----------------|---|---------------|---|---------------|
| | Invoiced to | Invoiced from | Invoiced to | Invoiced from |
| ELPE | 25,572 | (98,978) | 40,832 | (80,213) |
| DEPA | 61 | (672,967) | 357 | (219,790) |
| DAPEEP S.A. | 254,107 | (359,949) | 242,434 | (550,891) |
| HEnEx S.A. | – | (3,384) | 589,785 | (1,230,316) |
| IPTO S.A. | 43,624 | (128,795) | 196,593 | (399,050) |
| ENEX CLEAR S.A. | 3,179,247 | (4,610,117) | 348,398 | (435,712) |
| LARCO S.A. | 26,951 | – | 33,833 | (3,146) |

| | December 31, 2021 Amounts in '000€ | | December 31, 2020 Amounts in '000€ | |
|----------------|---------------------------------------|------------|---------------------------------------|------------|
| | Receivables | (Payables) | Receivables | (Payables) |
| ELPE | – | (18,064) | 23,382 | (21,499) |
| DEPA | – | (91,447) | – | (30,108) |
| DAPEEP S.A. | 31,704 | (68,889) | 111,873 | (430,562) |
| HEnEx S.A. | – | (8) | 5 | (8) |
| IPTO S.A. | 4,754 | – | 154,375 | (269,000) |
| ENEXCLEAR S.A. | 34,111 | (40,178) | 8,552 | (9,594) |
| LARCO S.A. | 369,093 | – | 362,986 | – |

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

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

The balances and transactions for December, 31 2021 and December, 31 2020 with HCAP S.A. and the companies, in which HCAP S.A. participates, are presented below:

| | GROUP December 31, 2021 Amounts in '000€ | | PARENT COMPANY December 31, 2020 Amounts in '000€ | |
|--------------------------------------|--|------------|---|------------|
| | Receivables | (Payables) | Receivables | (Payables) |
| HCAP S.A. | – | (1) | – | (1) |
| ATHENS INTERNATIONAL AIRPORT S.A. | 632 | (12) | 591 | (12) |
| ELTA S.A. | 1,486 | (6,888) | – | (6,809) |
| ELTA COURIER S.A. | 1 | (98) | – | (72) |
| EYDAP S.A. | 5,756 | (30) | 5,756 | (19) |
| ETVA INDUSTRIAL PARKS S.A. | 232 | (21) | 232 | (16) |
| THESSALONIKI INTERNATIONAL FAIR S.A. | 138 | – | 138 | – |
| ODIKES SYNGKOINONIES S.A. | 11,616 | – | 11,616 | – |
| PUBLIC PROPERTIES COMPANY S.A. | 5,207 | – | 5,207 | – |

| | GROUP December 31, 2021 Amounts in '000€ | | PARENT COMPANY December 31, 2021 Amounts in '000€ | |
|--|--|----------------|---|----------------|
| | Receivables | (Payables) | Receivables | (Payables) |
| URBAN RAIL TRANSPORT S.A. | 34,963 | – | 34,963 | – |
| C.M.F.O. S.A. | 190 | – | 190 | – |
| O.A.S.A. S.A. | 6 | – | 6 | – |
| E.Y.A.TH. S.A. | 3,988 | (1) | 3,987 | (1) |
| GEA OSE S.A. | – | (1) | – | (1) |
| MANAGEMENT OF INDUSTRIAL PARK OF KASTORIA | – | (1) | – | (1) |
| AEDIK | 1 | – | 1 | – |
| MARINA ZEAS | 1 | – | 1 | – |
| HELLENIC SALTWORKS S.A. | – | (11) | – | (11) |
| TOTAL | 64,217 | (7,064) | 62,688 | (6,943) |

| | GROUP December 31, 2020 Amounts in '000€ | | PARENT COMPANY December 31, 2020 Amounts in '000€ | |
|--|--|------------|---|------------|
| | Receivables | (Payables) | Receivables | (Payables) |
| ATHENS INTERNATIONAL AIRPORT S.A. | 976 | (22) | 951 | (22) |
| ELTA S.A. | 5,004 | (3,829) | – | (3,533) |
| ELTA COURIER S.A. | 1 | (91) | – | (52) |
| EYDAP S.A. | 3,337 | (42) | 3,337 | (2) |
| ETVA INDUSTRIAL PARKS S.A. | 198 | (24) | 198 | (19) |
| THESSALONIKI INTERNATIONAL FAIR S.A. | 7 | – | 7 | – |
| ODIKES SYNGKOINONIES S.A. | 6,546 | (2) | 6,546 | – |
| PUBLIC PROPERTIES COMPANY S.A. | 4,758 | – | 4,758 | – |
| URBAN RAIL TRANSPORT S.A. | 42,025 | – | 42,025 | – |
| C.M.F.O. S.A. | 10 | – | 10 | – |
| O.A.S.A. S.A. | 1 | – | 1 | – |
| E.Y.A.TH. S.A. | 2,193 | – | 2,192 | – |
| MANAGEMENT OF INDUSTRIAL PARK OF KASTORIA | 1 | – | 1 | – |

| | GROUP December 31, 2020 Amounts in '000€ | | PARENT COMPANY December 31, 2020 Amounts in '000€ | |
|-------------------------|--|----------------|---|----------------|
| | Receivables | (Payables) | Receivables | (Payables) |
| AEDIK | 2 | – | 2 | – |
| EYDAP NISON | 5 | – | 5 | – |
| MARINA ZEAS | 1 | – | 1 | – |
| HELLENIC SALTWORKS S.A. | 2 | – | 2 | – |
| TOTAL | 65,067 | (4,010) | 60,036 | (3,628) |

The transactions made by the Group and the Parent company with HCAP S.A. and the companies in which participates for the years ended December 31st 2021 and December 31st 2020 are as follows

| | GROUP 01.01.2021 – 31.12.2021 Amounts in '000€ | | PARENT COMPANY 01.01.2021 – 31.12.2021 Amounts in '000€ | |
|--|--|-----------------|---|-----------------|
| | Invoiced to | Invoiced from | Invoiced to | Invoiced from |
| HCAP S.A. | 20 | – | 20 | – |
| ATHENS INTERNATIONAL AIRPORT S.A. | 4,494 | (102) | 4,258 | (102) |
| ELTA S.A. | 17,256 | (17,207) | 4 | (12,588) |
| ELTA COURIER S.A. | 7 | (236) | 7 | (181) |
| EYDAP S.A. | 20,999 | (163) | 20,886 | (127) |
| ETVA INDUSTRIAL PARKS S.A. | 1,186 | (44) | 1,185 | (38) |
| THESSALONIKI INTERNATIONAL FAIR S.A. | 902 | (71) | 902 | (70) |
| ODIKES SYNGKOINONIES S.A. | 3,536 | (8) | 3,536 | – |
| PUBLIC PROPERTIES COMPANY S.A. | 1,783 | (28) | 1,704 | (2) |
| URBAN RAIL TRANSPORT S.A. | 22,328 | (1) | 22,328 | – |
| C.M.F.O. S.A. | 1,272 | – | 1,272 | – |
| O.A.S.A. S.A. | 49 | – | 49 | – |
| E.Y.A.TH. S.A. | 14,220 | (7) | 14,214 | (1) |
| HELLENIC SALTWORKS S.A. | 263 | – | 263 | – |
| MANAGEMENT OF INDUSTRIAL PARK OF KASTORIA | 4 | – | 4 | – |
| GAIA- OSE S.A. | 16 | – | 16 | – |
| A.E.D.I.K | 17 | – | 17 | – |
| TOTAL | 88,352 | (17,867) | 70,665 | (13,109) |

| | GROUP 01.01.2020 – 31.12.2020 Amounts in '000€ | | PARENT COMPANY 01.01.2020 – 31.12.2020 Amounts in '000€ | |
|---|--|-----------------|---|-----------------|
| | Invoiced to | Invoiced from | Invoiced to | Invoiced from |
| HCAP S.A. | 16 | – | 16 | – |
| ATHENS INTERNATIONAL AIRPORT S.A. | 4,311 | (113) | 4,095 | (113) |
| ELTA S.A. | 18,068 | (20,114) | 23 | (15,030) |
| ELTA COURIER S.A. | 7 | (181) | 6 | (90) |
| EYDAP S.A. | 17,272 | (167) | 17,157 | (126) |
| ETVA INDUSTRIAL PARKS S.A. | 941 | (34) | 940 | (31) |
| THESSALONIKI INTERNATIONAL FAIR S.A. | 582 | (22) | 582 | (20) |
| ODIKES SYNGKOINONIES S.A. | 2,861 | (14) | 2,861 | – |
| PUBLIC PROPERTIES COMPANY S.A. | 1,687 | (1) | 1,687 | (1) |
| URBAN RAIL TRANSPORT S.A. | 17,501 | (1) | 17,501 | – |
| C.M.F.O. S.A. | 1,038 | – | 1,038 | – |
| O.A.S.A. S.A. | 36 | – | 36 | – |
| CENTRAL MARKET OF THESSALONIKI S.A. | 91 | – | 91 | – |
| E.Y.A.TH. S.A. | 11,681 | (4) | 11,666 | – |
| HELLENIC SALTWORKS S.A. | 217 | – | 217 | – |
| MANAGEMENT OF INDUSTRIAL PARK OF KASTORIA | 6 | – | 6 | – |
| GAIA-OSE S.A. | 6 | – | 6 | – |
| A.E.D.I.K | 17 | – | 17 | – |
| SOCIAL FEEDING PROGRAM | – | (3) | – | (3) |
| TOTAL | 76,338 | (20,654) | 57,945 | (15,414) |

Management remuneration

Management Members remuneration (Board of Directors and General Managers) for the year ended December 31st, 2021 and December 31st, 2020 is as follows:

| | GROUP Amounts in '000€ | | COMPANY Amounts in '000€ | |
|---|---------------------------|--------------|-----------------------------|--------------|
| | 2021 | 2020 | 2021 | 2020 |
| Remuneration of the Board of Directors' members | | | | |
| – Remuneration of executive members | 1,254 | 821 | 677 | 438 |
| – Remuneration of non-executive members | 326 | 294 | – | – |
| – Compensation / Extraordinary fees and other benefits | 375 | 280 | 211 | 155 |
| – Employer's Social Contributions ^c | 238 | 249 | 83 | 80 |
| | 2,193 | 1,644 | 971 | 673 |
| Remuneration of the Deputy Chief Executive Officers and General Managers | | | | |
| – Regular remuneration | 2,175 | 1,375 | 1,468 | 1,049 |
| – Employer's Social Contributions | 346 | 296 | 254 | 196 |
| – Compensation / Extraordinary fees | 1,001 | 141 | 573 | – |
| | 3,522 | 1,812 | 2,295 | 1,245 |
| TOTAL | 5,715 | 3,456 | 3,266 | 1,918 |

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

The remuneration of the members of the Board of Directors and the General Managers of December 31, 2021 includes the additional incentive for 2020 and 2021 amounting to €1 and € 2.7 million respectively based on the new remuneration policy approved by the Extraordinary General Meeting of Shareholders on June 4, 2021. It was also approved to provide an additional incentive in the form of equity settled stock awards. As to date the key Efficiency Ratios for this benefit have not been defined, it is not possible, at present, to determine the fair value of the Free Sharing Rights. The accounting principle adopted by the Group and the Parent Company is presented in note 4.2.

NON-FINANCIAL REPORT

Introduction

The present Non-Financial Information Report (Statement) contains information on the management and performance of PPC Group (hereinafter «Group» or «We») in the following thematic sections, as these are defined in the provisions of articles 151 and 154 of L. 4548/2018.

In particular, the non-financial statement of the Group includes information, to the extent required for understanding the evolution, performance, position and impact of the Group's activities, in relation to:

- Environmental issues,
- Social and labour issues
- Respect for human rights,
- The combat against corruption and issues relating to bribery

This statement includes also the following:

1. A brief description of the company's **business model**
2. The **main risks** related to these issues and associated with the Group's activities **that are likely to have a negative impact on these fields.**
3. A description of the policies applied by the Company in relation to these issues, including **due diligence**, the results of the said policies, as well as the **non-financial key performance indicators**. Due to the current circumstances, this section also includes the thematic unit of the **Impact of the COVID-19 pandemic**, as well as **issues related to Climate Change**.

In addition, this financial statement includes a section with information on Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of June 18, 2020 on the establishment of a framework to facilitate sustainable investment and on the Commission Delegated Regulation (EU) 2021/2178 of July 6, 2021 supplementing Regulation (EU) 2020/852 (4.)

The content of this Non-Financial Statement has been drawn up taking into account the GRI Standards and the Athens Stock Exchange ESG Reporting Guide 2019 (<https://www.athegroup.gr/el/web/guest/esg-reporting-guide>).

It is noted that this Statement concerns the financial year ended on December 31, 2021 and for the purposes of completeness, comparative data for the financial year ended on December 31, 2020 are provided as well.

1. Business Model

PPC was established in 1950 as a public sector enterprise, tasked with the responsibility of providing electricity to the entirety of the country. Following its transition to a Societe Anonyme and the listing of its shares in the Stock Exchange, its operation has been governed by the law on 'societes anonyms', however, the influence of the State on PPC remained significant, especially regarding its public service obligations which have been assigned to PPC. As a result, until recently, PPC was subject to laws and regulations applicable in the Greek Wider Public Sector.

Following the increase of the Company's share capital, which was completed at the end of 2021, and the reduction of the indirect State participation to 34.1%, PPC ceased to be controlled by the State and be considered as a Public Undertaking within the meaning of L. 3429/2005. Nevertheless, the Company, due to its business activity

in the strategically important utility sector, continues to be a company of intense public interest. Due to the above, the operation of PPC and its choices continue to be influenced by a number of stakeholders who have legitimate interests related to its operation.

PPC is being transformed from a vertically integrated company of Business Units, as it was in the early 2000s (Mines, Generation, Transmission, Distribution, Supply), into a Group of Companies, with PPC at its core, which will operate in the Supply and Power Generation from conventional forms of energy (hydro energy and natural gas) and the subsidiaries HEDNO (Distribution) and PPC Renewables as the main agent of transition to power generation through Renewable Sources of Energy.

More in particular, the company is at the center of the energy transition, which is encapsulated in the threefold: **Implementation of the "Green deal" in generation, digitalization and operational efficiency and expansion in new value-added activities and products with a customer-centric approach.** The development of renewable energy sources, the implementation of energy saving measures and the significant progress of the electrification and the digitalization of the economy constitute the main pillars for the promotion of the energy transition and the reinforcement of the socio-economic development.

PPC considers that it will safeguard thereby its sustainable development, in order to achieve its goal of maximizing its value, while always taking into consideration its social role in the National Economy and its environmental impact.

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

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

1. **Implementation of the "Green deal" in power generation**, by decommissioning its lignite units and the respective mines and emphasizing in the uptake of RES as the new primary power generation technology. **The detailed lignite phase out plan includes the decommissioning of lignite units with installed capacity of approximately 3.4 GW during the period 2019-2023.** The lignite phase out plan is being carried out with full respect to PPC's employees, local communities and the environment but also ensuring the country's energy adequacy. In this fair transition framework, the Company has already proceeded to the design and implementation of a series of new development projects, but also to the maintenance of the existing ones with the appropriate modifications, as for example was the successful implementation of the district heating project, aiming at constantly supporting local communities.

The plan for the new PPC includes significant investments in RES through the subsidiary PPC Renewables as well as investments in storage units **aiming at increasing installed capacity to 4,8 GW and 0,7 GW respectively until 2026.**

2. **Digitalization and operational efficiency** for the achievement of cost-reduction and revenue-increase synergies, by applying new technologies across sectors, such as:
 - Digital development of PPC through models of process digitalization and digital transformation
 - Digitalization of the activities and infrastructures of the electricity Distribution network by investing in the networks' upgrade by using tools such as smart meters, circuit breakers and GIS systems etc.

- Use of technology to ensure information and network security of the company as a Critical National energy infrastructure, based on best practices and safeguarding in a responsible way the natural persons involved, such as customers, and the society as a whole.
- Enhancement of PPC human resources digital culture, focusing on its particular characteristics, the conditions under which it operates, the flexible and modern functionality and the required digital cooperation.

3. **Expansion in new value-added activities and products with a customer-centric approach**, both in the retail electricity market and in new business sectors. More specifically, priority is given by PPC to the development in the most efficient way of the necessary infrastructures for the electrification of transport and heating. A rapid increase in the number of electric vehicles is expected at international level, due to the fact that their cost is expected to approach the cost of conventional vehicles over the next few years. PPC will effectively contribute to the increase of electric vehicles in our country, investing in the necessary infrastructure and more in particular in the installation of more than 1,000 charging stations over the next few years, while the medium-term goal for PPC is to install more than 10,000 charging stations all over Greece.

Furthermore, the Company' strategy is focused in the production of "green hydrogen" through synergies that are expected to enable the country's energy transition to a zero-carbon environment.

Alongside the above, in 2021 PPC focused on designing and launching Value Added Services, as well as on designing integrated consulting services on energy upgrading and energy saving in end-use. Finally, in 2021 PPC made a systematic effort to design an integrated service aimed at informing and promoting heat pumps as the key technology for the electrification of heating. This service will be launched at the beginning of the year 2022.

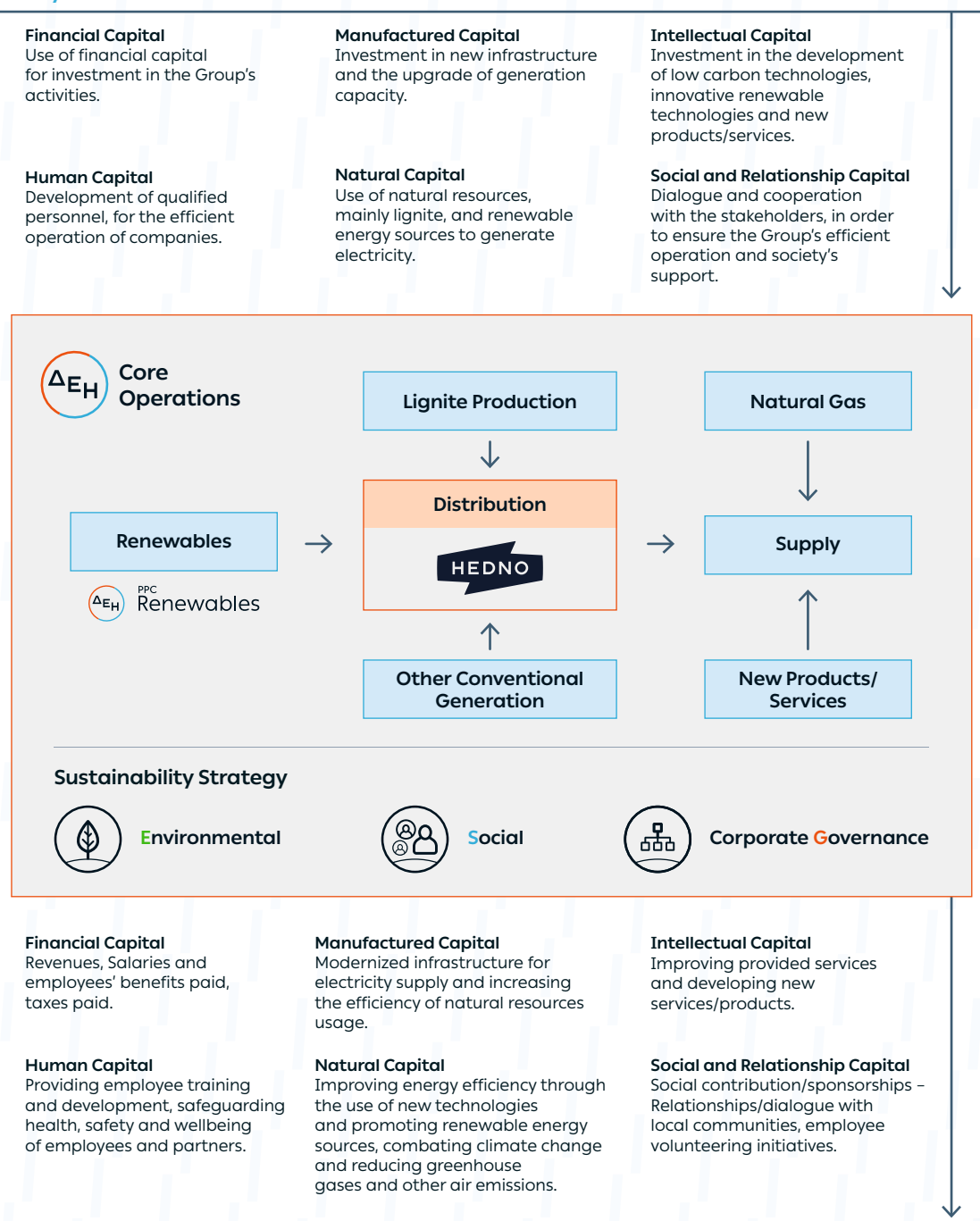
Additionally, the development at national level of a fiber optic network platform by the Company is carefully considered in order for PPC to join the main high-speed broadband service providers thus creating a new source of revenue for the Company.

The Company's organizational structure, at the level of Departments, took place within 2020 in order to meet the aforementioned priorities, while within 2021 the establishment of all necessary Departments, as well as the internal structure thereof was finalized. Additionally, a full set of rules and policies was adopted by the Company aiming at creating a corporate governance and ethical behavior framework that in combination with the strong fundamentals of the Company are expected to ensure the maximization of its value.

In this new era for PPC, its strategy could only be grounded in the principles of the "Creating Shared Value" approach, in other words on the basis of the Sustainable Development which aims at creating shared value among companies, societies, people and environment. To this end, PPC approaches Sustainable Development in the light of its business model and thereby of its new strategic orientation.

In this context, the company in compliance with international requirements (Bloomberg 2015, creation of the TCFD by the Financial Stability Board) initiated the transition process from the current model of corporate governance GRC (Governance, Enterprise Risk, Compliance) to the new model ESG (Environmental Social Governance). Specifically, based on the TFCF (Taskforce for Climate-related Financial Disclosure) guidelines, the company assesses the risks to be faced in the context of its activities due to climate change and examines ways to deal with them.

Key resources



Value creation

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

At PPC, in addition to financial risks, we identify non-financial risks related to the environment, the human capital and society at large which may significantly affect the Company's reputation and its relationships with stakeholders.

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

- **Risks related to climate change**
- **Risks related to extraordinary events** such as natural disasters, adverse weather conditions, fires, war, terrorist actions and strikes
- **Risks related to Information Systems Security**
- **Risks related to non-compliance with the EU General Data Protection Regulation (GDPR)**
- **Risks related to the complex and uncertain regulatory framework** in Greece and the EU.
- **Risks related laws and arrangements on health, safety and the environment**
- **Risks related to the recruiting and retaining of specialized personnel**
- **Risks related to the impact of the COVID 19 pandemic**

A detailed presentation of all financial and non-financial risks of both the Company and PPC Group is provided in the Annual Report of the Board of Directors included as an integral part of the Annual Report for the financial year 2021.

3. Due Diligence and other Policies and Results thereof/Non-financial Performance Indicators

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

1. Environmental Issues

Issues related to Climate Change

Due Diligence and Other Policies

PPC, recognizing the impact of climate change in all areas of economic and social activity as well as its own responsibility due to greenhouse gas emissions by its activities, has been on par with the EU's and Greece's ambitious medium- and long-term goals for climate neutrality in 2050.

According to the most recent national inventory of greenhouse gas emissions submitted by Greece to the secretariat of the United Nations Framework Convention on Climate Change, covering the period 1990-2019, which was submitted in 2021, greenhouse gas emissions from the use of fossil fuels in both PPC's private thermal power plants for electricity and heat generation in 2019 was 27.3 million tons of carbon dioxide equivalent (CO₂ eq) and accounted for about 31.9% of total national emissions, which was 85.6 million tons of CO₂ eq.

PPC as one of the main producers of greenhouse gas emissions of the country is in the process of energy transformation of its energy production model since its impact on addressing climate change is essential for the country, the targets it has set and the sustainability of the Company.

PPC designs and implements control and prevention programs based on the systematic monitoring of the interaction of its activities with the environment. In this direction, the new PPC Business Plan promotes, inter alia, the «Green Deal» immediate implementation in energy generation with:

- Immediate withdrawal of the operating lignite-fired power plants and the closure of the corresponding mines,
- the emergence of renewable energy sources as the new dominant technology of electricity production, and
- the undertaking of a leading role for the e-mobility development in Greece.

The protection of biodiversity in areas where it develops its activities is incorporated in the Company's Business Plan thus contributing to EU efforts to halt biodiversity loss and restore ecosystems, as set out in the EU 2030 Biodiversity Strategy.

Actions to tackle climate change

PPC's environmental policy includes actions to reduce carbon dioxide emissions (CO₂) during the electricity generation process in order to tackle climate change, which is one of the United Nations 2030 Sustainable Development Goals. In order to reduce CO₂ emissions by Thermal Power Plants, and tackle climate change, PPC implemented actions and programs that include:

- Investments involving the replacement of old thermal power plants, with new plants of modern technology and high efficiency, as well as the improvement of the environmental behavior of existing plants.
- Further development of hydroelectric projects and renewable energy projects.
- Further inclusion of natural gas in the energy mix.
- Promotion of energy saving actions and rational use of electricity.
- Consideration of investment proposals for the development of new forms of energy production and storage.
- Participation in research programs for the application of efficient lignite technologies.
- Mine restoration projects, experimental crops on restored land, etc.

These actions result, over time, in the reduction of the average CO₂ emission factor of the PPC energy generation system.

In particular, in 2020 and in the context of the environmental upgrade, the efforts for modernization of the Company's production capacity were continued.

Specifically:

- The operation of lignite Units III and IV of Kardias TPP with total capacity 600 MW was permanently shut down
- The construction of the new state-of-the-art lignite Unit V of the Ptolemaida TPP was continued, the operation of which will allow the decommissioning of old units' higher capacity and will ensure the district heating of Ptolemaida town.
- The investments for the environmental upgrade of the Units of Agios Demetrios TPP were continued, aiming at their being adapted to the Best Available Techniques and at reducing nitrogen oxide, sulfur dioxide and dust emissions.
- The mining operations (works of lignite extraction) at the Lakkia Mine permanently ceased.
- Preparation works for the post lignite usage were continued at the Amyntaio Mine.
- Soil rehabilitation program, such as tree plantings, agricultural crops, etc., at the lignite mining areas were continued.
- Works for the construction and operation of new hydroelectric power plants were continued.

- Furthermore, in 2021 the Company covered the energy consumption of all of its facilities all over the country with Green Pass Guarantees of Origin from its hydroelectric power plants. The Green Pass Guarantees of Origin which were available to its customers in 2021 amounted to 1.9 TWh for professional/business customers and 0,14 TWh for residential customers.
- The partnership with the European Bank for Reconstruction and Development continued and was completed with regard to the "Development of an Information Disclosure Plan according to the guidelines outlined by the Task Force on Climate-related Financial Disclosures (TCFD)".

Furthermore, building energy-saving actions were implemented, such as:

- Implementation of the Energy Management System ISO 5001:2018 by which the Support Operations Division (SO/Di) has been certified through the Real Estate & Facilities Management Department (REFMD) for energy saving in selected PPC S.A. buildings on: 73-75 Stournari st.-Athens, Pratinou st. and 9 Amaseias st -Athens, 107, 3rd Septemvriou st.- Athens, 4 Alopekis st. – Athens, Agiou Konstantinou st. & Geraniou st. – Athens.
- Fundamental energy upgrade of PPC S.A. building on 42 Kraterou street in Zografou Athens
- Energy Management System implementation in the facilities of the Lignite Center of Western Macedonia, in accordance with ISO 50001: 2018 (in force until August 2021)

Atmospheric Quality Measurement Stations

In order to monitor the atmospheric emissions, PPC operates a network of 26 Atmospheric Quality Measurement Stations (AQMSs), which also operate for meteorological parameters' measurement, in the wider areas of power plants and mines, which is further developed when the need arises. Within this framework, the competent bodies are systematically informed about the atmospheric emissions in the wider area of PPC's activity, by submitting annual and semi-annual Atmospheric Quality Reports, pursuant to the Environmental Terms Approval Decisions, while immediate (within 24 hours) is the information in cases of exceeding air emissions, anti-pollution equipment failure, failure of the analyzer measuring environmental parameters, etc.

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

| Location | Number of power plants | Measured air pollutants |
|---------------------------|------------------------|--|
| North System ¹ | 7 | SO ₂ , NO _x , PM ₁₀ , PM _{2,5} |
| Lavrio | 1 | SO ₂ , NO _x , PM ₁₀ |
| Aliveri ⁴ | 1 | SO ₂ , NO _x , PM ₁₀ |
| Komotini | 1 | NOX |
| Chania | 3 | NOX |
| Linoperamata | 3 | SO ₂ , NO _x , PM ₁₀ |
| Atherinolakkos | 3 | SO ₂ , NO _x , PM ₁₀ , PM _{2,5} |
| Rhodes ² | 3 | SO ₂ , NO _x , PM ₁₀ , PM _{2,5} |
| Kos | 1 | SO ₂ , NO _x , PM ₁₀ , PM _{2,5} |
| Samos | 1 | SO ₂ , NO _x , PM ₁₀ |
| Chios | 1 | SO ₂ , NO _x , PM ₁₀ , PM _{2,5} |
| Lesvos | 1 | SO ₂ , NO _x , PM ₁₀ , PM _{2,5} |
| Total³ | 26 | |

- In the Northern System, Lignitiki Melitis Single Member S.A runs two (2) additional Atmospheric Quality Measurement Stations (AQMSs), which also operate for meteorological parameters' measurement.
- The Kattavia Measurement Station (part of the new Southern Rhodes Thermal Power Plant) started operating on 12.09.2018.
- It is noted, that Lignitiki Megalopolis Single Member S.A. runs three(3) additional Atmospheric Quality Measurement Stations (AQMSs), which also operate for meteorological parameters' measurement.

Atmospheric quality measurement stations of the company Lignitiki Megalopolis Single Member S.A, in the wider areas of Power Plants and Mines

| Location | AQMSs Location | Total number of stations | Measured air pollutants |
|-------------|----------------|--------------------------|--|
| Megalopolis | Isari | 3 | SO ₂ , NO _x , PM ₁₀ |
| | Elliniko | | |
| | Leontari | | |

Atmospheric quality measurement stations of the company Lignitiki Melitis Single Member S.A in the wider areas of Power Plants and Mines

| Location | AQMSs Location | Total number of stations | Measured air pollutants |
|--------------|----------------|--------------------------|--|
| North System | Florina | 2 | SO ₂ , NO _x , PM ₁₀ , PM _{2,5} |
| | Meliti | | |

In 2021, as in previous years, the Peak Environmental Issues Management Team was operating, consisting of the Lignite Generation Business Unit and the Thermal & Hydro Generation Business Unit Executives. This team is entrusted with the continuous monitoring of the atmospheric quality measurement results and the continuous elaboration of a specific strategy for dealing with and minimizing the permissible limit overruns.

Voluntary initiatives

Aiming at innovative methods in order to reduce the environmental footprint of its production activities for electricity generation and within the framework of continuous effort for research and development, PPC participates in several voluntary initiatives and takes part in national and international consortia for the implementation of research projects with relevant individual actions.

The following are indicative:

- The partnership with the European Bank for Reconstruction and Development continued for the "Development of an Information Disclosure Plan according to the guidelines outlined by the Task Force on Climate-related Financial Disclosures (TCFD)".
- Participation in Working Groups of the European Federation of National Electricity Companies (EURELECTRIC) on Climate Change, Decarbonization, Environmental Protection, Energy Use Electrification, increased Energy Efficiency, E-Mobility, RES and Energy Storage.
- Participation in Working Groups of the European Association for Coal and Lignite (EURACOAL)

Research projects of environmental interest in which PPC S.A participates

PPC S.A. in the context of its sustainable development policy participates in several voluntary initiatives and research projects on Environmental protection. More specifically the ongoing research projects in which PPC participates are presented below:

- Scale-up of electrochemically promoted catalytic hydrogenation of CO₂ for fuel production - CO₂ TO FUELS
- Contribution of the Tree Planted Land of West Macedonia Lignite Center to the protection of the environment and the mitigation of Climate Change -Coformit
- Bioconversion of lignite power plant emissions into fuels and fine chemicals - BIOMEK
- Bioconversion of CO₂ into High Value Bioproducts through Sustainable Microalgae Cultivation Processes CO₂-Bioproducts
- Design and installation of a hybrid industrial device to collect air pollutants from lignite combustion by recovering and activating solid byproducts desulphurization-REDESOX
- Intelligent water treatment technologies to achieve water savings combined with energy generation and recovery of materials in energy intensive industries - INTELWATT
- Sustainable use of mining waste dumps- SUMAD
- Coal-to-liquids supply chain integration in view of operational, economic and environmental risk assessments under unfavourable geological settings - ODYSSEUS
- An interdisciplinary feasibility study on hybrid pumped-hydro power storage of excess energy (ATLANTIS)
- Green Deployment of E-fuels and Liquids based on CO₂ for closed and end-of-life coal-related assets (Green deal CO₂)
- Demonstration of a mobile unit for hybrid energy storage based on CO₂ capture and renewable energy sources (LIFE CO₂ to CH₄)

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

Environmental Management Systems

PPC have certified the Environmental Management Systems (ISO 14001:2015) of the Western Macedonia Lignite Center and the following power plants, which generate around 93% of PPC's total electricity output.

The following table presents the power plants with certified Environmental Management System for 2021.

| Lignite power plants | Natural gas power plants | Oil power plants | Hydroelectric power plants' complexes |
|----------------------|--------------------------|------------------|---------------------------------------|
| Agios Dimitrios | Keratea-Lavrio | Atherinolakkos | Aliakmon |
| | Komotini | Chania | Arachthos |
| | Aliveri | Linoperamata | Acheloos |
| | Megalopoli V | Skyros | Nestos |
| | | Soroni - Rhodes | Ladonas (HPP) |
| | | Karpathos | |
| | | Samos | |
| | | Chios | |
| | | Kos | |
| | | Limnos | |

It is noted that the power plants run by PPC subsidiaries, Lignitiki Megalopolis Single Member S.A. and Lignitiki Melitis Single Member S.A, also have certified Environmental Management Systems (EMS), according to ISO 14001: 2015.

For the financial year 2021:

- the ISO 14001:2015 Environmental Management Systems of the West Macedonia Lignite Center, of all thermal power plants of the Interconnected System, of all thermal power plants of Crete, of the thermal power plant in Rhodes (Soroni TPP), of the Local Power Plant of Skyros and of all hydroelectric power plants of the Interconnected System, except for Plastiras HPP, have successfully passed the annual surveillance audit
- the ISO 50001:2018 Energy Management System (EMS) of the West Macedonia Lignite Center has successfully passed the annual surveillance audit.

Actions initiated for 2022:

- The development and certification of the Environmental Management Systems of other Autonomous Power Plants in the Non-Interconnected System (such as APP Milos, APP Thira, APP Lesvos, APP Paros and LPP Ikaria).
- The development and certification to ISO 14001:2015 of the Environmental Management Systems of the Thermal Power Plant of South Rhodes (TPP Kattavia) and of HPP N. Plastiras.
- In the context of PPC Management's commitment to disseminating knowledge, creating transparency and encouraging the participation of staff in prevention and environmental protection actions and aiming to train and certify the Company's

employees who are involved or are going to be involved in any way whatsoever in ISO 14001:2015 Environmental Management Systems (EMS), the company will organise:

- Seminar for Inspectors / Heads of Inspectors of ISO 14001:2015 Environmental Management Systems; and
- Seminar for Internal Inspectors of ISO 14001:2015 Environmental Management System.
- The procedure for the development and implementation of Energy Management Systems (EMS) according to ISO 50001:2018 at PPC S.A.'s Power Plants.

Non-Financial Performance Indicators

| | 2021 | 2020 |
|--|-----------|-----------|
| Total Number of Plants with certified Environmental Management Systems (Lignitiki Megalopolis and Lignitiki Melitis are included) | 23 | 23 |
| Lignite centers (West Macedonia) | 1 | 1 |
| Operating Mines* | 2+3 | 5 |
| Thermal Power Plants (TPPs) ** | 13 | 14 |
| Hydroelectric Power Plants | 16 | 16 |
| Autonomous Power Plants | 32 | 32 |

Notes

* The fixed equipment at Lakkia and Kardia Mines was in operation until April 2021 and May 2021 respectively, while until the end of the year rehabilitation works were carried out. At the Amyntaio Mine, rehabilitation works were carried out throughout the year 2021.

** Including the companies LIGNITIKI MELITIS SINGLE MEMBER S.A. AND LIGNITIKI MEGALOPOLIS SINGLE MEMBER S.A.

Greenhouse gas emissions for electricity generation [CO₂]⁽¹⁾

| (in million tons) | 2021 | 2020 |
|-----------------------------|---------------|---------------|
| PPC S.A. | 13,235 | 12,882 |
| GROUP ⁽²⁾ | 15,797 | 15,477 |

Notes

(1) It concerns emissions from facilities integrated in the European Emissions Trading Scheme.

(2) The Group includes the companies PPC S.A., Lignitiki Melitis Single Member S.A. and Lignitiki Megalopolis Single Member S.A.

It should be noted that the total emissions of Scope 1, Scope 2 and the major part of Scope 3 for PPC S.A, LINGNITIKI MEGALOPOLIS SINGLE MEMBER S.A. and LINGNITIKI MELITIS SINGLE MEMBER S.A., as well as Scope 1 and Scope 2 emissions for its subsidiary HEDNO S.A. for the year 2020 are presented in the Company's Sustainable Development Report for the financial year 2020. Respectively, the said data for the financial year 2021 is expected to be presented in detail in the 2021 Sustainable Development Report.

Greenhouse Gas Emissions [CO₂] -KPI Syndicate Loan Bond

| (in Mt) | 2021 | 2020 |
|----------|-------|-------|
| PPC S.A. | 15.85 | 15.53 |

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

Greenhouse Gas Emission Rights [CO₂]

| (in million euros) | 2021 | 2020 |
|--------------------|------------|------------|
| PPC S.A. | 574 | 328 |
| GROUP | 699 | 393 |

2. Labour Issues

Due Diligence and other Policies

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

PPC implements responsible human resources management practices, ensuring a modern workplace of equal opportunities. It is committed to safeguarding the health and safety of its employees by implementing appropriate Occupational Health and Safety Management Systems and carrying out relevant training programs.

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

The Company's **recruitment policy** is reshaped in order to be in line with Law 4643/2019:

The recruitment of permanent personnel is carried out through a public notice of vacancy including, inter alia, the number per category and speciality of the personnel to be recruited, the required qualifications, the selection criteria and the credit point awarding system in compliance with the principles of transparency, meritocracy and equality, according to the Company's needs and internal procedures.

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

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

During the three-year period 2019-2021, 3 relatives of deceased employees in work-related accidents were hired by the Company.

As of 31.12.2021, the number of employees with disabilities, employees with large families and relatives of persons with disabilities was **162**, **202** and **77** respectively.

In line with L. 4643/2019, the Company established an **executives' recruitment procedure** (at the level of Assistant Directors or Heads of Units and above).

PPC has a **Training Management System** for identifying and evaluating its educational needs, designing training courses, selecting trainees and instructors as well as organizing, implementing and evaluating training projects (training cycle). The Company's Executive Training Policy, which sets out the framework for the training of the executives at all hierarchical levels, as well as of the Specialized Executives was approved by the Decision No. 83/14-07-2021.

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

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

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

Non-Financial Performance Indicators

[GRI 102-8 – Total number of Employees]
[GRI 102-41: Collective labor agreements]
[ESG C-S6: Collective labor agreements]
[ESG C-S1: Female employees]
[ESG A-S3: Gender pay gap]

| | PPC S.A. | | GROUP | |
|---|----------|-------|--------|--------|
| | 2021 | 2020 | 2021 | 2020 |
| Total number of employees 31.12 | 6,634 | 7,113 | 12,909 | 13,799 |
| Female employees | 1,916 | 1,984 | 3,419 | 3,572 |
| Female employees (%) | 28.9% | 27.9% | 26.4% | 25.8% |
| Number of employees with a collective labor agreement (%) | 98.0% | 99.0% | 98.6% | 99.2% |

Note: The Group includes the companies PPC S.A., HEDNO S.A., PPC RENEWABLES S.A., LIGNITIKI MELITIS SINGLE MEMBER S.A. and LIGNITIKI MEGALOPOLIS SINGLE MEMBER S.A.

* Permanent personnel including executives with a 3-year fixed-term contract.

| Indicator/Company | PPC S.A. | | GROUP | |
|---------------------|----------|-------|-------|-------|
| | 2021 | 2020 | 2021 | 2020 |
| A-S3 Gender pay gap | | | | |
| Gender pay gap (%) | 5.64% | 4.66% | 8.30% | 7.60% |

It is pointed out that the pay gap between male and female employees is in no way due to discriminatory gender-based pay management. By way of illustration, the total regular remuneration may also include allowances related to the nature and conditions of work and the job position, e.g. allowances linked to positions in mines and power plants which are mainly chosen by male employees.

Note: The Group includes the companies PPC S.A., HEDNO S.A., PPC RENEWABLES S.A., LIGNITIKI MELITIS SINGLE MEMBER S.A. and LIGNITIKI MEGALOPOLIS SINGLE MEMBER S.A.

Occupational Health and Safety

Due Diligence and other Policies

PPC S.A. considers the health and safety of its employees of utmost importance. PPC's **Occupational Health and Safety Policy** (posted on the Company's website <https://www.dei.gr/en/ppc-group/human-resources/occupational-health-and-safety/occupational-health-and-safety-policy/>) aims at outlining all necessary measures and providing accessibility to all the means and resources necessary to safeguard the physical and mental health of its employees. The Occupational Health and Safety Department, which is responsible for addressing these issues, has been awarded the ELOT EN ISO 9001 certificate for its Quality Management System. In addition, it holds a license as an External Protection and Prevention Service Provider, with the ability to provide protection and prevention services to customers inside and outside the PPC Group.

The Company employs a significant number of occupational physicians, safety technicians, nursing staff and auditing physicians. Its priority is to cultivate a mindset focused on safety at work. It is pointed out that staff emergency preparedness training, safety training programs, measurement of harmful factors in the workplace and occupational risk assessment studies are conducted at the Company's workplaces.

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

Non-Financial Performance Indicators

| Indicator/Company | PPC S.A. | | GROUP | |
|---|----------|------|-------|------|
| | 2021 | 2020 | 2021 | 2020 |
| * Total number of employees' accidents | 38 | 32 | 71 | 62 |
| Total number of employees' fatal accidents | 0 | 0 | 1 | 0 |
| Total number of contractor's employees' fatal accidents | 2 | 1 | 2 | 1 |

* The methodology taken into account is the "European statistics on accidents at work (ESAW) - Methodology - 2001 edition «followed by the European Agency for Safety and Health in the ESAW work EU - OSIA and EURELECTRIC. The number of accidents includes all accidents that have occurred during the work of regular and seasonal / temporary staff and have caused absence from work for more than three (3) calendar days. Accidents on the way to and from work as well as pathological episodes, which are (statistically) examined separately, are not included.

Note 1: The Group includes the companies PPC S.A., HEDNO S.A., PPC RENEWABLES S.A., LIGNITIKI MELITIS SINGLE MEMBER S.A. and LIGNITIKI MEGALOPOLIS SINGLE MEMBER S.A.

Note 2: The above figures may be subject to revision at the final closing of the financial year 2021.

Impact of the COVID 19 pandemic on Non-Financial Issues

PPC Group, with absolute respect for the safety and protection of its employees, customers and partners and acting responsibly, upon appearance of the COVID-19 disease proceeded immediately to taking measures to limit the spread of the virus, ensure business continuity, as well as maintain its smooth operation and the customer service standards.

These actions are summarised as follows:

- Integration of legislation and guidelines of the competent bodies of the State, which are constantly revised based on the developments.
- Updating of the Business Plan established to deal with the health crisis, with a full analysis per activity (power plants, mines, PPC Stores, headquarters) and planning of scenarios and ways to deal with it. In the context of the business plan, ongoing training was provided to both the Heads of Service Units and the Security Managers/ Coordinators and the security staff.
- Continuous operation of the Pandemic Crisis Management Committee composed of senior managers.
- Setting up of a team per facility (consisting of the competent Safety Technician, Occupational Physician and authorized employees of the relevant Unit) to implement and monitor compliance with the applicable measures.
- Inspections by Committees established per geographical area, in particular with a view to monitoring compliance with the measures, mainly in front-line Units, as a complementary measure to reinforce security protocols against the pandemic. Each site is inspected on the basis of a checklist and a relative paper report is submitted to the Chief Officer of the inspected Units and the Chief Human Resources & Organisation Officer so as to be informed on the findings of the inspections, in particular on the non-observance or the inadequacy of measures in the inspected Units and on suggestions for any improvements thereof. The above measures and internal inspections resulted in the non-detection of any violation by the competent bodies and Authorities (Hellenic Labour Inspectorate-Independent Authority for public Revenue) during the inspections carried out in the Company's Units.
- Remote work to the maximum extent possible, where feasible and consistent with the nature of the tasks. Issuance of guidelines on the compliance with measures for the protection of the health and safety of employees when working remotely. The relative guideline material was posted on the company's website.
- Utilization of digital technology and upgrading of the relevant infrastructure for remote work.
- Ongoing briefing of the personnel, either on-site at the workplace or through online training courses by the competent Department.
- Posting of special information material in all workplaces about the measures in force each time and in order to encourage vaccination.
- Upon launching of the vaccination programmes by the State, with a view to build up a wall of immunity and safeguard employees' health, a vaccination incentive was introduced, providing for two (2) days of special paid leave to all personnel who have completed vaccination.
- Ongoing health support and Covid -9 case management by the personnel of the Occupational Health Unit of the Occupational Health and Safety Department, specifically by a network of 29 occupational physicians, 8 specialty doctors of the Medical Control Section and 78 nursing staff, in 18 clinics throughout the Greek territory. Daily epidemiological surveillance of Covid-19 and contact tracing in the workplace and the immediate family members of employees.
- Preventive diagnostic testing by performing RT-PCR molecular tests to the Group's personnel at the Company's expense (from September 2020 to December 2021, more than 11,000 tests were performed in the Attica Region and more than 20,000 tests in

- the rest of Greece). The personnel of critical infrastructure (generation and mining), as well as of the front office of PPC Stores who come into contact with the public were subjected to mandatory fortnightly diagnostic testing for COVID-19, as well as in exceptional circumstances, if so required (e.g. in the context of close contact tracing).
- Immediate measures were taken and employees belonging to high and/or intermediate risk groups stayed away from work. The employees who submitted a relevant request were examined by the Physicians of the Occupational Health and Safety Department of PPC and were categorized as of high or intermediate risk employees. Intermediate-risk employees returned to work upon the approval of the Medical Control Section and the local Occupational Physicians.
 - Hotline for psychological support to employees by the Social Workers of the Occupational Health and Safety Department.
 - Supply and distribution throughout Greece of protective masks, gloves and antiseptic solutions. To name just a few, from March 2020 until December 2021, 1,800,000 surgical masks, 430,000 FFP2 masks, 27,000 antiseptic solutions of 500 ml and 85,000 surgical gloves were distributed.
 - Continuous temperature measurement of personnel and visitors by means of special temperature measurement gates (in premises with a large number of employees or customers) or forehead thermometers, when entering the workplace.
 - Mandatory filling in of a special form for visitors/third parties entering the Group's premises (in Greek and English).
 - Regular disinfection of all Company facilities

Similar actions were undertaken by all subsidiaries of PPC Group.

In particular, for the financial year 2021, the amounts spent to tackle the COVID 19 pandemic arose to EUR 5,040 for PPC SA and in total EUR 13,708 for the Group:

| Indicator/Company | PPC S.A. | | GROUP | |
|---|----------|-------|----------|----------|
| | 2021 | 2020* | 2021 | 2020 |
| (amounts in thousand euros) | | | | |
| Amounts spent to deal with the pandemic | 5,040 | 2,318 | 13,708.0 | 10,878.3 |

* For 2020 the expenditure concerned only masks, gloves and antiseptic solutions, as well as expenditure of the Information Technology Department for the purchase of equipment for remote work and other expenditure.

Note: The Group includes the companies PPC S.A., HEDNO S.A., PPC RENEWABLES S.A., LIGNITIKI MELITIS SINGLE MEMBER S.A. and LIGNITIKI MEGALOPOLIS SINGLE MEMBER S.A.

The result of the above actions

The aforementioned measures have been implemented since March 2020 and continue to date, resulting in the Company facing the least possible impact from the pandemic, without ever stopping its operations and with a minimum number of work-related Covid-19 cases in relation to the number of its employees.

3. Social Issues

Due Diligence and other Policies

For PPC Group, its contribution to local communities is inextricably linked to its business activity. To this end, it implements important actions mainly addressed to both the communities in which the company operates and the wider society. Its important social action includes a series of actions, developed over time, in the fields of health, sports, culture and education.

PPC S.A., aiming to help its employees overcome personal challenges, since 1966 has integrated in its insurance legislation the provision of social services by the Company's Social Workers, in order to prevent and address the emotional or socio-economic problems of its employees. Since 2013, the Social Service has been integrated into the Occupational Health and Safety Department and currently belongs to the Psychosocial Support Section of the Occupational Health Unit. The Social Service of the Occupational Health and Safety Department is staffed nationwide by nine professional social workers who, by creating a climate of security and trust, are active in a wide range of activities.

Customer-centric approach - Care for vulnerable customers

PPC is in line with the needs of our times and is constantly evolving its services aiming to provide immediate and effective customer service. In this context, two pop up stores were created in 2021 with an emphasis on interaction and digital environment. In addition, the first new era store was opened in Maroussi with 3 service zones: the quick service zone, the electronic service zone and the zone of services provided by energy consultants.

PPC products were enhanced by launching an add-on service which may be combined with all electricity programmes and which covers with renewable energy guarantees of origin the total energy consumed by a home thus offsetting its CO₂ emissions as well as a new energy program which incorporates the emergency technical support service and the add on service of guarantees of origin for generation from renewable energy sources.

At the same time, it renewed its Natural Gas products with competitive prices and additional discounts to meet the needs of each and every customer.

In this context, PPC's mission was further strengthened with strategic partnerships and innovative actions, with a view to promoting energy saving, electrification of heating, e-mobility and a more sustainable future.

Acknowledging the difficulties faced by its consumers due to the energy crisis, PPC offered customers a series of financial relief packages, reinforcing government measures with additional subsidies and discounts for households and businesses and additional discounts for customers with agricultural tariff. Customers who are registered at the agricultural tariff were further supported with more favourable terms in the debt repayment plans.

Non-Financial Performance Indicators

The table below displays the amounts allocated to donations and sponsorships, support for local communities and bodies/organisations for the financial year 2021:

| Indicator/Company | PPC S.A. | | GROUP | |
|--|----------|---------|---------|-------|
| | 2021 | 2020 | 2021 | 2020 |
| (amounts in thousand euros) | | | | |
| Social Contribution (donations and sponsorships, support of local communities) | 5,368.7 | 7,830.0 | 6,346.1 | 7,925 |

Note 1: The Group includes the companies PPC S.A., HEDNO S.A., PPC RENEWABLES S.A., LIGNITIKI MELITIS SINGLE MEMBER S.A. and LIGNITIKI MEGALOPOLIS SINGLE MEMBER S.A.

Note 2: The above figures may be subject to revision at the final closing of the financial year 2021.

The table below displays the frequency of power outages for the year 2021 based on the data of the subsidiary HEDNO S.A.:

| Indicator/Year | 2021 | 2020 |
|--|-----------------------------|----------------------------|
| Power outage frequency (SAIFI) (number of power outages per customer) | 2.05 power outages/customer | 1.6 power outages/customer |
| Average time of power outage duration (SAIDI) (annual power outage duration in minutes per customer) | 155.41 minutes/customer | 110.7 minutes/customer |

4. Combating corruption and issues related to bribery

Due Diligence and other Policies

It is crucial for the Company to comply with the law and respect the principles of the PPC Staff Regulation and the PPC Code of Conduct. In order to ensure control of and compliance with the above, PPC has established internal procedures and organizational structures such as the Internal Audit Department and the Compliance Department and together with the Risk Management Department it has set up this way an organizationally comprehensive corporate Internal Audit System.

Furthermore, the Company through the Compliance Department has proceeded with the assistance of a consultant of recognized standing to the drafting of a "Business Ethics and Compliance Program", which contains the updating of existing or the development of new policies/procedures, in accordance with the best international practices, principles and rules, as well as guidelines for their effective implementation. This Program includes policies and procedures on anti-corruption, anti-bribery, conflict of interest, review of the Company's Code of Conduct, and whistleblowing management, as well as a system of sanctions in case of violation of the policies. During 2021, most of the above policies were approved, and the goal is to complete the Program, with the revision of the Code of Conduct, within the first quarter of 2022.

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

By the Board of Directors' Decision No. 19/01.03.2022, the new enforcement policy of the Company was approved; this policy supplements the above procedure with new provisions (analogous to those of the PPC Staff Regulations) in order to deal accordingly with potential violations by employees/executives whose contracts are not governed by the PPC Staff Regulations.

The Company takes all appropriate measures, in accordance with the provisions of L. 4557/2018, as applicable each time, with regard to the prevention and suppression of money laundering and financing of terrorism. For this purpose, the Board of Directors' Decision No. 30/06.04.2021 approved the Anti-Money Laundering and Counter Financing of Terrorism (AML/CFT) to be implemented exclusively where the Company conducts wholesale transactions or occasional transactions in cash, or concludes futures contracts or options, on condition that the aforementioned transactions amount to at least ten thousand (10,000) euro, independently of whether it is in one single transaction or in more than one which appear to be linked.

Furthermore, it has introduced in its institutional framework (Code of Conduct, Template Documents for contract awarding, etc.) and applies provisions concerning:

- Transparency (Code of Conduct: § 9).
- Corruption (Code of Conduct: § 10; PPC Staff Regulations: articles 26 and 32).
- Fraud (Code of Conduct: § 12).
- Exclusion from contracts of economic operators who have either been convicted by an irrevocable judgment of an offense of corruption- bribery, involvement in a criminal organization, committing terrorist offenses, child labor, money laundering

and fraud, or have been penalized for labor law violations (PPC BoD Decision 5/17.01.2019: «Approval of Template Documents for the Contracting of Works, Supplies and Services, in accordance with L. 4412/2016, and relevant provisions»), article 13 of the PPC Regulations on Works, Supplies and Services (Exclusion of Economic Operator): PPC BoD Decision 53/19.05.2020 "Approval of the Regulations on Works, Supplies and Services of PPC S.A.", pursuant to the EU and the national legislation (Directive 2014/25/EU, law 4412/08.08.2016 and law 4643/03.12.2019)").

By the Decision No.82/14.07.2021 the Board of Directors approved the Conflict of Interest Policy of PPC S.A. through which the Company provides support, information and guidance to the entire personnel at all levels regarding the principles and rules for the prevention or management of conflict of interest situations and the way to implement them. In particular:

- The practice for the Board of Directors is that, at the beginning of each meeting, Board members shall be obliged to submit a declaration of no conflict of interest.
- There is a special paragraph establishing that, at all stages of the tender process, the participants shall declare that there is no conflict of interest
- Declaration of no conflict of interest in the recruitment process
- Compilation of an annual register of declarations of no conflict of interest during the performance of duties by all Company's executives.

Non-Financial Performance Indicators

[GRI 205-3: Confirmed incidents of corruption and actions taken]

| Indicator/Company | PPC S.A. | | GROUP | |
|--|----------|------|-------|------|
| | 2021 | 2020 | 2021 | 2020 |
| Criminal court convictions on matters falling within the criminal offenses of corruption, abuse of power, embezzlement, theft, infidelity, bribery, fraud, forgery, false testimony or falsification of documents, use of false testimonies and official secrecy violation (number of court decisions) | 1 | 1 | 1 | 1 |

* 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.

Note: The Group includes the companies PPC S.A., HEDNO S.A., PPC RENEWABLES S.A., LIGNITIKI MELITIS SINGLE MEMBER S.A. and LIGNITIKI MEGALOPOLIS SINGLE MEMBER S.A.

[ESG SS-G1: Business Ethics Violations]

| Indicator/Company | PPC S.A. | | GROUP | |
|--|----------|------|-------|------|
| | 2021 | 2020 | 2021 | 2020 |
| Employees on whom the Company has imposed disciplinary sanctions in relation to offences of corruption, abuse of power, embezzlement, theft, infidelity, corruption, bribery, fraud, forgery, false testimony or falsification of documents, use of false testimonies and official secrecy violation (number of employees) | 7 | 4 | 10 | 4 |

Note: The Group includes the companies PPC S.A., HEDNO S.A., PPC RENEWABLES S.A., LIGNITIKI MELITIS SINGLE MEMBER S.A. and LIGNITIKI MEGALOPOLIS SINGLE MEMBER S.A.

5. Respect for Human Rights

Due Diligence and Other Policies

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

- Providing equal opportunities in the recruitment (L. 4643/2019, etc.), placement, training, remuneration, and promotion process within the Company (Code of Conduct § 1 and 2).
- Ensuring the health and safety of its employees (PPC Health and Safety at Work Policy and Code of Conduct § 3) and its contractors' employees (Management Decisions).
- Compliance with applicable legislation on remuneration, working hours, overtime and allowances for PPC's management, executives and staff (Remuneration Policy of Board Members and its Committees, and the Recruitment and Remuneration Policy of Corporate Executives, PPC Staff Regulations, PPC enterprise-specific collective labor agreement, etc.).
- Freedom of association and collective bargaining (collective labor agreements, etc.).
- Refraining from employing individuals below 18 years of age.
- Condemning discrimination, harassment, offensive or inappropriate behavior, unfair treatment or reprisals of all kinds (PPC Staff Regulations, Chapter D, article 19 and article 26 (3), Code of Conduct: § 13). In 2021 the Company developed a Policy against Violence and Harassment at Work in compliance with Law 4808/2021 for labour protection, which was approved by the Board of Directors' Decision No.18/01.03.2022
- Ensuring a work-life balance for its employees (PPC Staff Regulations, Collective Labor Agreements, Management Decisions, etc.).
- Providing incentives to stimulate enhanced employee performance, increase productivity and reduce absenteeism (CEO Decision).

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

- in 2014, women held 17% of the Company's managerial positions, while in 2021 they held 32%, that is an increase by 88.2%.
- in 2014, women represented 31.5% of middle managers, while in 2021 the corresponding percentage amounted to 43%, representing an increase by 36.5%
- the percentage of women out of the total number of graduates who hold management positions in the Company was approximately 35% in 2020 compared to 36% in 2021.

Personal Data Protection

PPC attaches great importance to privacy and the protection of personal data of both employees and other stakeholders. In compliance with the provisions of the General Data Protection Regulation (GDPR) EU 2016/679, as well as with L. 4624/2019, the Company has adopted a series of Policies and Procedures aimed at the high level and effective protection of the personal data of its employees, customers and partners. In particular, for the financial year 2021:

- By Decision No.147/23-11-2021 the Board of Directors approved the updated Personal Sata Protection Policy which is posted on the Company's website (<https://www.dei.gr/el/dei-omilos/i-dei/etairiki-diakivernisi/enimerwsi-gia-ta-dedomena-proswpikou-xaraktira/>)
- Guidelines for the preparation of a Data Protection Impact Assessment (DPIA) on critical business processes were issued
- A special procedure for the drawing up of a Data Processing Agreement (DPA) has been included in the Regulations on Works, Supplies and Services.
- A series of communication and training activities has been carried out to raise awareness on data protection issues.

Freedom of Association

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

The union-workers are protected under relevant legislation (with regards to transfers and dismissals).

Labor union actions are facilitated through appropriate leaves, in compliance with the relevant legislation and the enterprise-specific collective labor agreement

Enterprise-specific collective labor agreements are signed, usually with a 3-year duration, following collective bargaining.

Non-Financial Performance Indicators

GRI 406-1- Incidents of Discrimination and Corrective Actions taken

| Indicator/Company | PPC S.A. | | GROUP | |
|--|----------|------|-------|------|
| | 2021 | 2020 | 2021 | 2020 |
| Court convictions on incidents of human rights violations in the workplace (number of incidents) | 0 | 0 | 0 | 0 |
| Employees subject to disciplinary penalties by the Company for incidents of human rights violations in the workplace (number of employees) | 0 | 0 | 0 | 0 |

Note 1: The Group includes the companies PPC S.A., HEDNO S.A., PPC RENEWABLES S.A., LIGNITIKI MELITIS SINGLE MEMBER S.A. and LIGNITIKI MEGALOPOLIS SINGLE MEMBER S.A.

Responsible Supply Chain

PPC S.A.

Due Diligence and other Policies

In order to meet its needs in materials and services, as well as to carry out technical works, PPC S.A. enters into contracts with suppliers, giving priority, where feasible, to local suppliers, with the aim to support and develop local economies. In 2021, the procedures for the award of supplies, services and works were governed by PPC's Regulations on Works, Supplies and Services (Decision No. 53/19.05.2020 of PPC's Board of Directors), which together with the applicable EU (Directive 2014/25/EU) and national legislation constituted the regulatory framework for the conclusion of contracts on works, supplies and services. By the decision of the Board of Directors of the Company No 105/02.09.2021, the amendment of specific provisions of the Regulations on Works, Supplies and Services and the attached thereto Template Documents of PPC S.A. was approved in order to comply with the amendments-supplements imposed by L. 4782/09.03.2021 (National Official Gazette A' 36), the decision of the Board of Directors No. 82/14.07.2021 by which the Company's Conflict of Interest Policy was approved and the Company's relevant guideline on the procedure for the registration of procurement and invoice supporting documents.

The Company posts the contract notices on works, supplies and services on its website, aiming to initiate a public dialogue based on full transparency and objectivity. The Regulations on Works, Supplies and Services of the Company governing the award procedures is posted on the Company's website (<https://eprocurement.dei.gr/pages/information/>).

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

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

In this way, the Company ensures that it concludes contracts with contractors who comply with labour law and have their staff insured as provided for in the relevant legislation.

Results of Policies/Non-Financial Performance Indicators

In 2021, there were no incidents of labour law violations by contractors related to projects run by the Supply Chain & Corporate/Commercial Operations' Procurement Department of the Company.

Similarly, with regard to the subsidiaries PPC RENEWABLES S.A., HEDNO S.A., LIGNITIKI MELITIS SINGLE MEMBER S.A. and LIGNITIKI MEGALOPOLIS SINGLE MEMBER S.A., no incidents of labor law violation by contractors were detected during 2021.

[GRI 102-10: Significant changes in the supply chain]

As already mentioned, in 2021, by the decision of the Board of Directors of PPC S.A. No. 105/02.09.2021, the amendment of specific provisions of the Regulations on Works, Supplies and Services and the attached thereto Template Documents of PPC S.A. was approved in order to comply with the amendments-supplements imposed by L. 4782/09.03.2021 (National Official Gazette A' 36), the decision of the Board of Directors No. 82/14.07.2021 on the approval of the Company's Conflict of Interest Policy and the Company's relevant guideline on the procedure for the registration of supply and invoice supporting documents.

4. Information referred to Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework for the facilitation of sustainable investment and on its delegated Regulation (EU) 2021/2178 Of 6 July 2021 supplementing Regulation (EU) 2020/852

To achieve the European Union (EU) climate and energy targets by 2030 and also to meet the targets of the European Green Agreement, which laid the groundwork for changes in energy and climate policies to reduce its emissions, the EU has established the framework for the creation of the European Classification for Environmentally Sustainable Economic Activities. The European Classification is a classification system that includes activities that are considered to be, under certain conditions, environmentally sustainable or activities that facilitate the transition to sustainability.

The EU Taxonomy Regulation establishes six environmental objectives:

- a. Climate change mitigation
- b. Climate change adaptation
- c. The sustainable use and protection of water and marine resources
- d. The transition to a circular economy
- e. Pollution prevention and control
- f. The protection and restoration of biodiversity and ecosystem

Through the legal framework of the European Classification, business entities can attract investment in order to further expand and develop their sustainable economic activities, provided that they meet certain criteria. The alignment with these criteria is constantly monitored, while the relevant data are published on an annual basis and are included in the non-financial report of the published Annual Report.

Article 8 of the EU Taxonomy regulation brings an obligation for public interest entity to disclose:

- (a) the percentage of their turnover from products or services related to economic activities that qualify as environmentally sustainable under Articles 3 and 9 of the Regulation;
- (b) the percentage of their capital expenditure (CAPEX) related to assets or processes related to economic activities that qualify as environmentally sustainable under Articles 3 and 9 of the Regulation and,
- (c) the percentage of their operating expenses (OPEX) related to assets or processes related to economic activities that qualify as environmentally sustainable under Articles 3 and 9 of the Regulation.

The above percentages correspond to the financial activities of the Group that were considered eligible under the EU Taxonomy according to the description of these activities and taking into account the corresponding NACE activity codes, as they are set out in the delegated Regulation 2021/2139 / EU.

For the first period of application of the Taxonomy framework, the Group's financial activities were examined and included or excluded only on the basis of eligibility and their alignment with the technical criteria provided in the relevant delegated Regulations has not been considered.

The applicable accounting policies relating to the preparation of the following tables are presented in Note 4.4 «Basic Accounting Policies» of the Annual Financial Statements (Consolidated and Separate) of December 31, 2021.

The amounts presented in the tables below have been calculated in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and their interpretations as issued by the Standards Interpretation Committee (IFRIC.) of the IASB.

The key performance indicators, related to eligible activities according to EU Taxonomy for the financial year 2021 are shown in the following table:

| | Eligible | Non-Eligible | Total |
|---------------------|----------|--------------|-------|
| Turnover | 5.2% | 94.8% | 100% |
| Capital expenditure | 51.9% | 49.1% | 100% |
| Operating Expenses | 3.2% | 96.8% | 100% |

The following is a brief description of the key performance indicators by eligible activity.

Electricity generation using solar photovoltaic technology

| Eligible activity analysis | | | |
|----------------------------|----------|--------------|-------|
| | Eligible | Non-Eligible | Total |
| Turnover | <1.0% | >99.0% | 100% |
| Capital expenditure | <1.0% | >99.0% | 100% |
| Operating Expenses | <1.0% | >99.0% | 100% |

Description of the Group's eligible activity.

The Group is active in the production of Electricity from photovoltaic parks, through the 100% subsidiary of PPC Renewables SA.

Electricity generation from wind power

| Eligible activity analysis | | | |
|----------------------------|----------|--------------|-------|
| | Eligible | Non-Eligible | Total |
| Turnover (*) | <1.0% | >99.0% | 100% |
| Capital expenditure | <1.0% | >99.0% | 100% |
| Operating Expenses | <1.0% | >99.0% | 100% |

Description of the Group's eligible activity.

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

Electricity generation from hydropower

| Activity analysis | | | |
|---------------------|----------|--------------|-------|
| | Eligible | Non-Eligible | Total |
| Turnover (*) | 17.0% | 83.0% | 100% |
| Capital expenditure | <1.0% | >99.0% | 100% |
| Operating Expenses | <1.0% | >99.0% | 100% |

(*) As determined based on the unbundled Income Statement of the Electricity Production Sector.

Description of the Group's eligible activity.

The Group produces electricity both through the Large Hydroelectric Power Stations of the Parent Company, and through the Small Hydroelectric Power Stations of the 100% Subsidiary PPC Renewables SA. The installed Hydroelectric Power of the Group amounts to approximately 3,000MW and in 2021 the hydroelectric production reached approximately 5.3 TWh.

The Large Hydroelectric Power Stations (HPPs) (15) are classified into 4 main river Complexes (Acheloos, Aliakmonas, Arachthos, Nestos) and two independent HPPs (Plastiras and Ladonas). As multi-purpose projects, in addition to their participation in the energy balance of the Interconnected System, they provide flood protection, provide water for cities, irrigate agricultural land, upgrade lakeside areas for tourism, water sports, boating, etc. in Greece.

In addition, at the beginning of 2024, the Metsovitiko HPP (29MW) is expected to start operating, while the Mesochora HPP (160MW) is expected to be put into operation at the end of 2025.

Transmission and distribution of electricity

| Eligible activity analysis | | | |
|----------------------------|----------|--------------|-------|
| | Eligible | Non-Eligible | Total |
| Turnover (*) | 5.2% | 94.8% | 100% |
| Capital expenditure | 51.1% | 49.9% | 100% |
| Operating Expenses | 3.1% | 96.7% | 100% |

Description of the Group's eligible activity.

The Group is active in the Distribution of Electricity in the Low and Medium Voltage, through its 100% (on 31/12/2021) subsidiary HEDNO SA, while the activity of the Distribution Network was integrated in the activities of the Parent Company until 30.11.2021 and then it was contributed to the subsidiary HEDNO SA Electricity Distribution Activity was considered for the report of 31.12.2021 as totally eligible for the purposes of the European Taxonomy.

Note on fossil gaseous fuel power generation activities (Delegated Regulation 2022

The Group is active in the operation of electricity generation / cogeneration facilities with the use of natural gas. The relevant Regulation at the time of publication of this report is still under consultation. If the generation of electricity from fossil fuels was considered as an eligible activity for the report of 31.12.2021, then the disclosure would be formulated as follows:

Electricity generation from fossil gaseous fuels

| | Activity analysis | | |
|---------------------|-------------------|--------------|-------|
| | Eligible | Non-Eligible | Total |
| Turnover (*) | 44.9% | 55.1% | 100% |
| Capital expenditure | <1.0% | >99.0% | 100% |
| Operating Expenses | <1.0% | >99.0% | 100% |

(*) As determined based on the unbundled Income Statement of the Electricity Production Sector.

Description of the Group's eligible activity.

The Group produces electricity through the steam power plants (SPP) of the Parent Company using natural gas as fuel. The installed capacity of the Group's gas-fired SPPs exceeds 2,650MW and includes the SPPs of Komotini, Megalopolis, Aliveri and Lavrio - Keratea. In 2021 the Group's production of electricity from natural gas fired stations, reached approximately 11 TWh. It is noted that the new unit Ptolemaida V, which will initially operate from 2022 as a lignite fired unit, is expected to be converted after 2028 to use natural gas as fuel.

STATEMENT OF CORPORATE GOVERNANCE**Introduction**

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

The implementation and the observance of corporate governance best practices 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. An indication of the importance that PPC attaches to corporate governance is the newly established Legal Affairs & Corporate Governance Division which is tasked with the introduction of new and the review of the existing corporate governance practices in order to ensure the alignment of the Company and the entire Group with international best practices. Furthermore, PPC, in addition to the requirements of L. 4706/2020, instituted organizational structures, at the level of departments, for the more complete adoption and implementation of Procedures for both Regulatory Compliance and Risk Management.

In the context of strengthening Corporate Governance, the Company in 2021 in full compliance with L. 4706/2020 harmonized all the provisions of its Articles of Incorporation and adopted and implemented Policies and Regulations beyond those required by law, approaching international best practices and in particular:

- New Code of Corporate Governance
- Reformed / Updated Rules of Operation of the Company
- New Policies and Regulations of Compliance and Business Ethical Behavior

More specifically, within the first half of 2021, 14 Policies and Regulations were approved that incorporate the regulatory framework and best practices that ensure its transparent and effective management.

Specifically, a series of Policies and Regulations were approved that ensure the adequacy of the members of the Board of Directors (herein "BoD" or "Board of Directors"), the strengthening of the role of the Audit Committee, the fulfillment of the independence criteria by the independent non-executive members and the transparency (Suitability Policy for the Members of the Board of Directors, the Board of Directors Rules of Operation, the Audit Committee Rules of Operation, the Nominations, Remuneration and Recruitment Committee Rules of Operation and Policy for Notification of the existence of any dependency relations of the Independent Non-Executive Board Members). In addition, the Training Policy for the Board Members, as well as the Executives Training Policy were approved.

In order to prevent adverse events related to the operation of the Market and to create relationships of trust with the investors, the Privileged Information Management Regulation and the Related Parties Transactions Regulation were approved. Aiming at strengthening the Internal Control System, the Rules of Procedure of the Internal Audit Unit Department were reformed and the Policy for the Periodic Evaluation of the Internal Control System was adopted.

The creation of value for our stakeholders (shareholders, employees, investors and generally individuals who interact with us) is accomplished not only through the achievement of strong fundamental sizes but mainly through good governance, and the impact of the Company's activity on Society and the Environment. In this context, the Sustainable Development Policy was approved, which defines the basic framework of the Company's commitment to the three ESG pillars, namely Environment, Society, Governance (as set out below).

Also, in the context of the implementation of the «Business Ethics & Compliance Program» (Ethics & Compliance) which not only aims at the suppression and proper management of Conflict of Interest situations, but also at creating a business culture that will prevent such phenomena. In this context, the Board of Directors approved the Conflict of Interest Policy, as well as the Anti-Money Laundering and Combating Terrorist Financing Policy. Also, in 2021, the Policy against Discrimination, Violence and Harassment at Work and the Sanctions and Whistleblowing Policy were developed.

At the same time, the Company is in the process of revising its Code of Conduct, which incorporates the new Policies for Corruption and Bribery and the Whistleblowing Policy. In particular, in order to deal with incidents of corruption, discrimination, violence and harassment at work, the Company, in cooperation with Transparency International Greece, proceeded to create a channel for receiving reports and complaints that will effectively contribute to the prevention and detection of corruption, unethical or illegal activities.

This framework of corporate governance, corporate social responsibility (herein "CSR") and compliance will constitute the Company's safeguards in the future with the ultimate goal of ensuring sustainable development and maximizing its value.

It is highlighted that the Company, before 16-11-2021, the date of completion of the increase of its share capital, which was decided by the Extraordinary General Meeting of the shareholders on 19/10/2021 and the limitation of the percentage of the Hellenic Republic to 34.12%, had as an indirect main shareholder the Hellenic Republic, which held 51.12% of its share capital. As a result, PPC, as a company of the wider public sector, was subject to specific laws and Regulations that apply to public sector corporations. Consequently, its operations were subject to restrictions provided for in special laws applicable to the Greek public sector, such as, by way of illustration, Policies related to supply and works, remuneration and recruitment. These laws and Regulations may have limited its operational flexibility and the implementation of relevant corporate governance "best practices", despite the fact that L. 4643/2019 introduced Regulations that facilitated a more flexible operation of the Company in critical fields of its activity. With regard to the shareholder structure of the Company, after the completion of its share capital increase on 16.11.2021:

The shareholder structure of the Company, after the completion of its share capital increase on 16-11-2021 and following the transfer by law on 2-3-2022 of the total participation of HRADF in PPC share capital (corresponding to 10,32%) from HRADF to HCAP, in accordance with article 147 of Law 4876/2021, is the following: The Hellenic Corporation of Assets and Participations S.A. («HCAP», in which the Hellenic Republic holds 100% of the shares and voting rights), holds directly 34.12% of PPC's share capital and voting rights, the company Selath Holdings S.à r.l holds 10% of the Company's share capital and voting rights and the total holdings of Helikon Long Short Equity Fund Master ICAV of PPC's voting rights (i.e. the total of voting rights attached to shares and voting rights through financial instruments) amount to 6,48% (based on relevant notification received on 29.9.2021 from Helikon Investments Limited), while the remaining percentage is held by institutional investors and general public.

Structure of the Statement of Corporate Governance

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

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

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

- I. **Declaration of Conformance with the Corporate Governance Code**
- II. **Deviations from the Corporate Governance Code and Justification of Deviations**
- III. **Corporate Governance Practices applied by the Company in addition to the provisions of the legislation**

- IV. **Description of the internal control and risk management systems in relation to the financial reporting process**
- V. **Information regarding the Company's control status (points (c), (d), (f), (h) and (i) of paragraph 1 of Article 10 of Directive 2004/25/EC of the European Parliament and of the Council, of 21 April 2004 on public takeover bids)**
- VI. **Convocation and Functioning of the Governing Bodies**

A. Board of Directors

1. Composition and functioning - term of office of each member of the Board.
2. Detailed Curriculum Vitae of the members of the Board of Directors, the Chief Officers and the Corporate Secretary
3. Appointment of the Chairman, the Vice Chairman and the Chief Executive Officer (hereinafter, "CEO")
4. Appointment of non-executive members and, of these, the non-executive members that the Board of Directors views as independent and the rationale behind this view
5. Number of meetings of the Board of Directors and the frequency of participation of each member - issues each member dealt with
6. Reference to the Suitability Policy for the Members of the Board of Directors - description of the evaluation process of the individual and collective suitability of the members of the Board of Directors
7. Other Professional Engagements of the of the members of the Board of Directors
8. Number of shares held by each member of the Board and any key Executive member of the Company
9. Remuneration Policy for the members of the Board of Directors
10. Instances of direct and indirect conflicts of interest
11. Establishment of criteria for independence by the Nominations, Remuneration & Recruitment Committee
12. Communication with shareholders and other stakeholders

B. Audit Committee

- i. Composition and functioning - term of office of members
- ii. Curriculum Vitae of the members of the Audit Committee
- iii. Responsibilities of the Audit Committee
- iv. Frequency of Audit Committee meetings and members' participation
- v. Proceedings of the Committee for the fiscal year 2021
- vi. Committee Evaluation

C. Nomination, Remuneration, and Recruitment Committee

- i. Composition and functioning - term of office of members
- ii. Curriculum Vitae of the members of the Committee
- iii. Responsibilities of the Committee
- iv. Frequency of Committee meetings and members' participation
- v. Proceedings of the Committee for the fiscal year 2021
- vi. Committee Evaluation

D. Other Committees

- VII. **Diversity Policy applicable to the Company's management, administrative and supervisory bodies**
- VIII. **Related Parties Transactions Policy**
- IX. **General Meeting and Shareholders' Rights**
- X. **Sustainable Development Policy**
- XI. **Non-Financial Reporting**

ANNEX

1. Curriculum Vitae of the Chief Officers of the Company
2. Shares held by the Chief Officers of the Company

I. Declaration of Compliance with the Corporate Governance Code

The Company, complying with the Regulations of article 17 of L. 4706/2020 and following the decision No. 86 / 14.07.21 of its Board of Directors, adopted and implements the Hellenic Corporate Governance Code (hereinafter and for the sake of brevity referred to as the «Code») of HCGC, which was published in June 2021, and is also available on the Company's website (<https://www.dei.gr/en/ppc-group/ppc/corporate-governance/codes-regulations-and-policies/>).

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

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

Following the above and based on the principle «Comply or Explain», below are presented the deviations of the Company's Regulations from the said practices of the Code, always taking into account that PPC SA. for the fiscal year 2021, as a company of the wider public sector, was subject to legal provisions and Regulations regarding the recruitment and remuneration process of the executives:

| Hellenic Corporate Governance Code | Explanation/Justification of discrepancies |
|---|--|
| Role and competencies of the Board of Directors (provision 1.11 of the Code - definition of responsibilities of the CEO and the Deputy Chief Executive) | In the initial Articles of Incorporation of the Company according to the issued Presidential Decree 333/2000 (Government Gazette 278/20.12.2000 vol. A') which has the force of law, there is an opposite regulation. The authority and competencies of the CEO are provided directly by the Articles of Incorporation (par. 2 and 3 article 15) |
| Diversity criteria for senior managers (provision 2.2.15 of the Code) | The selection of the Company's executives is governed by the special L. 4643/2019 «Liberalization of the energy market, modernization of PPC, privatization of DEPA and support of R.E.S. and other provisions» (Government Gazette 193/A/ 3-12-2019), which ensures the provision of equal opportunities in the process of staff recruitment, remuneration and evolution in the Company (Code of Conduct of PPC S.A. § 1 and 2). Proof of fulfillment of the diversity criteria for the executives as well, is the fact that in 2021 the percentage of women in managerial positions in the Company rose to 32% from 17% in 2014, marking an increase of 88.2%. (including the ranks starting from Assistant Directors/Head of Units of the Company). In addition, the percentage of women mid-level employees (including the ranks of Heads of Section and Heads of Subsection), whose selection is not governed by L. 4643/2019, rose to 43% in 2021 compared to 41% in 2020. |
| Ensuring the duties of the members of the Board can devote sufficient time to the performance of their duties (provisions 2.2.17 & 2.2.18 of the Code) | The high degree of involvement of each member of the Board in the meetings that took place during the fiscal year 2021 testifies that in essence there is no question of deviation from the provisions of the Code; however, the Company is in the process of adapting the relevant wording to its Regulations and Policies within the first semester of the current year. Until the implementation of the specific provisions, the members of the Board of Directors are advised, in terms of their external professional commitments, to not participate in Boards of Directors of more than five (5) companies of different interests, and the non-executive members to not participate in Boards of Directors of more than of (5) five listed companies. |

| Hellenic Corporate Governance Code | Explanation/Justification of discrepancies |
|---|---|
| Succession Plan of the CEO (provision 2.3.4 of the Code) | The selection process of the CEO was carried out according to the procedures of HCAP, which was until recently a majority shareholder of the Company. Therefore, for the fiscal year 2021 there is no issue of deviation. The Nominations, Remuneration and Recruitment Committee of the Company prepares the succession plan of the CEO. |
| The role of the Nominations Committee in the process of nominating candidates, in the planning of the succession plan for the Board members and the senior executives (provision 2.3.7 of the Code) | The selection of the Company's executives is governed by the special L. 4643/2019 «Liberalization of the energy market, modernization of PPC, privatization of DEPA and support of R.E.S. and other provisions» (Government Gazette 193/A/3-12-2019). Therefore, in relation to the provisions of L. 4663/2019 and the special institutional environment governing PPC, the preparation of the succession plan of the senior executives is not part of the Nominations, Remuneration and Recruitment Committee's responsibilities. |
| The Remuneration Committee has the responsibility to determine the remuneration system for the members of the Board and the senior executives (provision 2.4.8 of Code) | The Remuneration Policy of the Company has been formulated based on the legislation concerning and applied to companies of Chapter B' of L. 3429/2005 (since at the time of its preparation the Company was under the control of the State), the provisions of articles 110 to 112 of L. 4548/2018 in combination with the Special L. 4643/2019 (which is still in force after the reduction of the indirect participation of the State to 31.4%) and taking into account the relevant provisions of L. 4706/2020. In accordance with the above, the Policy applies to the remuneration of the Members of the Board of Directors and its Committees, the Deputy CEOs, the Chief Officers, the Directors and the Assistant Directors / Heads of Units of the Company. Therefore, the determination of the remuneration system according to the provision 2.4.8 of the Hellenic Corporate Governance Code is not part of the Nominations, Remuneration and Recruitment Committee's responsibilities. |
| Refund of the variable remuneration of the members of the Board of Directions (provision 2.4.14 of the Code) | According to the Company's Remuneration Policy, which was approved by the Extraordinary General Meeting of Shareholders on 4-6-2021, no provisions for recovery of variable remuneration are foreseen. However, the degree of achievement of the objectives of the executive members of the Board of Directors is confirmed after the audit and final approval of the Group's financial statements, which means that there is no case of incorrect financial data being used to calculate this variable remuneration. |
| Annual evaluation of the effectiveness of the Board of Directors / CEO (provisions 3.3.3 and 3.3.4 of the Code) | The Company is in the process of determining the methodology to be followed for the evaluation of the performance of the Board of Directors, both collectively and individually, of its Chairman, as well as its committees and the adoption of an Evaluation Policy and Procedure. It is estimated that the first evaluation of the Board of Directors will be completed within the current year. Every three years, the evaluation of the effective fulfillment of the duties of the members of the Board of Directors and its committees will be assigned to an external consultant. Especially for the CEO, and in accordance with the Company's Remuneration Policy, upon the approval of the annual regular budget and based on the strategic priorities and/or the Business Plan of the Company, the Board of Directors defines the goals of the Group (financial, strategic and sustainable development targets), which are the CEO's objectives. At the end of each reference year and following the announcement of the Group's Financial Results, the level of achievement of the Group's objectives of all categories is evaluated. The evaluation process for the entire Company commences from the evaluation of the achievement of the CEO's objectives, through which the level of achievement of the Group's objectives is confirmed. The Nominations, Remuneration and Recruitment Committee receives and reviews the report on the level of achievement of the CEO's objectives, through which the level of achievement of the Group's objectives is verified and submits it for final approval to the Board of Directors. |

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

For the fiscal year 2021, the Company declares that the rules and practices of corporate governance applied by PPC, apart from those provided for or required by the standing legislation governing listed corporations of the wider public sector (L. 4548/2018, L. 3016/2002, L. 4449/2017, L. 3429/2005 chapter B, L. 4706/2020 and the special law L. 4643/2019). Following the reduction of the indirect participation of the Greek State at the end of 2021, the Company ceased to be regarded as a Company of the public sector, within the meaning of L. 3429/2005, and is expected to be readjusted to the common type of private sector companies. However, the Company will continue to be subject to the special L. 4643/2019.

In particular and pursuant to the above for the financial year 2021, these practices and Regulations are set out below:

- The powers and the competencies of the CEO, who is the highest-ranking executive officer of the Company, are directly provided for in the Articles of Incorporation (par. 2 and 3 Article 15 of the Articles of Incorporation of the Company, as well as section VI.A.2 below).
- The Board of Directors or the General Meeting of the Shareholders of the Company elects the Chairman of the Board of Directors as well as the Deputy Chairman (article 14 of the Articles of Incorporation, "Chairman and Deputy Chairman of the Board of Directors). The capacity of the Chairman of the Board of Directors may coincide with that of the CEO.
- Apart from the BoD and the CEO, the Governing Bodies of the Company include the Executive Committee (article 18a of Articles of Incorporation, article 4 of Rules of Operation). Its composition and competencies are described in section VI.C below «Executive Committee».
- There are Deputy CEOs reporting to the CEO (Article 15a of the Articles of Incorporation of the Company, «Deputy CEOs »)
- The Board of Directors consists of eleven (11) members, out of which at least five (5) are independent non-executive members (par.1 article 9 a of the Articles of Incorporation), meaning that its composition exceeds the threshold that is set in par. 2 article 5 of L. 4706/2020, which states that the independent non-executive members shall not be less than one third (1/3) of the total number of its members.
- The Audit Committee of the Company, which operates pursuant to the provisions of article 44 of L. 4449/2017 as in force, and article 9 of L. 4643/2019, consists of five (5) members, which shall be in their totality, not in their majority, independent from the Company, within the meaning of the provisions of article 9 of L. 4706/2020, by virtue of L. 4706/2020 (article 10 and article 74).
- The Company has established a Nominations, Remuneration & Recruitment Committee in accordance with Articles 10, 11 and 12 of L. 4706/2020. The Nominations, Remuneration & Recruitment Committee consists of three (3) members, which shall be in their totality, not in their majority as stated in L. 4706/2020 (article 10), independent non-executive members of the Board of Directors of the Company, within the meaning of the provisions of article 5 of the special L. 4643/2019.
- The prohibition applied to the members of the Board of Directors, concerning the conduct of competitive acts, is valid for a period of two years following termination for any reason whatsoever of the term of office of the Board member or his retirement from the BoD (par.2 article 13 of the Articles of Incorporation "Prohibition of competition – Participation in the Board of Directors of subsidiary companies").
- The Articles of Incorporation of the Company provide on one hand that the BoD may meet by way of teleconference (par.2 article 11) and on the other that the Shareholders are entitled to participate in the voting of the General Meeting via distance voting, registered mail or through electronic means (article 22 par. 4).

IV. Description of the Company's Internal Control and Risk Management system in relation to the financial statements' drawing up process (individual and consolidated)

In accordance with the Decision 1/891/30.09.2020 of the Board of Directors of the Hellenic Capital Market Commission, as amended by its Decision 2/917/17.06.2021, the first assessment of the Internal Control System has to be completed until 31.03.2023, with reference date the period 31.12.2022 and a reference period 17.07.2021 - 31.12.2022. Consequently, the first reference regarding the Report of the Evaluation of the Internal Control System is expected to be included in the Statement of Corporate Governance as part of the Annual Financial Report of 31.12.2022.

Internal Control System

The Company has established an Internal Control Systems (hereinafter referred to as «ICS») which includes all the internal control mechanisms and procedures governing the Company, including risk management, internal audit and regulatory compliance, in order to cover, on a continuous basis, each of its activities and to contribute to its safe and effective operation. In particular, the Company's ICS aims at the following:

- the consistent implementation of the business strategy, with the efficient use of the available resources,
- the identification and management of material risks associated with its business activity and operations,
- the proper operation of the Internal Audit Department,
- to ensure the completeness and reliability of the data and information required for the accurate and timely determination of the Company's financial situation and the preparation of reliable financial statements, as well as its non-financial statement,
- to ensure the compliance with the applicable regulatory and legislative framework, as well as the internal Regulations governing the operation of the Company.

The Board of Directors is responsible for ensuring the adequate and effective operation of the Company's ICS, ensuring that the functions of the units that comprise the ICS are independent of the business areas they control, and that they have the appropriate financial and human resources, as well as the authority to operate effectively, as required by their role. The reporting lines and the allocation of duties of the functions of the ICS are clear, executable, and duly documented.

The Audit Committee shall monitor, examine and evaluate the adequacy and effectiveness of the ICS. This evaluation is part of the overall evaluation of the Company's Corporate Governance System, which is carried out at least every three (3) fiscal years by the Board of Directors (pursuant to par. 1 of article 4 of L. 4706/2020).

The Company has a Policy and a Procedure regarding the evaluation of the ICS, which were established to comply with par. (3i) and (4) of Article 14 of L. 4706/2020 and the Decision 1/891/30.9.2020 of the Hellenic Capital Market Commission, as amended by its Decision 2/917/17-06-2021. The ICS Evaluation Policy incorporates the general principles of the object and the scope of the ICS evaluation by an independent external evaluator, the periodicity of the audit, the basic principles of assigning the evaluation to an external evaluator, as well as the procedure for monitoring and notifying both the Company and its significant subsidiaries with the results of the evaluation. The Evaluation Procedure of the ICS describes the individual stages of the selection of the independent evaluator who will conduct the evaluation of the ICS in accordance with the above.

i. Safeguards at corporate level

The corporate safeguards concern the internal audit, the regulatory compliance and the risk management.

→ Internal Audit is the first safeguard at the corporate level

The Internal Audit, in accordance with L. 4706/2020, as in force, the article 4 of L. 3429/2005 and the article 44 of L. 4449/2017 constitutes an independent, objective, assurance and advisory function, which is designed to add value and improve the Company's operations, helping it accomplish its objectives through the adoption of a systematic and professional approach to evaluate and improve the effectiveness of governance, risk management and control Processes. The Internal Audit of the Company is carried out by a special Service, the Internal Audit Department, which was established by a BoD decision and is supervised by the Audit Committee.

The Internal Audit Department aims at the efficient and valid audit of the Company in order to protect the interests of the shareholders, in accordance with the legislation in force, the Corporate Governance principles and Internal Audit best practices, in order to ensure that:

- Risks are identified thus ensuring adequate management by the competent Units.
- The personnel acts in accordance with PPC Policies and Procedures, Rules and the Legislation in force.
- PPC resources are acquired and used in an efficient and cost-efficient manner.
- PPC assets are adequately protected.
- Financial information is reliable.

The Internal Audit Department in order to ensure the accordance with articles 1 to 24 of L. 4706/2020 monitors, examines and evaluates in particular:

- The implementation and continuous compliance with the Company's Rules of Operation, which includes at least the following:
 - The organizational structure, the responsibilities of its committees, the duties of their Heads and their reporting lines
 - A description of the key characteristics of the ICS - at least description of the operation of the Internal Audit, the Risk Management and the Regulatory Compliance functions
 - The procedure for recruitment and evaluation of chief executives
 - The compliance procedure of the persons that fall within the scope of Regulation EU 596/2014 and the persons associated with them
 - The procedure regarding dependence relationships of independent non-executive members of the Board of Directors, in accordance with article 9 of L. 4706/2020
 - The procedure for the compliance with the obligations arising from articles 99-101 of L. 4548/2018 regarding transactions with related parties
 - The Policies and Procedures regarding the prevention and management of conflicts of interest situations
 - The Policies and Processes regarding the Company's compliance with the laws and Regulations governing its organization and operation, as well as its activities
 - The management of Privileged Information and the prevention of market abuse (Regulation (EU) 596/2014)
 - The Policy and Procedure for conducting the Periodic Evaluation of the ICS
 - The Training Policy for Board Members and other executives, in particular those involved in internal audit, risk management, regulatory compliance and information systems
 - The Sustainable Development Policy

The Internal Audit Department also monitors, examines and evaluates:

- The ICS, particularly in terms of the adequacy and accuracy of the provided financial information, risk management, regulatory compliance and the Corporate Governance Code adopted by the Company
- The quality assurance mechanisms
- The corporate governance mechanisms
- Compliance with the commitments stated in the Company's prospectuses and business plans regarding the use of funds raised from the regulated market

The mission of the Internal Audit Department, its organization and staffing, its competencies, its relations with the Supervisory Authorities, as well as the competencies of its Director, the rules of its operation and the Code of Ethics of the Internal Audit Department are included in detail in its Rules of Procedure, which constitute an integral part of the Company's Rules of Operation. The Audit Committee submits for approval to the Board of Directors the Internal Audit Department's Rules of Procedure.

The annual Internal Audit plan is prepared based on the determination, the update and the assessment of the Group's operational risks and taking into account its strategic objectives and all developments concerning it and the environment in which it operates. The audit plan is submitted, through the Audit Committee, for approval to the Board of Directors.

→ The Compliance Department is the second safeguard at corporate level

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

The objective of the Compliance Department is to monitor compliance with applicable laws, except for the institutional and regulatory framework regarding environmental and energy transactions, and to promote ethical standards of conduct and protect the Company's reputation through effective identification, assessment, prevention, supervision and resolution of any kind of non-compliance with the internal Regulations and Policies of ethical behavior of the Company.

Within the scope of its duties, the Compliance Department is responsible for the preparation of the «Business Ethics & Compliance Program», the diligence of compliance with the «Code of Conduct» by the employees and the partners of the Company, the contribution to address compliance issues, the preparation of the annual risk assessment plan for compliance issues, the consideration and management of an advisory help line, as well as the operation and management of a reporting channel (whistleblowing), the performance of sample audits in the Company's units for the prevention of any violations of the legal framework in force (ongoing monitoring), the continuous training and briefing of personnel on Compliance and Code of Conduct issues and finally the monitoring of compliance with the European Union's General Data Protection Regulation (GDPR).

In addition, and for the specific needs of the Department of Energy Management & Trading, the position of Energy Transactions Compliance Director was established in September 2021. The main competencies of the aforementioned position is the continuous monitoring of the legal framework governing energy transactions, the participation in the annual energy transactions compliance risk assessment in cooperation with the Company's competent departments, the preparation and monitoring of the implementation of the Energy Transactions Compliance Program, which is a part of the Business Ethics & Compliance Program, as well as the development of internal guidelines and Policies to ensure compliance.

Finally, in the above context, in April 2021, the development of the Company's Anti-Money Laundering and Combating Terrorist Financing Policy (AML Policy) was completed. The aforementioned policy is applicable to wholesale transactions and futures/options contracts, provided however, that the value of the above transactions amounts to at least ten thousand (10,000) euros, regardless of whether it is carried out with a single transaction or with several that seem to be related to each other.

In this context, the Company, in compliance with International requirements (Bloomberg 2015, creation of TCFD by the Financial Stability Board) initiated its transition process from the current corporate GRC governance model (Governance, Enterprise Risk, Compliance), to the new ESG model (Environmental, Social, Governance). Specifically, and according to the guidelines set forth by the TFCF «Taskforce for Climate-related Financial Disclosure», the Company evaluates the risks it will face in the context of its activities, due to climate change, and considers ways to deal with them.

→ **The Risk Management Department and the Risk Management Committee are the third safeguard at corporate level**

The initial establishment of the **Risk Management Department** in 2020 and the subsequent establishment of the **Risk Management Committee in 2021** are aiming at safeguarding the Company against internal and external risks as a result of its business activity, through central monitoring and coordination of the risk exposure management.

The Risk Management Department has the responsibility of developing and implementing an appropriate risk management system, which is aligned with the Company's Risk Management Policy by which a) all corporate risks are evaluated (identified, quantified and prioritized based on materiality), b) a risk management and response strategy is developed (acceptance or prevention of the risk, risk mitigation by modifying the relevant business action, sharing or transfer of risk), and c) procedures for monitoring the evolution of risks are set up by introducing appropriate procedures and control indicators. It is noted that the competence and responsibility for the management of each risk remains with the Services to which these risks pertain.

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

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

ii. Safeguards for information systems

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

The roles and competencies concerning the information systems security are defined in the FISS.

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

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

iii. Safeguards for the procedure of preparation of 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 effectiveness of the Internal Control System.

Procedures for accounting monitoring and preparation of financial statements

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

Procedures for property safekeeping

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

Transaction approval limits

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

The Audit Committee monitors, on an ongoing basis, the effective operation of the Company's internal control, quality assurance and risk management systems, of the Regulatory Compliance and, as the case may be, the Internal Audit Department, regarding the Company's financial information, without violating its independence.

The Audit Committee supervises the Internal Audit Department, in relation to its tasks. In this context, the Audit Committee presents its observations to the Board of Directors via:

- a. the quarterly reports it receives regarding the four (4) areas described by article 16 of L.4706/2020 and particularly: the implementation of the Rules of Operation and the Internal Control System, especially in terms of its adequacy and accuracy of the provided financial information, risk management, regulatory compliance and the corporate governance code which has been adopted and implemented by the Company. Furthermore
- b. the reports to the auditees, with findings regarding the four (4) areas described by the law, the risks arising from them and the recommendations for improvement.

The Board of Directors for the fiscal year 2021, through the aforementioned mechanisms, reviewed the corporate strategy, the major business risks for the Company, as well as the Company's Internal Control System and concluded the following:

The Internal Control System developed and implemented by the Company, ensures the consistent implementation of the corporate strategy, the identification and management of material risks, the effective operation of the Internal Audit Department, the completeness and reliability of the data and information required for the accurate and timely determination of the financial situation of the Company and the preparation of reliable financial statements and compliance with the legal and regulatory framework, as well as the internal Regulations governing the operation of the Company.

In particular, for the fiscal year 2021, the Board of Directors has carried out an assessment of the key areas of business risks associated with the Group's business, has identified the risks that are likely to have a negative impact on both its financial and non-financial aspects and it has specified the way Company manages them. A detailed description of the risks is set out in the relevant section of the Annual Management Report of the Board of Directors, which is included as an integral part of the Annual Financial Report for 2021.

The Audit Committee ensures the objectivity and independence of the Company's Chartered auditors.

During fiscal year 2021, projects were assigned to the firm of the Company's chartered Accountants. The Audit Committee consented to these engagements after having duly assessed the threats for independence and the safeguards applied in accordance with Article 22b of Directive 2006/43/EC. In particular, the Audit Committee carried out an assessment for each project that was assigned and concluded that in each case, these projects fall within the permitted non-audit services, and therefore no independence issue is raised within the meaning of the relevant provisions of L. 4449/2017 and Regulation (EC) 537/2014.

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

Share Capital Structure

By virtue of the decisions of the Board of Directors dated 29 October 2021 and 11 November 2021, adopted on the basis of the resolution of the Extraordinary General Meeting of the shareholders dated 19 October 2021, the share capital of the company was increased by the amount of three hundred and seventy two million Euros (372.000,000), in cash, through the issuance of one hundred and fifty million (150,000,000) new ordinary, registered, voting, dematerialized shares of a nominal value of two Euros and forty-eight cents (€2.48) each. Thus, the share capital of the Company on 31.12.2021 amounted to nine hundred forty-seven million three hundred sixty thousand Euros (947,360,000), divided into three hundred and eighty-two million (382,000,000) ordinary registered shares of a nominal value of two Euro and forty-eight cents (€ 2.48) each.

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 7, 2012 (which was ratified by article 2 of L. 4092/2012).

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

With regard to the significant participations (over 5%) in the share capital and voting rights of the Company within the meaning of the provisions of articles 9 to 11 of L. 3556/2007 as of 31.12.2021, Hellenic Corporation of Assets and Participations S.A. (HCAP S.A.) holds 23.80% of the shares and voting, the Hellenic Republic Asset Development Fund (HRADF) holds 10.32% of the shares and voting rights, Selath Holdings S.à r.l. holds 10.0% of the shares and voting rights and the total holdings of "Helikon Long Short Equity Fund Master ICAV" of PPC's voting rights (i.e. the total of voting rights attached to shares and voting rights through financial instruments) amounts to 6.48%. The relevant information with the number of shares and voting rights held by people with significant shareholdings has been obtained from the share register maintained by the Company, which is updated

by Axialine of the Athens Stock Exchange, as well as from the disclosures that have been received by law (MAR) to the Company on behalf of its shareholders.

On 8 April 2014, the Greek Joint Ministerial Committee for Restructurings and Privatizations decided the transfer, without consideration, of 39,440,000 PPC ordinary shares with voting rights (corresponding to 17% of the existing share capital of PPC S.A) by the Hellenic Republic to the HRADF, pursuant to the provisions of L. 3986/2011. On 09.04.2014, the transfer of said shares by the Hellenic Republic to HRADF was effected, following execution of an over-the-counter transaction and was announced on April 11, 2014. A transfer of 79,165,114 PPC shares (namely 34.123%) by the Hellenic Republic to HCAP (in which the Hellenic Republic holds 100% of the shares and voting rights) was completed on March 20, 2018, by law and without consideration, according to par. 20, article 380 of L. 4512/2018, as par. 1 of article 197 of L. 4389/2016 was amended. On 16-11-2021 the share capital increase of the Company was completed with the elimination of the existing shareholders' pre-emptive rights, as a result of which the share of HCAP and HRADF was limited to 23.8% and 10.3% respectively and finally the indirect participation of the Hellenic Republic amounted to 34.1%. With respect to the participation of HCAP, following a relevant over-the-counter transaction on 2.3.2022, the transfer by law, without consideration and exempt from any tax fee and / or right of third parties of the total participation of HRADF in PPC share capital (corresponding to 10.32%), from HRADF to HCAP was completed according to article 147 of L. 4876/2021. Following the above, the direct participation of HCAP in PPC amounts to 34.12% with the corresponding voting rights, while HRADF no longer participates in PPC's share capital

Shares with special control rights

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

Voting rights restrictions

There are no restrictions on voting rights

Agreements between Company's shareholders

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

Regulations on appointing and replacing members of the Board of Directors

According to article 9 of the Company's Articles of Incorporation, as in force until its amendment by the Extraordinary General Meeting of shareholders on 17-03-2022:

The Board of Directors consists of:

- a. Nine (9) members, including the CEO, elected by the General Meeting of shareholders of the Company, based on the Company's Suitability Policy, as in force and posted on the Company's website, which includes the Conflict of Interest Policy and rules for safeguarding diversity on the Board of Directors in terms of gender, age, representation of shareholders and educational and professional background. The Board of Directors elects from among the said members its Chairman and Vice Chairman, pursuant to article 14 of the Articles of Incorporation.
- b. Two (2) members representing the employees of the Company. These members are elected by direct, general ballot and by means of the proportional representation system, within a time period of two (2) months after the relevant notification to the most representative trade union (ASOP). The election of the representatives of the employees to the Board of Directors is conducted by an election committee appointed by the most representative trade union of the Company, in which at least one representative from the remaining trade unions of the Company participates. 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, are the duty of the said committee, which shall be presided over by a judicial functionary pursuant to the provision of article 11 of L. 1264/1982 concerning "Democratization of the Trade-union Movement – The Rights of the Unions" (Official Gazette, volume A, issue no 79). The same procedure shall also apply to the appointment of the substitute members in replacement of the members of the Board, who are elected in accordance with the procedure set forth in paragraph herein. In case the substitute member resigns or leaves his office vacant, for any reason whatsoever, his position shall be occupied by the substitute member who follows next in order.

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

The article 9 of the Articles of Incorporation was amended by a decision of the Extraordinary General Meeting of Shareholders on 17-03-2022 as follows:

The Board of Directors shall consist of eleven (11) members, including the CEO, elected by the General Meeting of the Shareholders of the Company, based on the Company's Suitability Policy, as in force and posted on the company's website, which includes the Conflict of Interest Policy and the rules for safeguarding diversity on the Board of Directors in terms of gender, age, representation of shareholders, and educational and professional background. The Board of Directors shall elect from among the said members its Chairman and Vice Chairman, pursuant to article 14 of the Articles of Incorporation. Of the above members, one (1) Non-Executive Member of the Board of Directors represents the employees of the company. This member is elected by the General Meeting of Shareholders, from a list of proposed candidates submitted to the Nomination, Remuneration and Recruitment Committee by ASOP, at least two (2) months before the expiry of the Term of office of the previous member in any way whatsoever, in order to be evaluated and elected by the General Meeting of Shareholders as per the above.

At the time of drawing up of this Statement, the decision to amend Article 9 of the Articles of Incorporation has been sent for submission to the General Electronic Commercial Registry (GECR or G.E.M.I.). and the issuing of the relevant approval act is pending.

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

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

renewal of the relevant power of the Board of Directors. In this case, the provisions of article 24 L. 4548/2018, as currently in force, shall apply. It is noted that the provisions of par. 2 of article 6 of the Articles of Incorporation of PPC as mentioned above were applied to the PPC's latest share capital increase in 2021, pursuant to the decisions of the Board of Directors held on October 29, 2021 and on November 11, 2021, issued based on the relevant decision of the Shareholders' Extraordinary General Meeting held on October 19, 2021.

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

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

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

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

In addition, any change in PPC shareholder structure, which may lead to a change in control over the Company, gives rise to an "Accelerated Put/Call Event" according to the Shareholders Agreement between PPC S.A. and TERNA ENERGY relating to WASTE SYCLO S.A. This event entitles the non-defaulting party to exercise his right whether to purchase all the shares of the defaulting shareholder or to proceed to the disposal of its shares to the defaulting party, based on the procedure set forth in the Shareholders Agreement. As of the date of drawing up of this Statement, there has been no change in the above agreement as a result of the change in control of PPC S.A.

With regard to the shareholders' agreement with ALPIQ, based on which the subsidiary company under the trade name PPC Bulgaria was established in Bulgaria, in the event of any change in the shareholder structure of one out of the two shareholders, which leads in a change of control over the company, the other shareholder may exercise his right to sell his shares to the first shareholder, within a period of 30 working days, pursuant to the procedure provided for in the shareholders' agreement. As of the date of drawing up of this Statement, there has been no change in the above, as a result of the change in control of PPC S.A.

Agreements with members of the Board of Directors or Company Personnel

Pursuant to the Company's Remuneration Policy approved by the Extraordinary General Meeting of Shareholders held on 4-06-2021, for the period 2020-2025, an additional incentive shall be provided to reward the CEO, Deputy CEOs, Chief Officers, and the Directors of PPC and PPC Renewables for their contribution to the achievement of the medium-term goals of the Group, in the form of four (4) cycles of Stock Awards, which is governed by the provisions of article 114 of L.4548/2018 in conjunction with the article 49 of the same law. The Company will implement this program through the sale of its own shares. In detail, the terms of the Program in Annex II "Stock Awards Plan" can be found in the Company's Remuneration Policy (<https://www.dei.gr/media/joyjbqmn/remuneration-policy-2021.pdf>).

On 22.8.2019, the Company signed a Mandate Contract with the current Chairman and CEO, Mr. Georgios Stassis. Moreover, the Company has signed Contracts for the provision of Services for a three-year period with the Executive Members of the Board of Directors and at the same time Deputy CEOs, Mr. A. Paterakis and Mr. G. Karakousis as of 20.1.2020 and 27.02.2020 respectively, pursuant to the provisions of article 4 of L. 4643/2019. Moreover, the Company has signed a Contract for the provision of Services for a three-year period with the Deputy CEO (and non-member of the BoD), Mr. I. Kopanakis, on 20.01.2020, pursuant to the aforementioned provisions. Finally, within 2020, PPC, in line with the provisions of L. 4643/2019, proceeded to the filling up of vacant statutory posts of Chief Officers, Directors, Assistant Directors and Heads of Unit level, through public call, with fixed-term contracts for a period of up to three years, which may be renewed only once. The employees of the Company and nominees outside the Company were entitled to participate in the said procedure.

VI. Composition and Functioning of the Board of Directors

A. Board of Directors

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

Composition and Term of Office of the BoD

The composition and the term of office of the BoD members are determined in article 9 of the Company's Articles of Incorporation. The composition of the BoD for the fiscal year 2021 is analysed in section V "Regulations on appointing and replacing members of the Board of Directors" in this Statement.

The composition of the BoD upon the amendment of article 9 of the Articles of Incorporation, which was approved by the Shareholders' Extraordinary General Meeting held on 17.03.2022, which has been sent for submission at G.E.M.I, during the drawing up of this Statement and for which the issuing of the relevant approval act is pending, contains the following:

In accordance with the article 9 of the Articles of Incorporation, the Board of Directors shall consist of eleven (11) members divided into executive and non-executive members, with a three-year term of office, at least five (5) of whom shall be independent non-executive members. In order to ensure continuity in the administration of the corporate affairs and the representation of the company, the term of office of each member may be extended ipso jure until the first Ordinary General Meeting to be held after the expiration of its term.

The members of the Board of Directors may in any case be re-elected and may at any time be revoked by the General Meeting of the Shareholders.

The participation of independent or/and non-executive members to the Board of Directors shall not exceed three consecutive terms, namely nine (9) years in total. The number of the non-executive members of the Board of Directors, linked by any type of employment relation to the company or to any of its associated companies, cannot exceed a maximum of three (3) out of the total number of its members.

The Board of Directors shall consist of eleven (11) members, including the CEO, elected by the General Meeting of the Shareholders of the Company, based on the Company's Suitability Policy, as in force (the latest amendment of the Suitability Policy was approved by the Extraordinary General Meeting of Shareholders on 17-03-2022) and posted on the company's website, which includes the Conflict of Interest Policy and the rules for safeguarding diversity on the Board of Directors in terms of gender, age, representation of shareholders, and educational and professional background. The Board of Directors shall elect from among the said members its Chairman and Vice Chairman, pursuant to article 14 of the Articles of Incorporation. Of the above members, one (1) Non-Executive Member of the Board of Directors shall represent the employees of the Company. This member shall be elected by the General Meeting of Shareholders, from a list of proposed candidates submitted to the Nomination, Remuneration and Recruitment Committee by ASOP, at least two (2) months before the expiry of the Term of office of the previous member in any way whatsoever, in order to be evaluated and elected by the General Meeting of Shareholders as per the above.

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

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

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

For the selection of the candidate members on the Board of Directors, upon decision of the Board of Directors, the company has established a Nominations, Remuneration and Recruitment Committee consisting of at least three (3) Board members, independent in their majority. The Nominations, Remuneration and Recruitment Committee on the one hand identifies and proposes to the Board of Directors, and through it to the General Meeting, persons suitable for membership to the Board of Directors, based on the procedure provided for in the Company's Internal Rules of Operation and pursuant to the Company's Suitability Policy, and on the other hand examines any impediments and incompatibilities, as well as the criteria of independence of candidates for membership

on the Board of Directors (especially in the case of appointment of independent members), pursuant to L.4706/2020 and L.4548/2018, as in force, for candidates proposed by the Nominations, Remuneration and Recruitment Committee itself or by the shareholders.

The Board of Directors posts on the Company's website twenty (20) days before the meeting's date, regarding the election of the General Meeting nominees for the acquisition of the BoD membership, the detailed CVs and rationale of the nomination of each member.

The Extraordinary General Meeting of the Shareholders held on 16.12.2021 decided the election of Ms. Maria Psyllaki (appointed as an Independent BoD Member) to replace Mr. Georgios Venieris due to the end of his term of office as a BoD member and the re-election of Mr. Georgios Karakousis, also due to the end of his term of office as BoD member.

The new Board of Directors consists of eleven (11) members, which is divided into nine (9) men and two (2) women, in full compliance and alignment with the provisions of the new L. 4706/2020, regarding suitability, diversity and mostly adequate gender representation in the Board of Directors, was constituted on December 21st, 2021 as follows:

| Member | BoD Position | Beginning of term of office | Ending of term of office |
|------------------------|--|--|--------------------------------------|
| Georgios Stassis | Chairman of the BoD & CEO, Executive Member | Term of office starting on: 22.08.2019 | Term of office ending on: 21.08.2022 |
| Pyrros Papadimitriou | Vice Chairman of the BoD, Non-Executive Member | Term of office starting on: 22.08.2019 | Term of office ending on: 21.08.2022 |
| Georgios Karakousis | Deputy CEO, Executive Member | Term of office starting on: 19.11.2019 | Term of office ending on: 16.12.2021 |
| Alexandros Paterakis | Deputy CEO, Executive Member | Term of office starting on: 22.8.2019 | Term of office ending on: 21.8.2022 |
| Maria Psylaki* | Independent, Non-Executive Member | Term of office starting on: 17.12.2021 | Term of office ending on: 16.12.2024 |
| Despoina Doxaki | Independent, Non-Executive Member | Term of office starting on: 27.06.2019 | Term of office ending on: 26.06.2022 |
| Stefanos Theodoridis | Independent, Non-Executive Member | Term of office starting on: 22.08.2019 | Term of office ending on: 21.08.2022 |
| Stefanos Kardamakis | Independent, Non-Executive Member | Term of office starting on: 22.08.2019 | Term of office ending on: 21.08.2022 |
| Michael Panagiotakis | Independent, Non-Executive Member | Term of office starting on: 19.05.2020 | Term of office ending on: 21.08.2022 |
| Pantelis Karalaftheris | Non-Executive Member, Representative of Employees | Term of office starting on: 07.06.2019 | Term of office ending on: 06.06.2022 |
| Nikolaos Fotopoulos | Non- Executive Member, Representative of Employees | Term of office starting on: 07.06.2019 | Term of office ending on: 06.06.2022 |

2. Detailed CVs of the members of the Board of Directors and Directors of the company

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

Stassis Georgios, Chairman & CEO, Executive Member

Mr. Stassis has more than 14 years of experience in the energy market. He has held important positions in various organizations and associations within the energy sector in Greece and the southeast Europe, and within all parts of the electricity utility value chain (generation, distribution, supply). He previously worked for the Italian energy group ENEL SpA, as President & CEO of Enel Romania SrL., the largest vertically integrated energy company in Romania, and before that as Head of Green Power for Eastern Europe and Middle East. Mr. Stassis holds a degree in Civil Engineering and a Master's degree in Management in Construction and Structural Design from Kingston University (UK). Moreover, he has attended Executive Courses at Harvard Business School (US) and at Elis Academy (Italy).

Papadimitriou Pyrros, Vice Chairman, Independent - Non Executive Member

Pyrros Papadimitriou is an economist, lawyer and associate professor in International Economic Relations at the University of Peloponnese. He holds a Degree in Political Science & Public Administration from the University of Athens (1985), a Law Degree from Athens Law School (1989), a Master Degree in Economics from Sussex University (1987), a Master's degree in Economics (1988) and a Ph.D. in Economics (1992) both from Kent University at the UK. In the past he has worked as a financial analyst at Gerald & National Inter Commodities in London (1989-1990) and continued as a researcher at the Foundation for Economic & Industrial Research in Athens (1994-1995), as a Manager in the Sectoral Research & Analysis Department of ALPHA Bank (1995-1996), as a Consultant to the European Parliament (1996-1998) and as a Director of Consulting Services at ICAP S.A. (1999-2000). In 1996, Pyrros founded HEADWAY Economic Consultants Ltd and still remains the main shareholder of the Company. The period from 2006 to 2015 Pyrros cooperated with Four Assist Development Consulting Ltd, which provides consulting services in the field of Public Financial Management and Economic Development in developing countries. In the period 2007-2009, Pyrros, as a Chairman and CEO, ran the privatization project of Olympic Airlines, Olympic Airways – Services and Olympic Aviation. From August 2012 to June 2014, he was appointed Coordinator of the Privatization of the Greek Regional Airports, a project that has also been concluded successfully with the acquisition of the airports from Fraport AG. During the last years, Pyrros, apart from his involvement with Headway Economic Consultants Ltd, implements various consulting projects for governments in the developing world in the field of public financial management and employment.

Karakousis George, Executive member

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

Paterakis Alexander, Executive member

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

Psillaki Maria, Independent - Non Executive Member

Maria Psillaki is Professor at the Department of Economics of the University of Piraeus. She studied at the University of Nice Sophia Antipolis, in France where she received her Master and PhD with the highest honors. For her PhD, she received a scholarship from the French Ministry of Education in 1997 in finance. She has held visiting research positions in London (Birkbeck College, University of London) as Visiting Researcher (Post-Doctoral Research Fellow), funded by the CEPR (Centre for Economic Policy Research) and ERSC (Economic and Social Research Council) and in Chicago as Visitor Researcher at the Graduate Booth School of Business, University of Chicago. She has lectured at various universities abroad in both undergraduate and postgraduate programs. She has also held visiting faculty positions as Assistant Professor of Finance at Rutgers University in New Jersey (USA), in the Department of Business Administration, Finance and Investment Portfolio Management. Also, she lectured as Visitor Assistant Professor at the University of Cyprus, in the Department of Public and Business Administration, Financial and Organizational Behavior.

Before joining the University of Piraeus in 2009, she was Associate Professor at the University of Nice-Sophia Antipolis in France at the Economics Department from 2001 until August 2008. Finally, since 2009 she is a tutor at the Hellenic Open University in the "Banking" postgraduate program. She has participated in various European Research Programs. She has published articles in international scientific journals such as the Journal of Small Business Management, the European Journal of Operational Research, the Journal of Business and Financial Economics, the Journal of Banking and Finance, the Small Business Economics, the Applied Financial Economics, the Journal of Productivity Analysis. She serves as referee in a number of reputed journals such as the Journal of Banking and Finance, the Small Business Economics, the European Journal of Operational Research. From 2009 to 2012 she was Vice President of the Hellenic Finance and Accounting Association (HFAA). Her scientific and research interests focus on the financial sector.

Doxaki Despina, Independent - Non Executive Member

Despina Doxaki was born in 1968. She is a graduate of the Law School of the National and Kapodistrian University of Athens, with a postgraduate degree in European Law from the Institute for European Studies in Brussels. She has an accumulated professional experience over 26 years in the area of international cross border transactions mainly in cooperation with commercial, investment, institutional and development banks and specializes (1) in the structure and trading of national and international complex financial agreements such as structured finance (2) project finance in all sectors of development such as energy infrastructure projects, real estate, tourism, hospitals etc. through ΣΔΙΤ or/and Concessions, (3) corporate finance and corporate transformations (public documents, capital market transactions) (4) corporate lending of all forms, debt restructuring and refinancing etc. During her career she has worked at the European Commission, KPMG, Ellactor (CIS), Alpha Bank SA, while for the last fifteen (15) years she has worked at Kyriakidis- Georgopoulos Law firm, in Brussels at the English Law firm Stabrook & Hooper (Mc Dermont & Ellis) and Chadbourne/NRF, Shearman and Milbank law firms. Since 2018, she has been the Head of Legal Service at the Financial Stability Fund. She has work experience in London, Brussels and Athens and speaks Greek, English and French.

Theodoridis Stephanos, Independent - Non Executive Member

Mr. Stefanos Theodoridis has served for more than 35 years as a member of Senior Management of business groups in Greece and abroad, of which 25 years as CEO. From 1989 to 2006, Mr. Theodoridis was the CEO at DIAGEO S.A., initially as CEO for Greece and subsequently for Southern & Eastern Europe. In this capacity, he was responsible for 18 countries and was also a member of the European Executive Committee of the Company. From 2006 to 2011, Mr. Theodoridis was CEO of HYATT/REGENCY SA, a leading Company in the Tourism & Leisure sector. Since 2012 he holds the position of the CEO of TEMES S.A., a leading investor, developer and operator and one of the most important companies in the high-end tourism destination and real estate sector in Greece. Alongside with his current position, he serves as Vice Chairman of PREZIOSI Group in Greece & Turkey, member of the BoD and the Executive Committee of IOBE, as well as the General Council of SEV.

Kardamakis Stefanos, Independent - Non Executive Member

Mr. Stefanos Kardamakis was born in Athens in 1967. He graduated from the Department of Mechanical Engineering of the National Technical University of Athens in 1991. He obtained an MSc in Shipping, Trade & Finance from the City University, Cass Business School in London. He started his professional career in 1993 from the technical department of Adelfia Shipping Enterprises, In 1994 he was hired by the Dutch Bank ABN AMRO Bank as a Relationship Officer in the Maritime Finance Department of the Bank where he was promoted to a Vice President of the Shipping Unit. In 2004 he assumed the position of the Head of Shipping in Egnatia Bank, in the field of financing. During his 14 years' career in the banking sector, he dealt with the evaluation of new credit proposals, corporate finance transactions and treasury products, structuring and selling of syndicated facilities for large Greek shipping companies. Moreover, he focused on the optimization of internal procedures and the introduction of new processes ensuring the smooth operation, monitoring and improvement of the credit and operational risks, as well as the restructuring of non-performing loans. In 2008, he assumed the position of the CFO of Conbulk Shipping S.A. and since 2019 he also serves as COO of the Company, being responsible, except for the financial management, for all operational, technical and procurement matters.

Panagiotakis Michael (Michalis), Independent - Non Executive Member

Mr. Michalis Panagiotakis was born in 1973 in Athens. He holds a degree in Economics and a Master in Business Administration from the University of Hull in the UK. He has more than 20 years of professional experience in C-level managerial positions, coming from service into both the food industry but also the Public Governance sector and acted as Chief Officer in STASY SA, EOMMEX SA and Tram SA respectively. During the last six years, he held the position of Deputy CEO for five years while in the last year he held the position of CEO in Dodoni SA, one of the biggest food industries in Greece. Moreover, Mr. Panagiotakis has also been a member of the investment group Lime Capital Partners and SI Foods during the last 6 years. During the period 2000-2007, he served as Chief Officer in the Organic Products and Olive Oil Blauel SA Company. As of 2005 to date, he has been active in the Tourism industry, and since 2012 he established THE DIVINE VILLAS Ltd., a Company whose main specialty is the management of luxury tourist accommodation across the nation.

Karaleftheris Pantelis, Non-Executive Member

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 an 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 engaged in folklore and has made many research trips to Central Asia, the 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 a senior member of the PPC trade union and has participated in many Pan-European and World 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 from the Academy of KANEP of the GGCL and trains trainers in lifelong learning. He is married and has two children.

Fotopoulos Nikos, Non-Executive Member

Mr. Nikos Fotopoulos was born in Agnata, Iliia in 1962. He is an Electrical Technician (Technical School of PPC). From the age of 16 he has been involved in politics and community affairs. For 10 years he served as Secretary of the Energy Domain Committee of the Socialist Party (PASOK). In 1998 he was elected to the Board of Directors of the Association of PPC's Technicians and served as Press Officer. From 2007 until July 2013, he was President of the General Federation of Employees at PPC-Electricity Sector (GENOP/DEI) and member of the Executive Committee of EMCF. Since 2010 he is a member of the Administration of the Greek General Confederation of Labour (GSEE) and since April 2013 he is a member of the Executive Committee.

The CVs of the Company's Executive members are provided in the Appendices part of this Statement.

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

The composition of the Board of Directors reflects the knowledge, skills and experience required to exercise its responsibilities.

In particular, as follows from the above, the in force Board of Directors has a sufficient number of members given the size of the Company, the complexity of its activities and its business model. The Company's Board of Directors consists of an inclusive group of members with representation from different fields of activity both in the domestic and international market, which covers a wide age range that combines dynamics and experience (indicatively between 43 and 63 years), as well as participation of two (2) capable representatives of the female sex. All members of the Board of Directors are distinguished for their significant professional experience, their education and the majority of them has many years of experience in the energy sector. All members of the Board of Directors have experience in issues of strategic and business planning, corporate risk identification and management, new technologies, issues regarding the sustainable development and have a deep understanding of Corporate Governance Principles and issues governing the operation and obligations of a listed company, as well as sufficient knowledge on financial matters. Finally, all the Board of Directors members have unquestionably professional and personal ethics, integrity and independence, which are considered prerequisites for their election and for maintaining their capacity as members of the Board of Directors. As follows from the above, the current composition of the Board of Directors is the most adequate for the management and supervision of its corporate affairs and for ensuring the best possible attainment of the Company's objectives.

Board of Directors operation

Regarding the operation of the BoD the Company's Articles of Incorporation foresees the following:

Competencies of the Board of Directors

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

The Board of Directors shall represent the Company and shall be vested with unlimited authority to decide on any act and to exercise full power concerning the management of the company, the management of its property and in general the 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.

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

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

The Board of Directors may, upon recommendation of the CEO, delegate part of its administration and representation competencies, except for those which, pursuant to the Law and its Articles of Incorporation require collective action or fall within the exclusive jurisdiction of the CEO in accordance with Article 15 of the Articles of Incorporation, as well as the administration or supervision of the affairs or the representation of the company to the Chairman, to the CEO, to the Deputy CEOs, to one or more of the Board Members, to the Executive Committee, to the Chief Officers, to the Directors or to employees of the company.

The aforesaid persons to whom the competencies described above are delegated and who do not have the capacity of Board Member carry the same responsibility towards the Company as the members of the Board of Directors, pursuant to article 102 of L. 4548/2018 as applicable and to article 12 of the Company's Articles of Incorporation.

Composition and Functioning of the Board of Directors

The Board of Directors shall meet at the seat of the Company and/or outside its seat at the facilities of PPC at Kozani, Megalopoli and Aliveri, upon the call of the Chairman or his substitute, on such day and hour as determined by him, whenever required following the needs of the Company.

The Board of Directors may lawfully meet by way of teleconference, with some or all Board members, upon invitation to the Board members, which shall include all the necessary information and technical instructions with respect to their participation in the meeting. In any case, any Board member may request the holding of a meeting by way of teleconference if he resides in a country other than the one where the meeting is being held or if there is any other serious reason, especially illness or disability.

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

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

A quorum of the Board shall be deemed to be present, and the meeting shall be deemed valid if, pursuant to paragraph 6 of article 11 of the Company's Articles of Incorporation, more than half of the members is present or represented. In no case,

however, shall the number of members physically present be less than three (3). In determining the number required to form a quorum, fractions, if any, shall be ignored.

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

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

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

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

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

The drawing up and the signing of 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 previous meeting has proceeded. The above section shall also apply if all Board members or their representatives agree to record their majority decision in the minutes, without holding a meeting. The relevant minutes shall be signed by all members and shall be registered in the minute's book in accordance with article 93 of law 4548/2018.

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

Liability and duties of the Board Members

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

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

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

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

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

Remuneration and Compensation of BoD Members

The Company has established a remuneration policy and draws up a remuneration report, pursuant to articles 110 to 112 of L. 4548/2018, article 11 of L. 4706/2020, as well as to par.1 par.2 and par.5 of articles 4 of L. 4643/2019 as in force, for the members of the Board of Directors, the Deputy CEOs, the Chief Officers, the Directors and the Assistant Directors/Head of Units of the company, following relevant recommendation of the Nominations, Remuneration and Recruitment Committee to the Board of Directors of the Company to be approved by the General Meeting.

3. Chairman, Vice Chairman of the Board of Directors and the CEO

Chairman of the BoD

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

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

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

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

Vice Chairman of the BoD

The Vice Chairman of the Board of Directors is being elected by the BoD. The capacity of the Chairman of the Board of Directors may coincide with that of the CEO. In this case, the Board of Directors shall mandatorily appoint the Vice-Chairman from among its non-executive members (Article 14 par. 1 of the Articles of Incorporation). In the event that for any reason whatsoever there is a vacancy in the office of the Chairman of the Board of Directors, or the latter is absent or temporarily unable to perform his/her duties, the Vice Chairman of the Board shall temporarily act as Chairman (Article 9 par. 3 par. B of the Articles of Incorporation).

As a consequence of the above amendment of the Articles of Incorporation with the limitation of the capacity of Vice President to the replacement of the Chairman (in case of any impediments or absence), the Board of Directors, in its decision no. 86/14.07.2021, stated that Mr. Pyrros Papadimitriou fulfills the criteria of independence, within the meaning of article 9 of L. 4706/2020. Then the General Meeting of Shareholders on 19.10.2021 confirmed the capacity of Mr. Papadimitriou as an Independent Member of the Board of Directors.

Chief Executive Officer

The CEO of the company shall be elected by the General Meeting of shareholders for a three-year term of office.

The CEO shall be the highest-ranking executive officer of the company, he/she shall be in charge of all the services thereof, conduct their activities, decide on the further organization of the company within the scope of the Articles of Incorporation and the relevant resolutions of the Board of Directors, make the necessary decisions pursuant to the provisions governing the operation of the company, the approved plans and budgets, the Strategic Plan, the Business Plan and the terms of the Management Contract he/she has entered into with the company pursuant to Article 16 of the Articles of Incorporation. The CEO shall represent the company within the limits of his duties subject to the Articles of Incorporation or the resolutions of the Board of Directors and may authorize or provide power of attorney to other persons, members of the Board or low-ranking or high-ranking executives of the company, as well as any kind of PPC employees, to represent him/her.

The CEO shall have the following duties, as well as any other duties, which shall be delegated to him/her upon resolution of the Board of Directors. He/she shall:

- Submit to the Board of Directors of the Company the proposals and recommendations required for the attainment of the Company's objectives, as specified in the Strategic Plan and the Business Plan.
- Make decisions on the awarding of contracts of a value to be determined on each occasion by resolution of the Board of Directors.

4. Appointment of the non-executive BoD members that are considered to be independent and rationale behind their argument.

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

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

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

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

- a. does not hold, directly or indirectly, a percentage of voting rights greater than zero-point five percent (0.5%) of the Company's share capital, and
- b. is free from financial, business, family or other dependent relationships, which may influence its decisions and its independent and objective judgment (hereinafter referred to as «dependent relationships»).

A dependent relationship exists in the following cases:

- (a) When a member receives any significant remuneration or benefit from the Company, or from an affiliated company, or participates in a stock options system or any other performance-related remuneration or benefit system, other than remuneration for his/her participation in the BoD or in its Committees, as well as in the collection of fixed benefits within the framework of the pension system, including the rescheduled benefits, for his/her previous services in the Company. The criteria based on which the meaning of significant remuneration or benefit are defined in the Company's remuneration policy.
- (b) When the member or person who has close ties with the member maintains or has maintained a business relationship during the last three (3) financial years prior to his/her appointment with:
 - (ba) the Company, or
 - (bb) an affiliated person of the Company, or
 - (bc) a shareholder who directly or indirectly holds a stake equal to or greater than ten percent (10%) of the Company's share capital during the last three (3) financial years prior to his/her appointment, or an affiliated company, provided that this relationship affects or may affect the business activity of either the Company or the person referred to in par. 1 or the person having close ties with it. Such a relationship exists especially when the person is a significant supplier or a significant customer of the Company.
- (c) When the member or the person who has close ties to the member:
 - (ca) has been a member of the BoD of the Company or of an affiliated company thereto for more than nine (9) financial years in total at the time of its election;
 - (cb) has been a Senior Executive or entered into an employment or project or service relationship or a salaried mandate relationship with the Company or with an affiliated company thereto during the last three (3) financial years prior to his/her appointment,
 - (cc) is related to the second degree by blood or by marriage, or is a spouse or partner equated with a spouse, of a Board Member or Senior Manager or shareholder, with a participation percentage equal to or greater than ten percent (10%) of the Company's share capital or an affiliated company thereto,
 - (cd) has been appointed by a specific shareholder of the Company, in accordance with the articles of incorporation, as provided for in article 79 of L.4548/2018,
 - (ce) represents shareholders holding directly or indirectly a percentage equal to or greater than five percent (5%) of the voting rights at the General Meeting during his/her term of office, without any written instructions;
 - (cf) has carried out a statutory audit to the Company or to an affiliated company thereto, either through a company or by himself/herself or by an up to second-

degree relative by blood or by marriage, or by his/her spouse, during the last three (3) financial years prior to his/her appointment,

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

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

The Board of Directors takes the necessary measures to ensure compliance with the conditions of independence, as discussed above. The fulfillment of the conditions of independence is reviewed by the Board of Directors on at least an annual basis. In case it appears that the conditions have ceased to exist for an independent non-executive member, at any time, the Board of Directors shall take the appropriate actions to replace him.

5. Number of Meetings of the Board of Directors, participation frequency of each member and subjects with which the BoD has dealt with.

The total number of meetings of the Board of Directors during 2021 was 30. In particular, the participation frequency of each member at the BoD meetings is as follows:

| Member | BoD Position | Number of BoD meetings the member participated |
|------------------------|--|--|
| Georgios Stassis | BoD Chairman & CEO | 30 |
| Pyrros Papadimitriou | Vice Chairman of the BoD Independent Non-Executive Member | 29 |
| Giorgos Karakousis | Deputy CEO - Executive Member | 28 |
| Alexandros Paterakis | Deputy CEO - Executive Member | 28 |
| Maria Psillaki* | Independent Non-Executive Member | 2 |
| Giorgos Venieris | Independent Non-Executive Member | 26 |
| Despoina Doxaki | Independent Non-Executive Member | 28 |
| Stefanos Kardamakis | Independent Non-Executive Member | 29 |
| Stefanos Theodoridis | Independent Non-Executive Member | 20 |
| Michail Panagiotakis | Independent Non-Executive Member | 19 |
| Pantelis Karaleftheris | Non-Executive Member Representative of Employees | 30 |
| Nikolaos Fotopoulos | Non-Executive Member Representative of Employees | 30 |

* The Extraordinary General Meeting of the Shareholders on 16-12-2021 decided the election of Ms. Maria Psyllaki (appointed as an Independent BoD Member) for the replacement of Mr. Georgios Venieris due to the end of his term of office as a BoD member.

The main issues discussed at the BoD meetings during the year 2021 are the following:

- Approval of the Financial Statements.
- Approval of Regulations and Policies by virtue of the new law on Corporate Governance.
- Approval of the Remuneration Policy and Remuneration Report
- Subsidiaries' issues (new investments, financing, merging, changes in share capital etc.)
- Bond loans (approval of Company's prospectus and related documents, contracts' amendments etc.)
- Approval of the Audit Plan of the Internal Audit Department
- Supplies issues (tendering procedures, contract documents, appointments etc.)
- Amendments to the Articles of Incorporation
- Issues related to Human Capital management, recruitment announcements and organizational changes
- HEDNO decision making (secession of the electrical energy distribution channels branch, tender process for the sale of 49% of the company)
- New Investments (installation of new fiber optical network, new network of retail stores)
- Approval of Strategic Plan for 2022-2026
- Approval of share capital increase
- Approval of Budget for 2022

6. Suitability Policy for the members of the Board of Directors of PPC S.A.

The Company has a Suitability Policy of the Board of Directors members, which was drafted according to the guidelines of the Hellenic Capital Market Commission (Circular no. 60 / 18.09.2020) and includes:

- the principles concerning the election or replacement of the Board members, as well as the renewal of the term of office of the existing BoD members
- the criteria for the evaluation of the individual and collective suitability of the members of the BoD
- the diversity and adequate gender representation criteria
- The role of the Nominations, Remuneration and Recruitment Committee
- The induction training program of the BoD members, and
- The continuous monitoring and evaluation of the Board's suitability

The Suitability Policy of the Company was approved upon BoD's decision No.46/13.05.2021, pursuant to par. 1 article 3 of L. 4706/2020 and presented for approval to the Shareholders' Extraordinary General Meeting by virtue in accordance with par. 3 article 3 of L. 4706/2020 on June 4, 2021.

Any amendments to the Suitability Policy, especially when they concern changes in the legal framework of Corporate Governance, are approved by the Board of Directors upon the recommendation of the Chief Officer of the Legal Affairs and & Corporate Governance Division and with the consent of the Nominations, Remuneration and Recruitment Committee. The Company proceeded to the first amendment of the Suitability Policy upon BoD's decision No. 132/26-1-/2021.

Amendments to the Suitability Policy which are material (i.e. amendments introducing derogations or significantly changing its content, especially regarding the applied general principles and criteria) are submitted to the General Meeting for final approval. In this context, the Shareholders' Extraordinary General Meeting on 17.03.2022 approved the second amendment of the Suitability Policy of the Board of Directors members. Non-essential amendments, of organizational nature, are approved by the CEO.

The updated version of the Company's Suitability Policy is posted on the Company's official website (<https://www.dei.gr/en/ppc-group/ppc/corporate-governance/administrative-structure/ppc-board-of-directors/>).

Monitoring the implementation of the Suitability Policy of the Board of Directors

The BoD is responsible for monitoring the implementation of the Suitability Policy and its regular biannual assessment which is assisted by the Nominations Committee, the Audit Committee and the Legal Affairs and Corporate Governance Division, as well as by other organizational units of similar scope, such as the Internal Audit Department and the Human Resources & Organization Division, as may be thought fit.

Training Policy for Board Members

The Company has a Training Policy for Board Members, which was approved by the decision No.80 / 29-06-2021 of the BoD, through which it adopts a structured and effective education system that meets the needs of the induction program of the new members and also those of the continuous training of the Board members.

Through the education system, the Company seeks to contribute to the development of the BoD members, to the ensuring of their suitability, and ultimately to the effective operation of the BoD and its committees.

Ways of monitoring individual or collective suitability of the BoD members

The ongoing monitoring of individual or collective suitability of BoD members focuses on whether an individual member or the members as a whole continue to be suitable, taking into account the individual or collective performance and the respective situation or event which prompted the (re)assessment, as well as its impact on actual or required suitability.

The ongoing monitoring and assessment of individual and collective performance of BoD members is carried out by the BoD on the initiative and upon the proposal of the Nominations, Remuneration and Recruitment Committee. In the context of the ongoing monitoring and assessment of (individual and collective) suitability, consideration is taken of the following inter alia:

- the efficiency of the BoD working processes, including the efficiency of the flow of information and of the reporting lines to the BoD, taking into account information from the Internal Control System and any recommendations proposed by said function;
- the efficient and prudent management of the Company; among other things, the extent to which the BoD acted with a view to serving the Company's interests;
- the ability of the BoD to focus on issues of strategic importance;
- the adequate number of meetings held, the degree of participation, the adequate time commitment and the level of active participation of BoD members during meetings;
- any change in the composition of the BoD and any weaknesses as to individual and collective suitability, taking into account the Company's business model and strategy;
- the performance targets set for the Company and the BoD;

- the independence of mind of BoD members, including the need to avoid a single person or small group of persons dominating the decision-making process, and compliance by BoD members with the of Conflict of Interest Policy;
- the extent to which the composition of the BoD has met the objectives set out in the Diversity Policy;
- any events that may have a significant impact on the individual or collective suitability of BoD members, including eventual changes in the Company's business model, strategies and organization.

Individual Suitability Assessment

In view of the need to elect two (2) members in December 2021, due to the end of their term of office, and the selection of the members finally nominated members, on the basis of sufficient time commitment, adequate knowledge, skills, and experience, morality and reputation, independence and absence of conflict of interest, the Nomination, Remuneration and Recruitment Committee conducted the first assessment of Individual Suitability of the candidate members. In particular, for the position of the Independent BoD member, the fulfillment of requirements of the independence criteria was verified in accordance with article 9 of L. 4706/2020. Finally, the criteria of diversification and adequate gender representation were taken into consideration for the selection of the new BoD members.

Moreover, in compliance with par. 4, article 3, of L. 4706/2020, the Nomination, Remuneration and Recruitment Committee received signed statements from each BoD member stating that no final court decision has been issued within one (1) year before or as from their election respectively, which acknowledges the candidate's fault for loss making transactions of a company (listed or not) with related parties.

Efficiency of the Board of Directors Work

The Nomination, Remuneration and Recruitment Committee, for the year 2021, evaluated and assessed the participation of each one of the BoD members, in its activities, for the evaluation of agenda items and the decision making process, as highly significant and positive. The BoD members actively participated in the proposition of the topics arose during the meetings concerning essential issues, such as the transition of a certain type of energy market to another form (delignification), the internal restructuring and transformation of the Company, the increase of the Share Capital, the issuance of Bond loans, the revision of the Business Plan as well as the adoption of a completed set of Regulations and Policies for an effective Corporate Governance.

Corrective measures

If the assessment or reassessment concludes that a person is not suitable to be appointed as a BoD member, said person should not be appointed. If it is found that one or more suitability criteria no longer apply to an (already appointed) BoD member for reasons that could not be avoided even with the outmost diligence by said member, the BoD must forthwith terminate and replace said member. With the exception of the criteria governing the evaluation of reputation, honesty and integrity, if the assessment or reassessment identifies any shortages regarding a member's knowledge, skills or experience that can be easily dealt with, the Company takes appropriate corrective measures to cure such shortages in good time.

In case the assessment or reassessment as described above concludes that the BoD is not collectively suitable, the Company shall take appropriate corrective measures in a timely manner. In taking corrective measures, account of the particular situation is taken and specific shortcomings of isolated members or the overall composition of the BoD. Corrective measures may include, but not limited to, the following: reallocation of competencies among BoD members; replacement of certain members; recruitment of additional members; possible measures to reduce conflict of interest; training of individual members; or training for the whole BoD to ensure both the individual and collective suitability of the BoD.

7. External professional obligations of the Board of Directors members.

On the table below the external professional obligations of the BoD members are provided:

| Member | Profession | Participation as member of the BoD of other companies and non-profit Organizations (in any capacity e.g. |
|------------------|----------------|---|
| | | Independent member, Executive member, Independent Non-Executive member, etc.) |
| Georgios Stassis | Civil Engineer | Member of the Board of Directors of the following companies: - PPC Renewables S.A. - Arkadikos Ilios Ena S.A. - Arkadikos Ilios Dio S.A. - Iliako Velos Ena S.A. - Amalthia Energiaki S.A. - SOLARLAB S.A. - Iliaka Parka Ditikis Makedonias Ena S.A. - Iliaka Parka Ditikis Makedonias Dio S.A. - Geothermikos Stochos S.A. - Geothermikos Stochos Dio sole shareholder S.A. - EEN BOIOTIA S.A. - PPC RENEWABLES- EDF EN GRECE - PPC RENEWABLES- TEPNA ENERGY S.A. - PPC RENEWABLES - ΠΟΚΑΣ S.A. - GITANI S.A. - VORINO PELLIS S.A. - MYHS SMIXIWTIKOY S.A. - OROS ENERGIKI S.A. - GREENESCO ENERGIKI S.A. - SOLAR PARK KILIZA S.A. - SOLAR PARK AG. ONOYFRIOS S.A. - SOLAR PARK MPAMPO BIGLIES S.A. - SOLAR PARK LOYKO S.A. - SOLAR PARK LEYKIVARI S.A. - VOLTERRA LYKOVOUNI S.A. - VOLTERRA K-R S.A. - Eurelectric – the European Union of the Electricity Industry |

| Member | Profession | Participation as member of the BoD of other companies and non-profit Organizations (in any capacity e.g. |
|------------------------|--|--|
| | | Independent member, Executive member, Independent Non-Executive member, etc.) |
| Pyrros Papademetriou | Attorney-at-law, Economist | REFRAME ASBL (Co-director of a nonprofit research center in Belgium) |
| Georgios Karakousis | Engineer | — |
| Alexandros Paterakis | IT Consultant | Strategic consultant, Lumia Capital 2014 Management Independent Non Executive Member of PPC RENEWABLES |
| Georgios Venieris* | Professor at the Athens University of Economics and Business | — |
| Maria Psylaki | Economist, Professor at the Department of Economics of the University of Piraeus | — |
| Despoina Doxaki | Attorney-at-law, Head of Legal Service at the Financial Stability Fund | — |
| Stefanos Kardamakis | Mechanical Engineer Director of the CONBLUK SHIP MANAGEMENT CORPORATION | — |
| Michael Panagiotakis | Advisor | - DODONI S.A., CEO, BoD Member - VILAS IKE SOLE PROPRIETORSHIP - DALZOTTO LTD -Shareholder |
| Stefanos Theodoridis | Senior executive officer | - VYZANTIO AGROTIKI, CEO - PANORAMA, Vice-Chairman - NAVARINO BELLA VISTA, Vice-Chairman - TEMES, CEO - COSTA NAVARINO NORTH PROPERTIES, Chairman & CEO - COSTA NAVARINO SOUTH PROPERTIES, Chairman & CEO - IONIAN HOTEL ENTERPRISES S.A., Member - DUNES GOLF TOURISM ENTERPRISES, Vice-Chairman - PREZIOSI GROUP, Vice-Chairman - AMPELWNES, Chairman - GREKA ICONS, Chairman - PHILOMEL PROPERTIES DEVELOPMENT MANAGEMENT & EXPLOITATION OF REAL ESTATE, Chairman & CEO - AZOV PROPERTIES DEVELOPMENT MANAGEMENT & EXPLOITATION OF REAL ESTATE, Chairman & CEO - ARMIDE PROPERTIES DEVELOPMENT MANAGEMENT & EXPLOITATION OF REAL ESTATE, Chairman & CEO - ATHENS BEACH CLUB MANAGEMENT OF REAL ESTATE, Member |
| Pantelis Karaleftheris | PPC S.A. Employee | Independent Non Executive Member of LIGINITIKI MELITIS |
| Nikolaos Fotopoulos | PPC S.A. Technician | — |

* The Extraordinary General Meeting of Shareholders held on 16-12-2021 decided the election of Ms. Maria Psyllaki (appointed as an independent BoD member) replacing Mr. Georgios Venieris due to the end of his term of office of service as a BoD member.

8. Number of shares BoD members hold (par.3 article 18 of, L 4706/2020)

| Member | BoD Position | Number of Shares owned at 31.12.2021 |
|------------------------|---|--------------------------------------|
| Giorgos Stassis | BoD Chairman & CEO | 0 |
| Pyrros Papadimitriou | Vice Chairman of the BoD Non-Executive Member | 0 |
| Giorgos Karakousis | Deputy CEO Executive Member | 0 |
| Alexandros Paterakis | Deputy CEO Executive Member | 0 |
| Maria Psillaki | Independent Non-Executive Member | 0 |
| Giorgos Venieris | Independent Non-Executive Member | 0 |
| Despoina Doxaki | Independent Non-Executive Member | 0 |
| Stefanos Kardamakis | Independent Non-Executive Member | 0 |
| Stefanos Theodoridis | Independent Non-Executive Member | 6,656 |
| Michail Panagiotakis | Independent Non-Executive Member | 0 |
| Pantelis Karaleftheris | Non-Executive Member / Representative of Employees | 0 |
| Nikolaos Fotopoulos | Non-Executive Member / Representative of Employees | 0 |

* The Extraordinary Shareholders General Meeting held on 16/12/2021 decided the election of Ms. Maria Psyllaki (appointed as an independent BoD member) to replace Mr. Georgios Venieris due to the end of his term of office as a BoD member

The number of Company's shares held by the members of Audit Committee, non-members of the Board of Directors (third parties)

| Member | BoD Position | Number of Shares owned at 31.12.2021 |
|--------------------------|--|--------------------------------------|
| Evangelos Angeletopoulos | Audit Committee member - Non-BoD member | 0 |
| Aimilios Stasinakis | Audit Committee member - Non-BoD member | 0 |

The number of Company's shares that Executive members and Directors held are provided later on in the appendices of this Statement.

9. Remuneration Policy for the Board of Directors

The Company has established and implements a Remuneration Policy for the Board of Directors members, its Committees & the Company Executives of the Company (hereinafter "Remuneration Policy" or "Policy"). The purpose of this Policy is to contribute to the implementation of the Company's business strategy, to serve its long-term interests, as well as to contribute to its sustainability by establishing an remuneration framework for Executives that a) favors their alignment with short-term and long-term corporate targets, b) supports team spirit and performance, c) recognizes their efforts and the level of their contribution to its results, so that the Company continues to create added value for its customers, shareholders, employees and the Greek economy.

The Remuneration Policy has been established pursuant to the legislation pertaining and applicable to the companies of Chapter B of L. 3429/2005, on the provisions of articles 110 to 112 of L. 4548/2018 in conjunction with L. 4643/2019 and taking into account the relevant provisions of L. 4706/2020 and the best practices of the applicable Corporate Governance Codes for listed companies.

This Policy shall apply to the remuneration of the Members of the Board of Directors and its Committees, the Deputy CEOs, the Chief Officers, the Directors and Assistant Directors / Heads of Units of the Company.

Regarding the remuneration of the members of the Board of Directors, its Committees and the Senior executives and executives of the Company, the following shall apply:

- For the Members of the Board of Directors/ PPC SA, the gross amount of 600 Euros, per meeting of the Board of Directors.
- For the Members of the Committees of the Board of Directors of PPC S.A., (a) gross amount of 13,000 Euros to the Chairman of the Committee and 11,000 Euros to the Members per year and (b) gross amount of 400 Euros per meeting of the Committee. The overall amount of the above compensations shall not exceed, for the Chairman and each Member of the Committee, the gross amount of 23,000 Euros per year.
- For the Executive Members of the Board of Directors who provide their services to the Company, a) gross remuneration, the amount of which shall be delimited in the Remuneration Policy, precisely defined by the Board of Directors, included in the annual remuneration report and submitted for approval pursuant to article 110 of L.4548/2018 to the General Meeting and b) the additional fees under the above paragraphs 6.1 & 6.2 of the Policy.
- For the Non-Executive members of the Board of Directors that belong to the permanent personnel of the Company, the additional fees set out in paragraphs 6.1 & 6.2 of the Policy, the fixed remuneration for the position they hold, subject to the provisions on remuneration cap, as well as the additional benefits provided to the permanent personnel.
- For travel expenses incurred by the Members of the Board of Directors outside the Regional Unit of the place of their permanent residence in order to attend the meetings of the Board of Directors or its Committees, travel, accommodation and meal expenses shall be paid, according to the applicable provisions of the Company.
- For the CEO and the Deputy CEOs, who are recruited on three-year fixed-term contracts, gross remuneration amounting to two hundred thousand euros (€200,000) and one hundred and twenty thousand euros (€ 120,000) respectively and annually, and provision for a company car and coverage of the respective expenses.
- For the Chief Officers and the Directors of the Company, who are recruited on fixed-term contracts of up to three years according to article 4 of L. 4643/2019, annual gross remuneration of one hundred thousand euros (€100,000) and seventy thousand euros (€70,000) respectively, possibility for provision of a company car and coverage of the respective expenses, as well as all additional benefits applying to the permanent personnel of the Company.

For Assistant Directors/Heads of Units who are:

- recruited through open competition and on three-year fixed-term contracts, pursuant to article 4 of L. 4643/2019, total gross annual remuneration of fifty-five thousand five hundred seventy-two € (55,572).
- assigned with duties based on an internal procedure, monthly remuneration which includes a) a gross amount based on the current payroll of the Company, which corresponds to their service, position and family status, b) a special allowance for executives at the hierarchical level B, the amount of which is determined by the CEO, and the additional benefits applying to the permanent personnel. The above remuneration is subject to the applicable remuneration cap as provided for each time by law.

Additional incentive schemes shall be provided, in the form of variable gross remuneration, linked to short-term bonus, which may amount, for 100% target achievement, to 50% max of the fixed remuneration for the CEO, the Deputy CEOs and Chief Officers and to 30% of the fixed remuneration for the Directors of Departments. The above variable gross remuneration can be increased by up to 50% in case of overachievement of the targets set.

The above variable gross remuneration shall be paid after the publication of the financial results and under the condition that the specific targets set for each reference year by the Board of Directors have been achieved.

For the period 2020-2025, an additional incentive shall be provided to reward the executives of PPC and PPC Renewables for their contribution to the achievement of the medium-term goals of the Group, in the form of four (4) cycles of Stock Awards, according to the attached hereto Annex II "Stock Awards Plan", which is an integral part of the Remuneration Policy.

The Board of Directors shall be authorized to determine any details of implementation of this Plan, as well as the respective activation condition of each cycle of the Plan, in accordance with its provisions.

PPC's Remuneration Policy for 2021 is available on the Company's official website (<https://www.dei.gr/en/ppc-group/ppc-corporate-governance/codes-Regulations-and-policies/>).

The total of the remuneration granted to the BoD members during fiscal year 2021 is included in the respective Remuneration Report which will be posted in the Company's website when the required approvals are received.

The full content of the Remuneration Report of the Board of Directors within the provisions of article 112 of L. 4548/2018 and the Remuneration Policy will be submitted for approval to the Shareholders General Meeting in 2022, in the context of approving the financial results of fiscal year 2021.

10. Disclosure of direct and indirect conflicts of interest

The company in 2021 adopted and implements a Conflict of Interest Policy. Through this Policy, the Company seeks to provide support, information and guidance to all staff (Senior Management and employees) on the principles and rules for the prevention or management of conflict-of-interest situations and how to apply these principles and rules. PPC implements appropriate mechanisms and procedures for the timely identification of conflicts, both prior to the taking up of duties by its executives and during the performance of their duties.

According to the above Policy, all members of the BoD of the Company and any third person to whom duties have been assigned by it must, through the Company Secretary notify, in a timely, adequate and written manner, the other members of the BoD of the direct or indirect conflict of interest of which they are aware of and which has arisen from the Company's transactions and/or during the performance of their duties.

Where the BoD is informed of the existence of direct or indirect conflict of interest or decides, following relevant information by the involved/interested member of the BoD, that such a conflict exists, the interested/involved in the relevant transaction member of the BoD is not entitled to vote on those matters in which there is direct or indirect conflict of interest («abstention rule»). In these cases, decisions are made by the other members of the BoD.

At each meeting of the BoD (and the Committees of the BoD), the Company Secretary reminds the participating members of the BoD, before the start of the discussion on the items of the agenda, the relevant «abstention rule»

The Company Secretary of the BoD prepares a register of conflicts of interest reported by the members of the BoD, which is constantly updated. The information contained in this register is sufficiently detailed to allow proper understanding of any conflict of interest situation and shall be made available to the Audit Committee and the Legal Affairs and Corporate Governance Division upon request.

Throughout the fiscal year 2021 the «abstention rule» was applied in two meetings of the Board of Directors, where the interested parties of the Board of Directors did not vote on these issues. Specifically:

| A/A | Meeting Date | Number of Agenda Item | Subject Title | Board of Directors member who abstained |
|-----|--------------|-----------------------|---|---|
| 4 | 14.07.2021 | 5 | Report on the degree of achievement of the Group's objectives for the Financial Year 2020. | Mr. George Stassis Mr. Alexandros Paterakis Mr. George Karakousis |
| 7 | 23.11.2021 | 4 | Convening of an Extraordinary General Meeting of Shareholders of PPC S.A Proposal for the election of two (2) Members of the Board of Directors of PPC SA, due to the expiration of the term of office of an equal number of its Members. | Mr. George Karakousis |

11. Determination of the independence conditions of the independent non-executive members of the Board.

The Nomination, Remuneration and Recruitment Committee in compliance with the par.3 article 9 of the L. 4706/2020 and in view of publication of the Annual Financial Report, confirmed the fulfillment of the independence conditions, within the meaning of par. 1 and 2 article 9, of the six (6) independent members of the Board of Directors, through the procedure set forth by the Company's Suitability Policy (Annex XII).

In particular, the Nomination, Remuneration and Recruitment Committee received statements from Mr. Pyrro Papadimitriou, Ms. Maria Psyllaki, Ms. Despina Doxaki, Mr. Stefanos Kardamaki, Mr. Stefanos Theodoridis and Mr. Michail Panagiotaki according to which they stated that:

- they do not hold, directly or indirectly, a percentage of voting rights greater than zero-point five percent (0.5%) of the Company's share capital, and that
- they are free from financial, business, family or other dependent relationships, as those are prescribed in par. 2 article 9 of L. 4706/2020, which may influence their decision making and objective judgment.

12. Communication with shareholders and other stakeholders

The Company places great emphasis on communication and cooperation with stakeholders. Stakeholder groups have been defined as the result of internal management consultations, discussions and working meetings of the Company's Top Management with Executives. However, the prioritization of stakeholders and their priorities is a dynamic process and for this reason, the map of stakeholders is regularly reviewed by the Board of Directors.

The aim of the Company's Board of Directors is to create the conditions for an ongoing interactive dialogue with stakeholders, in order to understand the effects of the Company's activity and improve its performance, taking into account the opinions, concerns, needs and suggestions of all stakeholders, that it affects and is affected by, in its decision making and the development of its strategy.

In this context, the Company has developed communication mechanisms with the shareholders and other stakeholders in order to understand their interests, so as to take them into account in BoD discussions and decision-making.

In particular:

Communication with the shareholders

The Company, by adopting corporate governance best practices for the General Meetings, conducts all the General Meetings of the shareholders via teleconference from a distance, enabling each shareholder (a person or institutional investor) to participate, express his views and vote.

Furthermore, the Company's shareholders may also submit proposals for the election of new members of the Board of Directors. In accordance with the Company's Suitability Policy, the above proposals accompanied by the necessary information which will allow the evaluation of the suitability of the proposed persons, as specified within the aforementioned Policy, are submitted to the Nomination, Remuneration and Recruitment Committee at least seven (7) days before the General Meeting that will decide the appointment of the members, in order to ensure that the evaluation of the nominated persons' suitability is as exhaustive as possible.

The Chairman and CEO is in constant contact with institutional investors through:

- Teleconferencing that takes place to comment on the financial results.
- The participation in roadshows, both in Greece and abroad,
- One-on-one meetings with institutional investors.
- Business presentations (Investor Day)

At the same time, the Investment Relations Division is in constant communication with the investment community and the financial analysts, informing them (based on publicly available information) about the financial data, the developments and the management's objectives.

Constructive dialogue with other stakeholders

- The Company conducts a materiality analysis every two years in order to prioritize the important issues for the Company and the stakeholders. The results of the materiality analysis are discussed by the Board of Directors and are taken into account in the risk assessment process and in decision making. The stakeholder groups, which have been defined as the result of internal consultations, discussions and working meetings of the Top Management of each Company with its executives, are the following: Employees, High Voltage Customers, Medium Voltage Customers, Low Voltage Customers, Organizations, Regulatory Authorities, Sustainable Development Agencies, Investment Community, Financial Institutions, Non-Governmental Organizations and Local Communities, Media, State - Public Agencies-Local Government Organizations, Business Communities (Greek and International), Partners and Suppliers, other companies in the same industry, Academic Community and Research Centers.
- The Company publishes the essential issues that emerged from the stakeholders' questionnaires and the actions taken during the fiscal year to address them. The last materiality analysis was carried out in the summer of 2021. This is the fifth time that such an analysis is run for PPC SA, but for the first time the analysis was extended to its subsidiaries HEDNO S.A. and PPC Renewables S.A. The list of items to be assessed, takes into account the results of previous years and the existing conditions of the Group and the market. Each issue was assessed in terms of its materiality,

both by the Top Management of each Company, as well as by its employees and external stakeholders (see the results of the relevant materiality analysis in the Sustainable Development Report 2020 <https://www.dei.gr/en/ppc-group/sustainable-development/sustainable-development-reports/sustainable-development-report-2020/>)

- Furthermore, the Company publishes the sustainable development data, following internationally recognized standards, ensuring that all market participants can compare the Company's performance with that of other companies in the same sector, and also facilitating its ESG Rating in terms of its sustainable development performance in the international market
- Company employees are systematically informed about the developments in the Company, through the actions of the Corporate Affairs & Communications Department, in which they are encouraged to participate actively.

B. Audit Committee

i. Composition and Functioning - term of office of members

This Audit Committee operates within the framework of article 44 L. 4449/2017, as amended by Article 74 of L. 4706/2020 and article 9 of L. 4643/2019. Its purpose is to assist the Board of Directors in fulfilling its duties and responsibilities to shareholders, the investment community and third parties, particularly to ensuring the integrity, objectivity, adequacy and efficiency of the following:

- the procedures of financial reports submission and in particular the financial reporting process and the process of the statutory audit of the individual and consolidated financial statements by independent auditors – accountants,
- the corporate governance, risk management, quality assurance and internal control systems,
- the Internal Audit Department, which it oversees and
- the Company's Procurement function for works, supplies and services.

The Audit Committee of PPC S.A is composed of at least five (5) members, appointed by the General Meeting of Shareholders as follows: Three (3) Non-Executive members, by virtue of article 44 L. 4449/2017, as in force, that are independent from the Company within the meaning of L. 4706/2020, and two (2) members, non-members of the Board of Directors, by virtue of article 9 of L. 4643/2019, that are chosen from a list of persons with proven knowledge in the field of works, supplies and services contracts, and who are independent from the Company, within the meaning of L. 4706/2020.

The Audit Committee of the Company from 1.1.2021 to 16.12.2021 had the following composition and structure:

- Georgios Venieris, Independent-Non-Executive Member of the Board, Chairman of the Audit Committee, for a term of office of three years, ie. from 27.06.2019 until 26.06.2022.
- Despoina Doxaki, Independent-Non-Executive Member of the Board, for a term of office of three years, ie. from 27.06.2019 until 26.06.2022.
- Stefanos Kardamakis, Independent-Non-Executive Member of the Board for a term of office of three years, ie. from 22.08.2019 until 21.08.2022.
- Evangelos Angeletopoulos, Non-Member of the Board, Member of the Audit Committee, for a term of office of three years, ie. from 08.05.2020 to 07.05.2023 and
- Emilios Stasinakis, Non-Member of the Board, Member of the Audit Committee, for a term of office of three years, ie. from 08.05.2020 to 07.05.2023.

However, due to the expiration of the term of office of Mr. Georgios Venieris, as an independent Member of the BoD and Chairman of the Audit Committee and in full compliance with the requirements of L. 4706/2020, an Extraordinary General Meeting of the Company's Shareholders held on December 16, 2021, in which Ms. Maria Psyllaki was elected as an independent Member of the BoD and Member of the Audit Committee from 17.12.2021 to 16.12.2024.

Following the above, the existing Audit Committee was constituted at its meeting on 22 December 2021 as follows:

| | | | |
|--------------------------|---|---------------------------------|--|
| Maria Psyllaki | Independent Non-Executive Member of the BoD | Chairman of the Audit Committee | With a three-year term of office, i.e., from 17.12.2021 until 16.12.2024 |
| Despoina Doxaki | Independent Non-Executive Member of the BoD | Member | With a three-year term of office, i.e., from 27.06.2019 until 26.06.2022 |
| Stefanos Kardamakis | Independent Non-Executive Member of the BoD | Member | With a three-year term of office, i.e., from 22.08.2019 until 21.08.2022 |
| Evangelos Angeletopoulos | Non-BoD member | Member | With a three-year term, i.e., from 08.05.2020 until 07.05.2023 |
| Aimilios Stasinakis | Non-BoD member | Member | With a three-year term of office, i.e., from 08.05.2020 until 07.05.2023 |

ii. Curriculum Vitae of the Audit Committee members

For reasons of completeness the curriculum vitae of the Audit Committee members are listed below:

The curriculum vitae of Ms. Maria Psyllaki, Ms. Despina Doxaki and Mr. Stefanos Kardamakis, are presented in detail in Section VI.4 of this Statement. The curriculum vitae of non-members of the Board which are members of the Audit Committee are listed below:

Angeletopoulos Evangelos, Non-Member of the Board, Member of the Committee

Mr. Evangelos Angeletopoulos has more than forty (40) years of experience and professional career. From 1978 to 1999 as Hellenic Navy (HN) Financial & Supply Officer he managed Integrated Logistics Support (ILS) items for the acquisition, construction and follow-on logistics support of warships and major weapons systems.

From 1998 to 2020 he was the Managing Director of "Business Logistics Services (BLS Ltd)" and the Executive Director of "Arcadia Consulting Ltd" (independent consulting firm) and the "Value Network Management Forum (V.N.M.F)". He has successfully implemented a series of Supply Chain Management, Logistics Management and Logistics Operations projects and has designed and implemented top executive training programs (Executive Master's Degree, workshops, summits, etc.). In 1991 he drafted the specifications for the Integrated Logistics Support (ILS) of the MEKO 200 frigate and then he was responsible for drafting and negotiation of the relevant contract with the German MEKO Consortium (Dresdner Bank - Thyssen Group - Blohm + Voss Shipyard). In 2001 he directed and implemented the project «Analysis and Calculation of Logistics Support Requirements of the Athens 2004 Olympic Games», on which the Logistics Support of the Olympic Games was based. In 2003, as Managing Director of the Logistics 04 (L04) Consortium and Project Manager, he designed and implemented the project «Provision of Logistics Support Services for the Athens 2004 Olympic and Paralympic

Games». In 2011 he also designed and implemented the project «Provision of Logistics Support Services for the Special Olympics World Summer Games (SOWG) Athens 2011», which was the year's biggest athletic event, worldwide. Evangelos is the founder of the non-profit organization «EEL-Hellenic Society of Logistics» and he was the District Director/ Greece and Vice President International / Europe of the international non-profit organization «SOLE - The International Society of Logistics». He is also a member of the "Gattorna Alignment Worldwide Consortium", and a close associate of the «Supply Chain Thought Leader» Dr. John Gattorna.

Stasinakis Aimilios, Non-Member of the Board, Member of the Committee

Aimilios Stasinakis is an executive with significant experience in Investment Banking, Strategy and Trading Consulting Services and the Public sector.

Mr. Stasinakis is currently a Director for Government Solutions at Visa. Until recently, he has been involved in significant private energy projects and previously, he was Deputy CEO of the Investment Bank of Greece, following his role as General Manager for Investment Banking, where he led various transactions in finance and infrastructure in Greece and SE Europe. Before that, he served as secretary for state-owned entities of the Ministry of Economy and Finance. Mr. Stasinakis has been a member of the management team for various companies and organisations, either as an executive or a non-executive member of the Board. In that respect, he has been a member of a number of boards including the Audit Committee of PPC Group, IBG, Egnatia Motorway, Larco, ETVA Industrial Real Estate, OPAP Games and others.

Mr. Stasinakis Aimilios holds a BSc (Hons) in Management from Warwick Business School, MSc in Management from London School of Economics and an MBA from the University of Oxford, Saïd Business School.

The criterion of sufficient knowledge and experience in auditing or accounting is fulfilled by Ms. Psyllaki, who on the one hand due to her three-year term of office (2009-2012) as Vice President of the Hellenic Finance and Accounting Association (HFAA) and on the other as Accounting Professor in the postgraduate program «Economic and Business Strategy» of the University of Piraeus, has proven knowledge and experience in accounting. Also, in the context of her teaching experience regarding Public Enterprises, she has knowledge of the organization, management and operation of the Company, which until recently was a company of the wider Public Sector. Furthermore, as a Senior Research Fellow in the field of Energy and Finance, at the Neapolis University of Paphos, Ms. Psyllaki has a deep knowledge of the issues of the energy sector, in which the Company operates.

The Chairman of the Audit Committee, Ms. M.Psyllaki, is the person according to the par.4(g) article 74 of L. 4706/2020, as in force, who will be obliged to be present at the Audit Committee meetings regarding the approval of the financial statements.

In addition, the conditions of independence, as defined by the current regulatory framework and in particular by par. 1 and 2 article 9 of L. 4706/2020, are met by all the members of the Audit Committee since the following persons:

- do not hold a percentage of shares higher than zero-point five percent (0.5%) of the Company's share capital, and that
- do not have any dependency relationship with the Company or its related parties, as those are prescribed in the aforementioned legislation.

iii. Responsibilities of the Committee

According to the requirements of article 44 of Law 4449/2017 and article 9 of L. 4643/2019, the Audit Committee shall be responsible for the following:

- Monitoring the external audit process and informing the Board of Directors of its results.
- Monitoring the financial reporting process and making recommendations or suggestions to ensure its integrity.
- Overseeing the selection of chartered auditors - accountants or audit firms and reviewing their independence.
- Monitoring, reviewing and evaluating the corporate governance, quality assurance and internal control systems
- Monitoring, reviewing and evaluating the procurement function for works, supplies and services.

The purpose, competencies and functioning of the Audit Committee are described in detail in its Rules of Procedure, which is posted on the Company's website (<https://www.dei.gr/en/ppc-group/ppc/corporate-governance/administrative-structure/organizational-structure/>).

iv. Frequency of Audit Committee Meetings and participation of members

In 2021, the Audit Committee met twenty-one (21) times. The number of participations of each member in the meetings of the Audit Committee is presented in the table below:

| Member | Position in Committee | Number of Meetings in which the members of the BoD participated |
|--------------------------|--|---|
| Maria Psyllaki* | Chairman of the Committee (since 22-12-2021) | 1 |
| Despoina Doksaki | Member | 18 |
| Stefanos Kardamakis | Member | 18 |
| Evangelos Aggeletopoulos | Member | 21 |
| Aimilios Stasinakis | Member | 21 |

* **Note:** Until the end of his term of office, according to the above, on 16.12.2021, Mr. George Venieris, Chairman of the Audit Committee, participated in twenty (20) meetings. Ms. Maria Psyllaki, who was elected at the Extraordinary General Meeting on 16.12.2021, to replace Mr. Venieris and was subsequently appointed by the members of the Audit Committee as its Chairman, participated in one (1) meeting, on the 21st, on the establishment of the Audit Committee and her appointment as Chairman of the Audit Committee.

v. Proceedings of the Audit Committee for the fiscal year 2021

During the meetings of the Audit Committee in the fiscal year 2021, all the issues provided in the Company's Rules of Operation and in the Rules of Procedure of the Internal Audit Unit were discussed and addressed. The main ones are summarized below:

External Audit / Financial Reporting Procedure

Re-evaluation of the independence of the Company's statutory auditors

- Monitoring the process of financial reporting and the course of the compulsory audit of the Company's individual and consolidated financial statements for the fiscal year 2020
- Monitoring the review process of the Company's individual and consolidated financial statements for the first half of 2021
- Monitoring the process of the internally prepared Company's individual and consolidated financial statements for the first quarter and the nine months of the fiscal year 2021
- Update on the amount of letters of guarantee that were issued and remained in force for the first and second half of 2020

It is underlined that for the fiscal year 2021, the Audit Committee held five (5) meetings with the external auditors, supervising the process of the relevant audit of the financial statements.

Internal Control System

The Audit Committee was occupied in: a) the supervision of issues related to the operation of the Internal Audit Department (IAD) in accordance with applicable Regulations, b) the monitoring of the Company's internal control system and risk management system, and c) the auditing activity of the Internal Audit Department in critical areas of audit interest.

Particularly:

Regarding the auditing activity of the Internal Audit Department, the Audit Committee monitored its work and was informed about the findings, observations as well as the progress of the audits carried out in critical areas of audit interest, such as:

- the implementation of the Regulation of Works, Supplies and Services of PPC S.A (PWSS/PPC) to comply with the requirements of the Audit Committee competencies, as defined by article 9 of L. 4643/2019,
- the Procedures related to Corporate Governance issues, such as the Remuneration of the members of the Board of Directors, the Shareholder service procedure, the Corporate disclosure procedures, as well as the transactions with related parties,
- the conduction of stock inventories (Rhodes Soroni NPP, Katavia NPP, LKDM PPC),
- the purchase and management of liquid fuel stocks,
- the operation of the stores of the Division of Commercial Operations,
- the customer invoicing process,
- the receivables securitization - receipts through alternative networks (receivables securitization transactions up to 60 days),
- the debt management (Low voltage customers), including changes in receivable accounts (Low voltage customers) and receipts through alternative networks,
- the activities related to the permanent staff and their payroll (Individual Organizational levels),
- the compliance of the Mining and Production Activities with the applicable laws and Regulations related to the natural environment,
- the transactions in electricity and energy products,
- the security of the Company's Information Systems.

Evaluation of the IAD operation: The Audit Committee was informed in February 2021 for the results of the external evaluation of the IAD which was conducted by an independent evaluator in compliance with the International Standards (Standards) for the professional implementation of Internal Audit of the International Institute of Internal Auditors, as well as, taking into account both the degree of adoption of best practices of Internal Audit and the degree of alignment with the expectations of the Company's stakeholders. The Audit Committee was informed about the overall conclusion of the external evaluation which was «General Compliance», the existence of sub-areas that achieve either «Partial Compliance» or «Non-Compliance» with the Standards, as well as the proposed action plan to achieve improvements.

IAD Strategic & Organizational Plan: The Audit Committee was informed in October 2021 on the IAD's three-year strategic organizational plan, which sets out IAD's actions in the pillars of strategy, organizational structure, human resources and technology. The Audit Committee informed the Board of Directors and monitors its implementation.

IAD Risk Assessment and Audit Plan: The Audit Committee monitored the Risk Assessment projects carried out by the ICS with the participation of the IAD, and the development of an audit plan that is in line with the assessment of the risks arising from the strategic priorities, the Company's new business plan and in full compliance with the increased requirements of the institutional framework governing the corporate governance of the listed companies.

Operation of the Company's Procurement function for works, supplies and services

The Audit Committee, in accordance with the provisions of par. 2 article 9 L.4643 / 2019, dealt with the following issues:

1. **Utilization of the Provisions of L. 4643:** The possibilities provided by par. 4 article 9 L. 4643/19 in conjunction with article 10 of the same law, were highlighted
2. **Organizational and Procedural Changes**
3. **Modification of Regulation of Works, Supplies and Services**
4. **Digital Transformation of the Procurement Sampling Audit**
5. **Sampling Control**
6. **Performance Measurement (KPI's) of the Procurement function for works, supplies and services for the Financial Year 2021**

All the above are presented and analyzed in detail in the «Audit Committee's Annual Report for the year 2021 on the Procurement function to the Board of Directors of PPC S.A».

Sustainable Development Policy

The Sustainable Development Policy of the Company is detailed in section X. of this Statement.

vi. Audit Committee Evaluation

In accordance with the Rules of Procedure of the Audit Committee, the Committee is periodically evaluated in terms of its performance under the supervision of its Chairman, who is responsible for the implementation of the evaluation process. Until the date of drawing up of this Statement, the evaluation process of the Audit Committee had not taken place.

C. Nominations, Remuneration & Recruitment Committee

i. Composition and operation of the Committee - members' term of office

The Company has established a Nominations, Remuneration & Recruitment Committee, in accordance with articles 11 and 12 of L. 4706/2020, article 5 of L. 4643/2019 and the Articles of Incorporation of the Company, which is established with a Board of Directors decision. The purpose of the Nominations, Remuneration & Recruitment Committee is the support of the Board of Directors, in matters related to the: a) examination of existing and BoD member candidates according to the Company's Suitability Policy, b) recruitment, c) remuneration policy and d) remuneration and incentives of the Company's executives.

Initially, PPC SA had a Remuneration Committee, which according to article 5 of L. 4643/2019 was transformed into a Remuneration and Recruitment Committee on 22.08.2019. The existing Nominations, Remuneration and Recruitment Committee of PPC SA is an evolution of the Remuneration and Recruitment Committee and consists of three (3) Non-Executive members of the BoD, who are independent, within the meaning of the provisions of L. 4706/2020, as follows

| | | | |
|----------------------|--|------------------------|---|
| Pyrros Papadimitriou | Independent - Non-Executive Member, Chair of the NRRC | Chair of the Committee | With a three-year term of office, i.e., from 22.08.2019 to 21.08.2022 |
| Despoina Doxaki | Independent - Non-Executive Member, Member of the NRRC | Member | With a three-year term of office, i.e., from 22.08.2019 to 21.08.2022 |
| Stefanos Kardamakis | Independent - Non-Executive Member, Member of the NRRC | Member | With a three-year term of office, i.e., from 22.08.2019 to 21.08.2022 |

ii. Curriculum vitae of the members of the Committee

The Curriculum Vitae of the members of the Nomination, Remuneration & Recruitment Committee are mentioned in Section VI.4 of this Statement.

iii. Responsibilities of the Committee

Responsibilities on matters pertaining to Recruitment, Remuneration & Incentives

Making recommendation to the BoD for:

- The definition of a policy for the recruitment of permanent personnel, within the framework of the Company's Business Plan, to be approved by the Board of Directors,
- the establishment of a procedure for recruiting senior managers (Deputy CEOs and Chief Officers) and managers (Directors and Assistant Directors/ Heads of Units), to be approved by the General Meeting,
- the drawing up of the Company's remuneration policy, pursuant to Articles 110-112 of L. 4548/2018, as applicable,
- the remuneration of the persons falling within the scope of the remuneration policy (members of the Board of Directors, Deputy CEOs, Chief Officers, Directors and Assistant Directors/Heads of Units), to be approved by the General Meeting.

Examining the information contained in the final draft of the annual remuneration report, providing its opinion to the Board of Directors, prior to the submission of the report to the General Meeting, in accordance with article 112 of L. 4548/2018.

Receiving and reviewing the report on the degree of achievement of the CEO's objectives, through which the degree of achievement of the Group's objectives is confirmed and submitting it to the Board of Directors for final approval.

Responsibilities for the Nomination of Candidates for Board Members

Identifying and recommending to the Board of Directors persons eligible for acquiring the capacity of Board members, by applying the following procedure:

- Periodically evaluates the size and composition of the Board of Directors.
- Submits proposals for the diversity policy adopted by the Board of Directors, and, in general, for the implementation of the provisions of the relevant applicable legislation.
- Evaluates Board Candidates:
 - taking into account the factors and criteria defined by the Company, in accordance with the Suitability Policy that it adopts; and
 - examining any impediments and incompatibilities, as well as the criteria of independence of candidate members (especially in the case of their appointment as independent members), in accordance with L. 4706/2020 and L. 4548/2018, as applicable.

In particular, below is a description of the Committee's competencies in relation to the procedure for nominating Board members:

- Preparing the nomination procedure
- Searching for candidates
- Assessing the suitability of candidates
- Proposing candidate members to the Board of Directors
- Proposing the replacement of members

Responsibilities for the Assessment, Training and Succession Planning of Board members

The Committee shall have the competencies and the individual and collective responsibility for the assessment of the BoD, for the training and succession planning, as provided for in the respective articles of the Suitability Policy and the Training Policy for Board Members.

In particular:

Succession Planning

Ensuring that the possibility that a Board member might lose his/her capacity in the course of the financial year is considered and the selection procedure for new members is initiated, as specified in the Suitability Policy.

In addition, in order to ensure the efficiency of the procedure and achieve optimal results concerning the smooth succession of its members:

- It takes into account the findings of the assessment of the Board of Directors, as well as the restriction of article 9 L. 4706/2020 regarding the term of office of independent

non-executive members of the Board of Directors in order to maintain their independence (i.e., nine financial years cumulatively),

- It maintains a succession plan and candidate profile, while at the same time establishing a list of skills and attributes, to deal with resignations or loss in any way whatsoever of the capacity of a Board member,
- It ensures that a seamless succession plan for the CEO is prepared.

Other Responsibilities

It supports the Board of Directors, with the assistance of other competent units, in order to ensure that the independence requirements of the non-executive members of the Board of Directors are met in compliance with the provisions of L. 4706/2020, at least annually per financial year and in any case prior to the publication of the annual financial report, which shall include the relevant findings.

It carries out a periodic assessment of its performance, under the responsibility of its Chairman, and identifies any areas that need to be improved.

Detailed information on the role, responsibilities and functioning of the Nomination, Remuneration & Recruitment Committee are included in its Rules of Procedure, which is posted on the Company's website (<https://www.dei.gr/en/ppc-group/ppc/corporate-governance/administrative-structure/ppc-board-of-directors/>).

iv. Frequency of meetings and members' participation

The Committee convened five (5) times in 2021, in which all of its members participated. Company executives were also present in all of its meetings, following an invitation from the Committee, in order to present their views on matters of their competence.

v. Proceedings of the Nomination, Remuneration & Recruitment Committee for 2021

The main issues discussed, and decisions taken by the Committee during 2021 are summarized below:

- Update / Completion and codification of the Company's Remuneration Policy (Meeting on 12.05.2021). Following the recommendation of the Committee, the proposal of the Remuneration Policy to the General Meeting was initially approved by the BoD with its decision No. 47 / 13.05.2021. The Remuneration Policy was then approved by the Extraordinary General Meeting of shareholders on June 4, 2021.
- Determination of the recruitment policy of employees with contracts of indefinite duration, within the framework of the Company's Business Plan, in application of article 3 of Law 4643/2019 «Recruitment of personnel of indefinite duration» (Meeting 25.05.2021). Following the recommendation of the Committee, this recruitment policy of employees with contracts of indefinite duration was approved by the BoD with its decision No. 52 / 27.05.2021.
- Examination, within the scope of the Committee's responsibilities, of the degree of achievement of the CEOs objectives for 2020, through which the degree of achievement of the Group's objectives for the financial year 2020 is certified. The Committee also prepared the relevant Report of the Achievement Degree of its Objectives, as defined in the Remuneration Policy, and submitted it for final approval to the BoD. (Meeting 12.07.2021). The Committee submitted the Report of

the degree of achievement of the CEOs objectives for approval to the BoD in order to confirm the degree of achievement of the Group's objectives. The BoD approved the aforementioned report with its decision No. 89/14.07.2021.

- Submission of the amendments of the Recruitment Policy to the BoD, regarding the recruitment of staff of University Education, Technological Education and Secondary Education, the recruitment of staff (University or Technological education) of specialized qualifications or experience as well as the recruitment of Occupational Physicians, with contracts of indefinite duration (Meeting 27.09.2021). Following a recommendation of the Committee, the above amendments to the Recruitment Policy were approved by the BoD with its decision No. 121 / 15.10.2021.
- Submission of proposals to the BoD for the election of two (2) Members of the BoD of PPC SA, due to the expiration of the term of office of an equal number of its members, in accordance with Law 4706/2020 and the Company's Suitability Policy (Meeting 23.11.2021). Following the recommendation of the Committee, which had verified the fulfillment of the eligibility criteria of the two (2) candidates for the acquisition of the BoD membership, in accordance with the Company's Suitability Policy, the proposal of the election of two (2) members of the Board, due to the end of the term of office of an equal number of its members, to the General Meeting was initially approved by the BoD with its decision No. 149 / 23.11.2021. The Extraordinary General Meeting of Shareholders on December 16, 2021 decided the re-election of Mr. Georgios Karakousis as Executive Member of the BoD. and the election of Mrs. Maria Psyllaki, as an Independent Member of the BoD.

vi. Evaluation of the Committee

In accordance with the Rules of Operation of the Nomination, Remuneration & Recruitment Committee, the Committee is periodically evaluated in terms of its performance under the supervision of its Chair, who is responsible for the implementation of the evaluation process. Until the date of drawn up n of this Statement, the evaluation process of the Nomination, Remuneration & Recruitment Nominations Committee had not taken place.

D. Other Committees

Executive Committee

The Company has an Executive Committee.

The Executive Committee is composed of the CEO, who is also its Chairman, any Deputy CEO's and the Chief Officers.

The Company's General Counsel participates in its meetings, at the discretion of the CEO.

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

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

The Executive Committee shall operate in accordance with its Rule of Operation, as approved by the Board of Directors upon recommendation by the CEO.

Furthermore, the Company has established a **Strategy and Investment Committee** as well as a **Sustainability Committee**.

Risk Management Committee

The Company has a Risk Management Committee, which is responsible for the risk oversight in all of the Company's activities and contributes to the development of the Corporate Risk Management Framework and the monitoring and reporting of significant Corporate Risks.

The Risk Management Committee consists of ten (10) members, as follows:

| Member's name | Position in Company | Position in Committee |
|---------------------------|--|--|
| Georgios Stassis | BoD Chairman and CEO | Chairman |
| George Karakousis | Deputy CEO of commercial activities, BoD Member | Member |
| Ioannis Kopanakis | Deputy CEO of Production Operations | Member |
| Alexander Paterakis | Deputy CEO of Digital Transformation, BoD Member | Member |
| Anargyros Oikonomou | General Counsel and Chief Legal Affairs and Corporate Governance Officer | Member |
| Konstantinos Alexandridis | Chief Financial Officer | Member |
| Sotiris Hadjimichael | Chief Strategy & Transformation Officer | Member |
| Konstantinos Mavros | CEO of PPC Renewables S.A. | Member |
| Konstantinos Nazos | Chief Energy Management & Trading Officer | Member |
| Abraham Papakyriellou | Director of Risk Management Division | Secretary and Deputy Chairman of the Committee |

The CVs of the members of the Committee who are also members of the BoD can be found in section VI. Par. 1 «Board of Directors and Committees».

The CVs of the senior executives who are members of the Risk Management Committee are listed in the Annex of this Statement.

Sustainability Committee

The Sustainability Department has been established by decision of the CEO (June 2021) and appointed Director of the Sustainability Department reporting directly to the CEO. Furthermore, based on the decision of the Board of Directors No. 142/9.11.2021, a Sustainability Committee has been established with representation from the top management, which will be responsible for the supervision of Sustainability and for informing the Board of Directors on Sustainability matters. The establishment of this Committee was carried out in the context of the TCFD (Taskforce for Climate-related Financial Disclosure) action plan, according to which the risks that the Company will face in its activities due to climate change, as well as the ways to address them, will be examined.

The purpose of the Sustainability Committee is at minimum the involvement, the understanding and reporting to the BoD of subjects related to the following:

- supervision, coordination and promotion of policies and actions related to Sustainability and Climate,
- overseeing the identification, monitoring and management of risks and opportunities related to Sustainability and Climate,
- overseeing the establishment, implementation and monitoring of the Sustainability strategy and policy,
- overseeing and approving the Sustainability Report and the wider implementation of appropriate non-financial reporting and ESG (Environment, Society, Governance) disclosure frameworks,
- oversight and monitoring of the annual targets around Sustainability, CSV (Creating Shared Value) and Climate for all Group Departments and sections, and with respect to HEDNO, the monitoring of its business plan in relation to Sustainability matters on behalf of the shareholder; and
- reporting to the Board of Directors on these matters on a regular basis, with the ultimate objective of further enhancing the Board's oversight and awareness.

The Sustainability Committee consists of seven (7) members as follows:

| Member's name | Position in Company | Position in Committee |
|---------------------------|--------------------------------------|--|
| Georgios Stassis | Chairman and CEO | Chairman |
| George Karakousis | Deputy CEO of commercial activities | Member |
| Ioannis Kopanakis | Deputy CEO of Production Operations | Member |
| Alexander Paterakis | Deputy CEO of digital transformation | Member |
| Konstantinos Alexandridis | Chief Financial Officer | Member |
| Konstantinos Mavros | CEO of PPC Renewables S.A. | Member |
| Achilleas Ioakeimidis | Director of Sustainable Development | Secretary and Deputy Chairman of the Committee |

The CVs of the members of the Committee who are also members of the Board are listed in section VI. par. 4 of this Statement.

The CVs of high ranking executives participating in the Committee are set out in the Annex to this Statement.

VII. Diversity, equality and adequate gender representation applied to the managerial bodies of the Company

The Company has put in place and implements a Diversity Policy with a view to promoting a suitable level of diversification inside the BoD and an inclusive team of members. Putting together a broad range of qualifications and skills when selecting BoD members guarantees diversity of insight and expertise with a view to sound decision-making. The Diversity Policy is taken into consideration when appointing new BoD members.

By adopting and implementing a Diversity Policy, the Company ensures that no-one is excluded from selection and appointment in the BoD because of gender, race, colour, ethnic or social origin, religion or belief, property, birth, disability, age or sexual orientation. In addition, the Company must ensure an adequate representation of gender corresponding to at least twenty-five per cent (25%) of the total number of BoD members. In case of fraction, this number is rounded down to the previous integer. Respectively, through the Competent Units, the Company takes appropriate initiatives to achieve a wider range of representation of shareholders at the BoD, who, either individually or in the aggregate, represent at least 10% of the Company's share capital. The Nominations, Remuneration & Recruitment Committee takes these criteria into consideration when making proposals for the appointment of BoD members.

More Specifically, the Diversity Policy explains the Company's approach to equality and diversity within the Board. The Company is committed to promoting equality and diversity within the Board, as well as to promote a culture that, on the one hand, values and respects diversity and, on the other hand, recognizes that people from different backgrounds and experiences can make a valuable contribution to the work of the Board. The broader goal of the Company is to be an inclusive organization, which provides equal opportunities in the whole range of employment, including recruitment, training and development of the members of the Board of Directors and the employees.

VIII. Related Parties Transactions' Regulation

The Company has a "Related Parties Transactions" Regulation (Regulation), which introduces Regulations and internal procedures for the transparency and supervision of transactions and contracts of PPC S.A. with Related Parties of the Company, in order to strengthen the existing ones, in compliance with L.4548/2018 (A 104) [articles 97, 99-101 and 109, paragraph 3], the Decisions of the Hellenic Capital Market Commission No. 1/434 / 3.7.2007 and 8/754 / 14.04.2016, and the Circular of the Hellenic Capital Market Commission No. 45 / 21.07.2011.

This Regulation sets out the rules, procedures and in general the framework for the Company to carry out transactions and conclude contracts with related parties (related party transactions), ie, with persons who can exercise control or undue influence over it.

With regard to the definition of the personnel-subjective scope of the Regulation, a reference is made to the provisions of the accounting law and, in particular, to the persons defined in IAS 24. The objective scope of the Regulation covers in principle all transactional relations between the Company and its affiliates. Therefore, no distinction is made between loan and credit agreements / transactions, on the one hand, and «other agreements / transactions», on the other; on the contrary, all agreements / transactions, independently whether they concern agreements / transactions from which only benefits arise for the Company, are subject the provisions of the Regulation. Furthermore, the Regulation governs the remuneration to members of the Board of

Directors for services they provide to the Company on the basis of a special relationship, such as indicatively, by way of employment, work contract or mandate.

The General Division of Financial Services draws up a specific list in which the details of the related parties are registered and updated («List of Related Parties»). The list of Related Parties is updated whenever required by the circumstances and in any case at least once a year, by requesting from the persons directly connected with the Company (and / or their legal representatives) to confirm the information already submitted, including information already submitted that relate to other persons who, the directly related parties, know or have good reason to believe that, also constitute (indirectly) related parties with the Company. In addition to the above periodic updates, the General Directorate of Financial Services may, at any time it deems appropriate or necessary, request the update of the Directory.

The Annual Report of the Board of Directors of the Company (L. 3556/2007 as in force) includes the most important transactions of the Company with related parties, as defined in IAS 24, and at least the transactions between the Company and each related party that took place during the year and which substantially affected the financial position or performance of the Company during that year.

IX. General Meeting and Shareholder's Rights

Responsibilities of the General Meeting

The General Meeting of shareholders is the supreme authority of the Company and shall have the right to adopt resolutions on all matters concerning the company, unless otherwise stipulated in the company's Articles of Incorporation, and more particularly to decide regarding:

- The amendments to the Articles of Incorporation, such amendments are also deemed to be the increase or reduction of the share capital, subject to the provisions of par. 2 article 6 of the Articles of Incorporation and article 117 of L. 4548/2018, as applicable. The resolutions concerning amendments to these Articles of Incorporation shall be valid, provided that the relevant amendment is not prohibited by an express provision hereof or by law,
- The election of Board Members, pursuant to article 9 of the Articles of Incorporation, of the CEO and of the regular auditors,
- The approval of the overall management pursuant to article 108 of L. 4548/2018 and the discharge of the auditors,
- The approval of the annual and consolidated financial statements of the Company,
- The distribution of the annual profits,
- The approval of the provision of remunerations in accordance with article 17 of the Articles of incorporation, as well as the approval of the Remuneration Policy of article 110 and the remuneration report of article 112 of L. 4548/2018,
- The issuance of loan through bonds convertible into shares, by virtue of those especially provided for in article 71 of L. 4548/2018 and subject to those provided for in article 6 of the Articles of Incorporation. The issuance of bonded loans non-convertible into shares shall be allowed by resolution of the Board of Directors,
- The merger, division (demerger), conversion, revival, extension of term or dissolution of the Company and
- The appointment of liquidators.

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

Convocation of the General Meeting

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

Within ten (10) days from the submission by the auditors of a request to the Chairman of the Board, the Board of Directors shall be bound to convene the General Meeting of shareholders having as for items on the agenda those listed in the submitted request.

Invitation to the General Meeting

The Invitation to the General Meeting, with the exception of repeat General Meetings and of meetings regarded as such, shall clearly state at least the venue, date, and time of the meeting, the items on the agenda, the shareholders entitled to participate, as well as precise instructions about the way the shareholders shall be able to participate in the meeting and exercise their rights in person or by proxy, or potentially through remote attendance (from a distance), shall be available in a prominent place at the registered office of the company and shall be published by posting on the website of the Company and the website of the GECR, and in any case, as provided for by law each time.

With the exception of the repeat Meetings, the General Meeting shall be convened at least twenty (20) full days prior to the date set for the meeting. The invitation shall be posted on the Company's website at least twenty (20) full days prior to the date of the General Meeting and at the same time it shall be registered with the Company's section at the GECR (G.E.MI) as per law.

The day of publication of the notice of invitation to attend a General Meeting and the day on which such meeting shall be held are not counted.

Besides the information of par.1 article 21 of the Articles of Incorporation, the invitation shall also include at least the following information about:

- the shareholders' rights of par. 2, 3, 6 and 7 of article 28 of the Articles of Incorporation, stating the time period within which each right may be exercised, the respective deadlines specified in the above paragraphs of article 28 of the Articles of Incorporation or, alternatively, the closing date by which such rights may be exercised, on condition that the detailed information concerning the said rights and the terms of their exercise is posted, with an explicit reference in the invitation, on the Company's website www.dei.gr, and
- the procedure for the exercise of the voting right by proxy and more in particular the printed forms used by the Company to this end, as well as the means and methods provided for in article 22 of the Articles of Incorporation, in order that the company may receive electronic notifications of any appointment and revocation of proxy holders,
- the procedures regarding the exercise of the voting right via registered mail or email according to those provided for in articles 125 and 126 correspondingly, of L. 4548/2018 and article 22 of the Articles of Incorporation.

- set the record date as provided for in par. 2 article 22 of the Articles of Incorporation in accordance with par. 6 article 124 of L. 4548/2018, as applicable, pointing out that only those persons having the shareholder capacity on such date shall have the participation and voting right at the General Meeting.
- inform about the location where the full text of documents and draft resolutions provided for in cases c) and d) of par. 5 article 22 of the Articles of Incorporation are made available, as well as their reception mode.
- mention the Company's website address where the information of par. 5 of article 22 of the Articles of Incorporation is posted.

The Company shall publish in the media referred to in par. 1 of article 21 of the Articles of Incorporation a summary of the invitation containing at least the precise address of the venue, the date and the time of the meeting, the shareholders entitled to participate, as well as an explicit reference to the address of the Company's website where the full text of the invitation and the information provided for in article 123 of L. 4548/2018 are posted.

In case of enforcement of par. 2, article 141 of L. 4548/2018, the publication in the media in accordance with the par. 1 of article 21 of the Articles of Incorporation shall contain at least a clear indication that any revised agenda shall be posted on the Company's website and in the media referred to below. Besides the publication in the media of par. 1 of article 21 of the Articles of Incorporation including the Company's website, the full text of the invitation shall also be published within the prescribed deadline of par. 2 of article 21 of the Articles of Incorporation, in such a way as to ensure rapid and non-discriminatory access to it, in the media that the Board of Directors considers reasonably reliable for the effective diffusion of information to the investors through printed and electronic media of national and Europe-wide circulation.

Participation in the General Meeting

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

Any shareholder who holds and proves his shareholder capacity on the date of the General Meeting shall be entitled to participate in the General Meeting. In particular, any person holding the shareholder capacity on the commencement of the fifth (5th) date prior to the date of the initial date of the General Meeting (Record Date) shall be entitled to participate in the General Meeting. The above Record Date shall apply even in the event of a postponed or repeat meeting on condition that the postponed or repeat meeting is not held later than thirty (30) days from the Record Date. If that is not the case or if, in the event of a repeat General Meeting, a new Invitation is published in accordance with those provided for in article 130 of L. 4548/2018, any person having the shareholder capacity on the commencement of the third (3rd) day prior to the date of the postponed or repeat General Meeting shall be entitled to participate in the General Meeting. The shareholder capacity shall be evidenced by any legal means and in any case based on the information received by the Company from the Central Securities Depository, on condition that the latter provides registry related services.

Shareholders shall participate in the General Meeting either in person or by proxy. Each shareholder may appoint up to three (3) proxy holders. Any proxy holder holding proxies by several shareholders may cast votes differently for each shareholder. The appointment, revocation or substitution of any proxy holder shall be made in writing or by mail and shall be notified to the company in accordance with the same procedure as above at least forty eight (48) hours prior to the date set for such General Meeting. Legal entities shall participate in the General Meeting by their representatives.

Ten (10) days prior to the ordinary General Meeting, the Company shall make available to the shareholders the annual financial statements thereof, together with the relevant reports of the Board of Directors and of the auditors, posting the relevant information on the Company's website as specified in par. 1 and 2 of article 123 of L. 4548/2018.

Each shareholder, for each item on the agenda which allows for open vote, shall be entitled to participate in the General Meeting via distance voting, registered mail or through electronic means, with the voting being held prior to the General Meeting, subject to the conditions set out in article 126 of L. 4548/2018.

As of the date of publication of the invitation to the General Meeting and until the date of the General Meeting, at least the following information shall be posted on the company's website:

- the notice of invitation to the General Meeting,
- the total number of shares and voting rights on the date of such invitation,
- the documents to be submitted at the General Meeting,
- a draft resolution for each proposed item on the agenda or in case no resolution has been submitted for approval, a comment by the Board of Directors on each item on the agenda and any draft resolutions submitted by the shareholders, right after being received by the Company,
- the printed forms to be used for the exercise of voting rights by proxy.

Ordinary Quorum and Majority

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

If the quorum referred to in the preceding paragraph is not obtained, the General Meeting shall be held again within twenty (20) days from the date of the postponed meeting, following invitation being notified at least ten (10) days prior to the meeting date. At such a repeat meeting a quorum shall be deemed to be obtained in order to duly discuss the items set out on the original agenda, regardless of the proportion of the paid-up share capital represented thereat.

A new notice of invitation is not required, in the event that the original notice of invitation states the venue and date of the repeat meetings provided for by the law, in case a quorum has not been reached, on condition that there is a lapse of at least five (5) days between the postponed meeting and the repeat one.

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

Extraordinary Quorum and Majority

Exceptionally, for resolutions involving:

- change in the nationality of the Company,
- modification of the object of the Company,
- issuance of bonded loans convertible into shares, as stipulated by par. 1(g) article 19 of the Articles of Incorporation,
- increase of the shareholders' obligations,
- increase of the share capital, subject to the provisions of article 6 of the Articles

of Incorporation, or unless it is imposed by law or is effected by capitalization of reserves,

- decrease of the share capital, with the exception of the case of par. 6 article 49 of L. 4548/2018, as applicable, or with the exception of those cases which are regulated in a different manner according to a special law or to the Company's Articles of Incorporation,
- change in the manner of profits' distribution,
- restriction or abolition of the pre-emption right of the old shareholders in the cases of and subject to the conditions set out in article 27 of L. 4548/2018,
- merger, division (demerger), conversion, revival, extension of term or dissolution of the company,
- granting or renewing of powers to the Board of Directors for the increase of the share capital or the issuance of a bonded loan in accordance with the provisions of article 6 par. 2(b) of the Articles of Incorporation, and
- any amendment to the article 24 of the Articles of Incorporation and in any other case stipulated by the law.

The Meeting has quorum and legally meets on the items set out in the agenda, when shareholders representing one half (1/2) of the paid-up share capital are present or represented thereat.

If the said quorum is not obtained, a repeat General Meeting shall be convened in accordance with the provisions of par. 2, article 23 of the Articles of Incorporation, a quorum of which shall be obtained for the proper transaction of the business set out in the initial agenda, when at least one fifth (1/5) of the paid-up share capital is present or represented thereat.

A new notice of invitation is not required on condition that the venue and time of the repeat meetings, as provided for by law, are set in the initial invitation, and that at least five (5) days intervene between each postponed meeting and each repeat one. The resolutions stipulated in par. 1 article 24 of the Articles of Incorporation shall be made by a two third (2/3) majority of the votes represented thereat.

Chairmanship of the General Meeting

The Chairman of the Board of Directors shall preside, provisionally, as chairman at the General Meetings. If unable to perform his/her duties, he/she shall be replaced by his/her substitute. Secretarial duties at the meetings shall be performed, provisionally, by a person appointed by the Chairman.

Following approval of the final list of shareholders with voting rights, the General Meeting shall proceed to the election of its Chairman and of one (1) Secretary, who shall also act as scrutineer.

Agenda - Minutes of the Meetings

The discussions and the resolutions of the General Meeting shall be limited to the items on the agenda published in accordance with article 21 of the Articles of Incorporation.

A summary of all discussions and resolutions of the General Meeting shall be entered in a minute book signed by the Chairman and the Secretary. At the request of any shareholder, if any, the Chairman shall be obliged to record an exact summary of the said shareholder's opinion in the minutes. In the same minute book, a list of shareholders who attended the General Meeting in person or by proxy shall also be recorded. The results of the voting shall be posted on the Company's website under the responsibility of the Board of Directors within five (5) days at the latest from the date of the General Meeting, indicating for each resolution at least the number of shares for which valid votes were cast, the proportion of the share capital represented by such votes, the total number of valid votes, as well as the number of votes cast in favour and against each resolution and the number of abstentions.

Copies of and excerpts from the minutes of the General Meeting shall be certified by the Chairman of the Board of Directors or his/her substitute and provided that there is an obligation to be registered with the General Electronic Commercial Registry (GECR), they shall be submitted to the competent service of the GECR within twenty (20) days as of the holding of the General Meeting.

Minority rights

1. At the request of shareholders representing one twentieth (1/20) of the paid-up share capital, the Board of Directors shall be bound to convene an Extraordinary General Meeting, setting the date of such a meeting, which shall not be later than forty-five (45) days from the date of service of such request to the Chairman of the Board of Directors. The agenda items shall be stated in detail in the said request. If the General Meeting is not convened by the Board of Directors within twenty (20) days from the service of the said request, the meeting shall be convened by the requesting shareholders at the expense of the Company, upon ruling of the Single-Member Court of First Instance at the Company's registered seat, issued following the procedure of interim measures. The place and date of the meeting, as well as the items on the agenda, shall be defined by the said ruling. This ruling may not be contested by any judicial remedies. The Board of Directors convenes the General Meeting, pursuant to the general provisions or uses the procedure set out in article 135 of L. 4548/2018, unless the requesting shareholders have precluded that possibility.

2. At the request of shareholders representing one twentieth (1/20) of the paid-up share capital, the Board of Directors shall be obliged to insert additional items on the agenda of a General Meeting already convened, if the relative request has been submitted to the Board of Directors at least fifteen (15) days prior to the General Meeting. The request for the insertion of additional items in the agenda shall be accompanied by the reasoning or a draft resolution to be approved by the General Meeting and the revised agenda shall be published or notified under the responsibility of the Board of Directors, pursuant to article 22 of L. 4548/2018, as applicable, according to the same procedure as above, thirteen (13) days prior to the date of the General Meeting; at the same time it shall be made available to the shareholders on the Company's website along with the reasoning or the draft decision submitted by the shareholders in accordance with the provisions of par. 5 article 22 of the Articles of Incorporation. In the event that these items are not published, the requesting shareholders are entitled to request the postponement of the General Meeting, pursuant to par. 5 of article 22 of the Articles of Incorporation and proceed on their own to their publication, in accordance with the provisions of the present paragraph, at the expense of the Company
3. At the request of shareholders representing one twentieth (1/20) of the paid-up share capital, the Board of Directors shall make available to the shareholders in accordance with the provisions of par. 5 article 22 of the Articles of Incorporation, at least six (6) days prior to the General Meeting any draft resolutions on items included in the initial or the revised agenda, provided that such request is submitted to the Board of Directors at least seven (7) days prior to the date of the General Meeting.
4. The Board of Directors shall have no obligation to proceed to the insertion of items on the agenda nor to publish or notify such items along with the reasoning and the draft resolutions submitted by the shareholders in accordance with the above paragraphs, if their content is obviously contrary to Law and morality.
5. At the request of shareholders representing one twentieth (1/20) of the paid-up share capital, the Chairman of the General Meeting shall be obliged to postpone, only once, the decision-making process by the ordinary or extraordinary General Meeting for all or specific items, setting at the same time as date when the meeting will reconvene for decision-making, the one specified in the request of the shareholders, which may not be later than twenty (20) days from the date of postponement.

The General Meeting, which follows the postponed one, is considered a continuance of the previous one and no repetition of the requirements for the publication of the shareholders' invitation is required. New shareholders may also attend this meeting, pursuant to the provisions of article 22 of the Articles of Incorporation.

6. a) At the request of shareholders representing one twentieth (1/20) of the paid-up share capital submitted to the Company, the Board of Directors shall be bound to announce to the General Meeting of shareholders, provided it is an ordinary General Meeting, the amounts paid by the Company, for any reason whatsoever, within the last two (2) years, to members of the Board of Directors, to the Chief Officers, to the Directors or other employees of the Company, as well as any other benefit paid to the said persons or any contract of the Company concluded with the above mentioned persons for any reason whatsoever.
- b) At the request of any of the shareholders, submitted to the Company within at least five (5) full days prior to the General Meeting, the Board of Directors shall be obliged to provide any requested information with respect to the Company affairs, to the extent that such information is useful for the actual evaluation of the agenda items. The Board of Directors may give a common reply to all

shareholders' requests having the same content. There shall be no obligation to provide information, on condition that such information is already posted on the Company's website, especially in question and answer form.

In both cases above, the Board of Directors may refuse to provide the requested information, if sufficient material grounds exist, recording the reasons for such refusal in the minutes. Such reason may be, depending on the circumstances, the representation of the requesting shareholders at the Board of Directors, pursuant to articles 79 or 80 of L. 4548/2018. In the cases of the present paragraph, the Board of Directors may give a common reply to all shareholders' requests having the same content.

7. At the request of shareholders representing one tenth (1/10) of the paid-up share capital submitted to the Company within the time limit referred to in the preceding paragraph, the Board of Directors shall be obliged to provide to the said shareholders during the General Meeting information on the progress of the affairs and on the financial condition of the Company. The Board of Directors may refuse to provide the requested information, if sufficient material grounds exist, recording the reasons for such refusal in the minutes.
8. In the cases referred to in the par. 6a and 7, any issue in dispute over the validity of the reasons for such refusal by the Board of Directors shall be resolved by the Single Member Court of First Instance of the Company's registered seat, following the procedure of interim measures. By the same ruling, the court shall oblige the Company to provide any information it refused. This ruling may not be contested by any judicial remedies.
9. At the request of shareholders representing one twentieth (1/20) of the paid-up share capital, a resolution concerning any item on the agenda of the General Meeting shall be made by open vote.
10. In all cases referred to in the par.1 to 9, the shareholders submitting such a request shall be obliged to provide during the exercise of their rights evidence of their shareholding capacity, in conjunction with article 22 of the Articles of Incorporation, and except in the case of the second section of par. 6 of the article 28 of the Articles of Incorporation, of the number of their shares during the exercise of their right. Shareholders' capacity may be evidenced by any legal means and in any case based on the information that the Company receives from the Central Securities Depository, on condition that it provides registry-related services.
11. Shareholders of the Company representing one twentieth (1/20) of the paid-up share capital shall have the right to request by the Single-Member Court of First Instance of the Company's registered seat the performance of an audit of the Company. Such audit shall be ordered, in the event it is assumed that certain acts reported against the Company violate the provisions of the law, of the Articles of Incorporation or of the resolutions of the General Meeting. In all cases, the petitions requesting an audit shall be filed within three (3) years from the date of approval of the annual financial statements of the financial year within which such reported acts took place.
12. Shareholders of the Company representing one fifth (1/5) of the paid-up share capital shall have the right to request by the court referred to in the preceding paragraph the performance of an audit of the Company, provided it is assumed from the general progress of the company affairs, that the management thereof is not carried out in accordance with the principles of honesty and prudence. The last section of par. 3 of article 142 of L. 4548/2018 shall not be applicable.

13. Shareholders who make a request in accordance with par. 11 and 12, must provide evidence to the Court that they are in possession of the shares, in conjunction with article 22 of the Articles of Incorporation, granting them the right to request the audit of the Company.
14. Without prejudice to the provisions on personal data protection, any shareholder may request a list of the Company's shareholders, bearing the name and the address of each shareholder as well as the number of shares held by each shareholder. The Company shall not be obliged to include in this list shareholders holding up to 1% of the share capital.
15. Within ten (10) days as of the publication of the announcement concerning the granting of permission by the Board of Directors under par. 2 of article 101 of L. 4548/2018, shareholders representing one twentieth (1/20) of the capital may request the convocation of a General Meeting in order to decide on the granting of such permission.

X. Description of the Sustainable Development Policy that the Company implements

PPC's Sustainable Development Policy is the basic framework of the Company's commitment to the continuous effort to improve the economic, environmental and social value it creates, for those who have legitimate interests from its operation, but also for society as a whole.

PPC's strategic philosophy is summarized in the slogan «Creating Shared Value», i.e. the creation and measurement (total value) of the shared benefit between business, society and the environment, which will result from the transformation of the Company's value chain and operation, and the formation of a new corporate culture, guided by Sustainable Development and the principles of the circular economy, wherever they can be applied.

That is why we approach Sustainable Development in full alignment with our business model and its transformation needs, investing in integrated, innovative and high quality services and products, shaping a better working environment and mutually beneficial relationships, on the axes of economic growth (Profit) Environmental Welfare (Planet) and Social Welfare (People).

PPC, the company that has played a leading role in our country's development for the last 70 years, operates in constant harmonization with the best international practices and trends.

It closely monitors the global developments, the challenges and the commitments that our country has undertaken and aspires to become a pioneer in its field in Southeastern Europe, with the aim to become an example of sustainable development for the wider region.

The Company develops, integrates and gradually implements a Sustainable Development Policy, which contributes: (a) to the Company's strengthening (b) to the country's energy transformation through a fair development transition within context of the Green Deal implementation, and (c) to the Group's development in Southeastern Europe.

The pillars of our broader strategy are the strengthening of the customer-centricity of the Company's structures, with a focus on the needs of the wider Greek society, the digitalization and operational efficiency, the expansion into new activities and the protection of biodiversity and the environment.

The aim of our Sustainable Development Policy is for PPC to be a reference point for the employees, who either work in it or want to work in a company that will operate based on the principles of the Sustainable Development Policy followed by the Company. At the same time, another goal is to attract more investment funds and investors who will boost the Company's transformation plan.

In this context, PPC is committed to monitor and to be evaluated on the basis of the international Environment - Social - Governance (ESG) criteria and standards, with the ultimate goal of transparency and the update of all stakeholders (including financial institutions) about its performance on climate change and sustainable development issues.

PPC lays the foundations for the integration of the Sustainable Development Policy at Group level also, with the gradual harmonization and adoption of the Principles of this Policy by its subsidiaries.

Finally, PPC, based on best practices regarding the transparency and self-commitment of organizations on issues of Sustainable Development and Responsible Entrepreneurship, prepares an annual Sustainability Report based on international standards, which includes (a) the Group's strategy in the field of Sustainable Development, which is based on the analysis of material and other recognized Sustainable Development issues, opportunities and risks related to the Group's business model and in relation to the environment in which it operates, (b) the programs it implements, (c) their results, (d) the commitments it has made, (e) the objectives it sets, and (f) the data / indicators it has an obligation to monitor and make public, in order to inform all stakeholders, in full transparency, reliability, consistency and continuity for the coming years.

Our principles

PPC is committed to adhering to the principles of responsible entrepreneurship and Sustainable Development:

- Social responsibility
- Transparency and Integrity
- Flexibility, resilience and adaptability
- Responding to the interests and aspirations of all stakeholders
- Adherence to the current regulatory framework
- Respect for the international rules of proper professional operation and professional ethics
- Respect for human rights
- Protection of the Environment and Biodiversity
- Dealing with the phenomenon of Climate Change
- Promoting Innovation and research
- Integration of the Circular Economy principles

Structure, Mission and Actions

In June 2021, following a decision made by the CEO of PPC S.A., PPC proceeded to the establishment and formation of the Sustainable Development Department (SDD), directly falling under the CEO, and a Director of the SDD was appointed, following a Public Vacancy Notice (July 2021).

Prior to the formal establishment of the Department, the key functions regarding Sustainable Development were performed by the CSR and Sustainable Development Section, part of the Corporate Affairs and Communications Department, which was primarily responsible for the CSR Annual Report and the subsequent Sustainability Report. From 2020, a basic group of specialized Management Consultants began to lay the foundations for the establishment of the separate SDD.

The mission of the SDD is the following:

- Contributing to the formulation of strategy, policy, practices, standards, operations and products / services based on the Sustainable Development principles and the creation and measurement of the shared benefit and value (Creating Shared Value) that results for the benefit of all stakeholders, the environment, society, customers and the Group's employees. Contributing to the creation of the culture that the transformation of the Group needs in order to become more resilient and to better respond to the management of risks and opportunities (climate crisis, energy transformation).
- Implementing international best practices, standards and systems based on the sustainable development principles, including the appropriate non-financial reporting and disclosure ESG - INDICATORS frameworks in cooperation with the Company's financial services and all relevant Divisions/BUs that set goals and provide data on a record - report - reduce basis, in order to publish indicators that help the Company raise funds from the markets (EU taxonomy for greater transparency to identify sustainable investment opportunities).

At the same time, the SDD is in the process of establishing a strategy and elaborating a sustainable development action plan based on Creating Shared Value (CSV) with the aim of their comprehensive integration in the business strategy, the operational model, the value chain and the action plan of PPC and the wider Group.

Part of this project is the full implementation of the Environmental and Social Action Plan (ESAP), which was established in the framework of PPC's cooperation with the European Bank for Reconstruction and Development (EBRD) and which includes a series of measures, policies and practices concerning the Company's environmental, social / labor and corporate governance. ESAP also includes the full integration and compliance with the recommendations for the disclosure of climate-related financial information to the Task Force on Climate Related Financial Disclosures (TCFD) of the Financial Stability Board, as well as the transformation of all the pillars of the recommendation framework (Governance, Strategy, Risk Management, Measurement and Objectives) in order to optimize the management of risks related to Climate Change.

Furthermore, the Company has Codes, Policies and Procedures for dealing with corporate risks, for the management of compliance and sustainable development issues, which are subject to periodic review, in order to comply with the respective best practices. Finally, PPC has developed quality management, health & safety and environmental management systems, which have been certified according to the standards ISO 9001, OHSAS 18001 (or ISO 45001 as appropriate) and ISO 14001 standards, respectively, aiming at its optimal operation.

XI. Non - Financial Information

The Non - Financial Information is presented in a different section and includes the following:

- Reference of the risks related in the long run sustainability of the Company
- Reference of the standards the Company is following regarding the disclosure of such non-financial information
- Information related to article 8 of EU regulation 2020/852 of the European Parliament and Council on June 18, 2020, regarding the establishment of the framework for the ease of sustainable investments, as well as information regarding the authorization of EU regulation 2021/2178 of the Committee on July 16, 2021 for the completion of 2020/852 Regulation
- Issues related with climate change
- Issues related to the consequences caused by the COVID-19 pandemic on non-financial matters and the related actions that took place.

ANNEX

1. Curriculum Vitae of the Company's senior managers and members of its Committees

Kopanakis Ioannis, Deputy CEO of Production Operations

Mr. Ioannis Kopanakis has been the Chief Development Officer of PPC S.A. since January 10, 2017. From September 1, 2009 he served as Chief Generation Officer and from 2007 he served as Director of the Thermal Power Plants Operation Department. During the previous six years he had served as Director of the Planning and Performance Department of the Generation Business Unit, whereas, since joining PPC in 1985 and for sixteen years he had been working as Senior Engineer, Maintenance Supervisor and Thermal Power Plant Manager. He holds a diploma in Electrical Engineering from the Aristotle University of Thessaloniki and an MBA degree from the Nottingham Trent University.

Chief Officers

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

Mr. Economou has been the General Counsel of the Company since February 1st, 2005. Before that, he was managing partner at "Stratigis & Associates" Law Firm and had served as legal counsel in various companies of both the private and public sector. Along with his capacity as General Counsel, he was since 2005 also acting as the Director of the Legal Department. Since 24.09.2019 he has also been appointed as Chief Legal Officer for Legal Affairs and Corporate Governance. He has been an alternate member on the Hellenic Competition Commission, Chairman of Eurelectric's Legal Affairs Working Group, Member of the Board of Directors of TAYTEKO (Insurance Fund of Bank and Public Utilities Employees) and "Egnatia Odos S.A.". Since 2014 he has been Secretary General of the Hellenic Association of Energy Law. He has been member of various law drafting committees on listed Societes Anonymes and has published various articles and studies on Corporate Governance, Compliance and Energy Law issues.

Damaskos George, Chief Human Resources & Organization Officer

Mr. Damaskos has been Chief Officer of the Human Resources Division since January 8, 2013. Mr. Damaskos joined the company in 1987. For 16 consecutive years since his recruitment he has served as Head of various front-line operating units of the former Distribution Division (currently known as Hellenic Electricity Distribution Network Operator). From 2002 to 2006 he was Head of the company's Tariffs Section. He has held the position of Director of the Corporate Development and Administration Department (currently Strategy Department and Office of the Executive), as well as the position of Director of Planning and Human Resources of the Commercial Activities Division. From 2008 until his assignment in the position of Chief Officer of Human Resources, he was Director of Human Resources and Organization of the Company. From 2008 to 2011, along with his duties at PPC, he was member of the Board of Directors of the Insurance Fund for Bank and Utility Companies Employees (TAYTEKO) as representative of the employers, on behalf of the Company. He also served as member of the Executive Committee of IKA-ETAM/PPC Personnel Insurance Sector (TAP-DEH). Prior to joining PPC he worked in the private sector, in the construction industry, and he was specialized in the implementation of PPC projects, thus acquiring a significant construction and site experience. Mr. George Damaskos is an Electrical Engineer, member of the Technical Chamber of Greece, and holds a degree in Economic Sciences from the Economics Department of the Faculty of Law, Economics and Political Sciences of the Athens University. He also holds an MBA degree in Business Administration from the Kingston Business School (Kingston University).

Alexandridis Konstantinos, Chief Financial Officer

Mr. Alexandridis is an economist with many years' experience in the Financial Management of large listed companies, having served as senior executive at OTE Group (member of Deutsche Telekom Group). He holds a Bachelor of Science in Mathematics from the University of Ioannina, an MSc in Decision Modelling and Information Systems from Brunel University UK and an International MBA from the Athens University of Economics and Business.

Aravantinos Nikolaos, Chief Support Operations Officer

Mr. Aravantinos has been Chief Officer of the Support Operations Division since April 1, 2012. Mr. Aravantinos joined PPC in 1984 and since then has served in various positions in the Company. He worked for five years as an executive in the Distribution Division and then moved to the Information Technology (IT) Department, where he held both technical and managerial positions. From 2001 to 2011 he served as Director of the IT Department and from February 1, 2011 until March 31, 2012 as Chief Officer of the Distribution Division. Mr. Aravantinos holds a diploma in Mechanical and Electrical Engineering from the National Technical University of Athens and a MSc degree in Computer Science (Diplôme d' Etudes Approfondies en Informatique, Université Pierre et Marie Curie - Paris VI) and Management (Master of Business Administration, Brunel University).

Hadjimichael Sotirios, Chief Strategy & Transformation Officer

Dr. Sotirios Hadjimichael has been working at PPC S.A. for the past 33 years. Prior to his appointment as Chief Strategy & Transformation Officer, he held important positions and acquired experience in a wide range of activities of PPC, the Transmission Network, the Electricity Market operation, etc.

In particular he worked:

- In 1986 in the Planning Department, where he was involved in the Transmission Systems Plans, the elaboration of the Transmission System Development Plan, etc.
- In 1995, in the Purchasing Department, as Inspection Engineer, where he dealt with

Inspection-Testing-Material Acceptance issues, acquiring significant experience on a multitude of materials and machineries of PPC, as well as on purchasing procedures.

- In 2000, at the Executive Office of PPC as Advisor, where he was involved in a variety of issues falling within the competence of the Chairman.
- In 2002 he was promoted to the position of Head of the New Business Activities Section of the Strategy Department. He was involved in the development of new activities, the expansion in new markets outside Greece, etc.
- In 2008, in the Testing, Research & Standards Center (TRSC) he worked as Head of the Research Programmes Section, where he was involved in the central organisation of PPC's participation in Research Programmes.
- In 2010 he was promoted to the position of PPC Executive Office Director. This position involves a wide range of activities in all PPC fields, as well as participation in the Board of Directors and in the Executive Committee of PPC.
- In 2015 he was appointed as Director of the Strategy Department, where he has been involved in a variety of activities ranging from the elaboration of the new Strategic Plan of the Company, the coordination of Regulatory Issues, the strategy planning in matters of Electricity Market, the development of PPC's CSR, the sale of the HTSO (ADMIE), etc.

In 1978 he graduated from the Varvakeio Experimental School of Athens. In 1984 he was awarded his Diploma in Electrical Engineering specialising in Power Engineering, from the National Technical University of Athens and in 1993 his PhD degree from the Imperial College focusing on energy and RES matters.

Bali Efthymia, Chief Sales Officer

Ms. Bali has been working in PPC since May 1990. In 2007, she undertook the position of Head of Subsection the Keratsini Sales Office, before the distinction between Commercial Activities and Network. In 2008, with the creation of the Supply Business Division, she was appointed as Head (Director) of the Piraeus Sales Section and was involved in the setting up of the first sales offices of the newly established Division. In June, 2014 she was appointed as Head of Unit of the Attica Retail Department and in August, 2017 she was promoted to Director of the Department. She has been involved in customer service as well as in the implementation of the tariff and commercial policy of the Company, and its procedures in general. Furthermore, from 2014 until today, in addition to the aforementioned issues, she has dealt with the overdue receivables issue and the methods to tackle it. She holds a Diploma from the School of Political Science and Public Administration of the National and Kapodistrian University of Athens. Before her recruitment by PPC, she worked for two years as an HR Manager in a private company.

Tsagiannis Ioannis, Chief Customer Management Officer

Mr. Ioannis Tsagiannis holds a Diploma from the Department of Primary Education of the National and Kapodistrian University of Athens.

He has served for 23 years in various managerial positions, in the private sector, in the customer service sector in telecommunications such as Director of Customer Service, Chief Officer of Customer Relationships and Chief Officer of Customer Experience Configuration.

He has great experience in the customer management sector, having achieved for a number of years to combine the knowledge of commercial procedures with change management, in the sector of organization and management of populous service groups, with optimal results.

Metikanis Dimitrios, Chief Officer of Lignite Generation Business Unit

Mr. Dimitrios Metikanis was appointed Chief Generation Officer on January 10, 2017. Mr. Metikanis has been a member of PPC staff since 1986; his career set off at Ptolemais Thermal Power Plant, where he remained for more than five years, therefore gaining significant know-how in the operation of thermal Power Plants. Thereafter, he was appointed in several technical and administrative positions in the Generation Division, holding posts in the Generation Exploitation Department and the Materials, Fuel and Purchasing Department (1992-2007), as well as in the Materials, Fuel Purchasing and Logistics Department (2007-2008) of the Finance Division. During his term in the above-mentioned Departments, he gained experience in dealing with various projects regarding, among others, power plants' operation and environmental affairs, as well as fuels' purchasing and management (lignite, coal, oil and natural gas).

In May 2008 he was appointed Director of Generation Planning and Performance Department, vested with a series of competencies, ranging from the development of Generation's Strategic and Business Plan, the Units' operational planning up to the monitoring of their operational and financial efficiency. Prior to joining PPC he worked in the pharmaceutical industry. Mr. Metikanis holds a diploma in Chemical Engineering from the National Technical University of Athens (NTUA), as well as an MBA degree.

Karagiannis Fotios, Chief Thermal and Hydro Generation Officer

Mr. Fotios Karagiannis is a Mechanical Engineer of the National Technical University of Athens (1982) and holds two Msc degrees from the Ecole Nationale Supérieure de l'Aéronautique et de l'Espace (E.N.S.A.E.) in Toulouse, France. In 1987 he obtained the Doctorat de l'E.N.S.A.E. (grade «Très honorable»). After that, he worked for 5 years as a post-doc Researcher in the Laboratory of Thermal Turbomachinery of the National Technical University of Athens.

In 1992 he joined the PPC, where he held various managerial positions. On December of 2006 he was appointed as Director of the CEO's Office and then as Director of the Hydroelectric Projects Development Department. In 2008 he was appointed as Director of the Thermal Projects Engineering and Construction Department. In 2017, he was appointed as Director of the Business Development Implementation Department and then as Director of the New Products & Services Development & Promotion Department. In 2019 he was appointed as Director of the Support of Generation Business Department, while in February 2020 he was appointed to the position of Chief Thermal and Hydro Generation Officer.

Zagalikis Konstantinos, Chief Digital Systems Development and Operations Officer

Mr. Konstantinos Zagalikis has many years of experience in the field of consulting and IT services, with particular emphasis on digital transformation.

He has held important managerial positions in Vodafone and IBM Hellas. Following that, he moved to Printec Group where he was responsible for the technological implementation of solutions in Greece and Southeast Europe, while later on, he was appointed as CIO in Forthnet- Nova. He held one of the leading parts in the transformation of information systems (BSS-OSS) in Huawei, for DU Telecommunications in Dubai. Until recently he held the post of Operations Director in Tech Mahindra, where he was responsible for the cloud transformation of the existing infrastructure for Celcom Telecommunications in Malaysia.

He holds a B.Eng. in Computer Systems Engineering from the University of Sussex in the UK and a M.Sc. in Telecommunications and Information Systems from the University of Essex in the UK.

Kofinas Kyriakos, Chief E-Mobility Officer

Mr. Kyriakos Kofinas has 27 years of Executive Career in Europe, Middle East, Africa and Asia. He held positions as Regional CEO, Chief Officer, Principal and as Head Coach in the sectors of FMCG, Medical, Retail, Luxury, Executive Search, and in e-Mobility. He holds a BA in Economics from the University of Athens, an MBA from the Manchester Business School and an MSc in E-Commerce from the Athens University of Economics and Business. He is also a certified Executive & Business Coach

Nazos Konstantinos, Chief Energy Management and Trading Officer

Mr. Konstantinos Nazos was appointed as Chief Energy Management & Trading Officer on December 17, 2020. He joined PPC S.A. in 2004 and since then, he has been working in the Department of Energy Management & Trading acquiring significant experience in the whole spectrum of energy management activities, with significant specialization in the areas of electricity markets analysis and modeling, bidding strategies analysis, optimization and risk management of complex energy portfolios and cross-border electricity trading. From July 2010, and for eight years, he served as Head of the Market Analysis Section and then he was promoted to the position of Assistant Director of Market Analysis Unit. In June 2020 he was appointed as Assistant Director of the Department of Energy Management & Trading, having among others the responsibility for managing the Department's transformation towards the transition of the Greek electricity market to the EU Target Model.

In 2016, along with his duties in PPC, he was a member of the Board of Directors of the Insurance Fund for Bank and Utility Companies Employees (TAYTEKO), as representative of the employers, on behalf of the Company. Additionally, he was actively engaged in the establishment of the subsidiary company PPC Albania in 2016, in which he took the role of Executive Director and Vice Chair of the Board, from 2016 to 2019. Before joining PPC S.A., he worked for 7 years as production and maintenance engineer in the aluminum rolling industry and in the home appliances industry, thus acquiring significant industrial experience. Mr. Konstantinos Nazos holds a diploma in Mechanical Engineering from the National Technical University of Athens (1994), as well as an MBA degree (Executive MBA) from Athens University of Economics and Business.

Mentzos Vassilis, Chief Project & Customer Experience Officer

Mr. Vassilis Mentzos is a PMO executive and business transformation expert with international experience in leading and managing major complex projects. During his 20-year career, he has held roles of increased responsibility mainly in telecom operators (Wind Hellas & Vodafone UK) where he led their network development activities. From 2018 to 2020 he led the 5G Network Deployment Programme for Vodafone UK in London. Until recently he held the position of the PMO Director for all commercial activities at PPC. He holds a Diploma (MEng) in Civil Engineering from the Polytechnic School of the Democritus University of Thrace

Spanos Aggelos, Chief Marketing and Products Officer

Mr. Aggelos Spanos has a more than 22 years career, spanning across a multitude of business areas, predominantly in Product Marketing, New Business development, customer experience, project & demand management, budget management and Technology. Being in managerial positions for 15 years both abroad (Vodafone Albania) and in Greece (Vodafone Greece) and having led large-scale product development or transformational projects, he brings vast managerial experience in subject areas. He joined PPC as Director of Marketing and Pricing in April 2020.

He holds a BSc in Physics and a Telecommunications MSc from National and Kapodistrian University of Athens (NKUA), while being awarded multiple additional certifications (Business Administration from AUEB, PRINCE II project management Practitioner, crisis & change management etc).

2. Shares held by the senior executives of the Company

The following table lists the number of shares held by the Company's Executive Officers on 31.12.2021 in accordance with par. 3 article 18 of L. 4706/2020.

| Name of Executive Officer | Position in the Company | Number of Shares owned at 31.12.2021 |
|---------------------------|--|--------------------------------------|
| Ioannis Kopanakis | Deputy CEO of Production Operations | 0 |
| Anargyros Oikonomou | General Counsel and Chief Legal Affairs and Corporate Governance Officer | 0 |
| Sotiris Hadjimichael | Chief Strategy & Transformation Officer | 0 |
| Konstantinos Zagalikis | Chief Digital Systems Development and Operations Officer | 0 |
| Konstantinos Nazos | Chief Energy Management & Trading Officer | 234 |
| Kyriakos Kofinas | Chief E-Mobility Officer | 0 |
| Konstantinos Alexandridis | Chief Financial Officer | 4,000 |
| George Damaskos | Chief Human Resources & Organization Officer | 0 |
| Nikolaos Aravantinos | Chief Support Operations Officer | 2,464 |
| Dimitrios Metikanis | Chief Generation Officer | 567 |
| Fotios Karagiannis | Chief Thermal and Hydro Generation Officer | 0 |
| Efthymia Bali | Chief Sales Officer | 0 |
| Ioannis Tsagiannis | Chief Customer Management Officer | 0 |
| Aggelos Spanos | Chief Marketing and Products Officer | 0 |
| Vasilis Mentzos | Chief Project & Customer Experience Officer | 0 |

Note: The shares of Mrs. Metikanis and Aravantinos were acquired in installments from 2001 to 2004. Similarly, for Mr. Nazos, the shares were acquired in installments from 2017 to 2021.

APPENDIX

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

ALTERNATIVE PERFORMANCE MEASURES ("APMs")

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

Alternative Performance Measures ("APMs")

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

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

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

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

This measure is calculated by subtracting the one-off effects mentioned in the EBITDA Recurring note below, from the EBITDA measure. It is presented in Table B.

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

EBITDA Recurring serves to better analyze the Group's and the Parent Company's operating income, excluding the impact of one-off effects. For the year 2021, the one-off effects that affected EBITDA Recurring are as follows : a) a provision for allowance for employees' severance payments amounting to € 16,075 thousand for the Group and € 13,591 thousand for the Parent Company (negative impact), b) a retroactive charge due to recovery of special allowances from the implementation of the Collective Labour Agreement 2021-2024 amounting to € 34,555 thousand for the Group and € 22,074 thousand for the Parent Company (negative effect)

EBITDA Recurring Margin (%) is measured by dividing EBITDA Recurring by Total Turnover Recurring. EBITDA Recurring and EBITDA Recurring margin are presented in Table C.

EBIT (Operating Income before net financial expenses and taxes)

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

Net amount of Depreciation, Financial Expense and Profit from 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.

Net Debt

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

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

| | Total Group 01.01-31.12.2021 | Total Group 01.01-31.12.2020 RESTATED | Total Group 01.10-31.12.2021 | Total Group 01.10-31.12.2020 RESTATED |
|---|---------------------------------|---|---------------------------------|---|
| | Amounts in '000€ | Amounts in '000€ | Amounts in '000€ | Amounts in '000€ |
| Total Turnover (1) | 5,706,391 | 4,649,444 | 2,008,848 | 1,129,334 |
| less : | | | | |
| Operating expenses before depreciation and impairment (2) | 4,885,334 | 3,849,600 | 1,764,622 | 1,037,820 |
| Payroll cost | 730,371 | 713,609 | 198,103 | 161,877 |
| Lignite | 41,104 | 49,584 | (1,294) | 21,244 |
| Liquid Fuels | 537,003 | 462,515 | 126,779 | 105,004 |
| Natural Gas | 910,068 | 297,858 | 457,334 | 91,895 |
| Energy purchases | 1,286,722 | 1,117,863 | 552,739 | 270,306 |
| Materials and consumables | 121,643 | 110,923 | 26,802 | 30,507 |
| Transmission system usage | 129,257 | 135,836 | 32,696 | 31,105 |
| Distribution system usage | – | – | – | – |
| Utilities and maintenance | 180,212 | 199,769 | 42,313 | 54,918 |
| Third party fees | 141,812 | 113,260 | 36,102 | 34,185 |
| CO ₂ emission rights | 699,164 | 393,486 | 159,721 | 130,386 |
| Risk allowances | 88,847 | 38,608 | 41,976 | 16,750 |
| Provisions for impairment of materials | 25,762 | 86,336 | 5,929 | 15,491 |
| Provisions for bad debt | (59,740) | 61,946 | 89,976 | 16,998 |
| Other Losses / (Gains), Net | 53,109 | 68,007 | (4,554) | 57,154 |
| EBITDA (A) = [(1) - (2)] | 821,057 | 799,844 | 244,226 | 91,514 |
| EBITDA MARGIN [(A) / (1)] | 14.4% | 17.2% | 12.2% | 8.1% |

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

| | Total Company 01.01-31.12.2021 | Company Continuing Operations 01.01-31.12.2021 | Company Discontinued Operations 01.01-30.11.2021 | Total Company 01.01-31.12.2020 RESTATED | Company Continuing Operations 01.01-31.12.2020 RESTATED | Company Discontinued Operations 01.01-31.12.2020 RESTATED |
|---|-----------------------------------|--|--|---|--|--|
| | Amounts in '000€ | Amounts in '000€ | Amounts in '000€ | Amounts in '000€ | Amounts in '000€ | Amounts in '000€ |
| Total Turnover (1) | 5,399,475 | 5,308,439 | 91,036 | 4,395,829 | 4,300,183 | 95,646 |
| less : | | | | | | |
| Operating expenses before depreciation and impairment (2) | 4,583,957 | 4,828,347 | (244,390) | 3,515,328 | 3,781,498 | (266,170) |
| Payroll cost | 412,094 | 412,094 | – | 411,274 | 411,274 | – |
| Lignite | 21,323 | 21,323 | – | 20,997 | 20,997 | – |
| Liquid Fuels | 530,825 | 530,825 | – | 455,849 | 455,849 | – |
| Natural Gas | 910,068 | 910,068 | – | 297,858 | 297,858 | – |
| Energy purchases | 1,487,577 | 1,487,577 | – | 1,215,330 | 1,215,330 | – |
| Materials and consumables | 71,650 | 71,650 | – | 58,363 | 58,363 | – |
| Transmission system usage | 129,257 | 129,257 | – | 135,775 | 135,775 | – |
| Distribution system usage | 220,588 | 459,293 | (238,705) | 223,802 | 483,134 | (259,332) |
| Utilities and maintenance | 109,651 | 109,651 | – | 122,850 | 122,850 | – |
| Third party fees | 89,035 | 89,035 | – | 79,800 | 79,800 | – |
| CO ₂ emission rights | 573,793 | 573,793 | – | 327,861 | 327,861 | – |
| Risk allowances | 105,430 | 105,430 | – | 43,074 | 43,074 | – |
| Provisions for impairment of materials | 24,272 | 24,272 | – | 62,455 | 62,455 | – |
| Provisions for bad debt | (108,938) | (108,938) | – | 36,652 | 36,652 | – |
| Other Losses / (Gains), Net | 7,332 | 13,017 | (5,685) | 23,388 | 30,226 | (6,838) |
| EBITDA (A) = [(1) - (2)] | 815,518 | 480,092 | 335,426 | 880,501 | 518,685 | 361,816 |
| EBITDA MARGIN [(A) / (1)] | 15.1% | 9.0% | 368.5% | 20.0% | 12.1% | 378.3% |

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

| | Total Company 01.10-31.12.2021 | Company Continuing Operations 01.10-31.12.2021 | Company Discontinued Operations 01.10-30.11.2021 | Total Company 01.10-31.12.2020 RESTATED | Company Continuing Operations 01.10-31.12.2020 RESTATED | Company Discontinued Operations 01.10-31.12.2020 RESTATED |
|---|-----------------------------------|--|--|---|--|--|
| | Amounts in '000€ | Amounts in '000€ | Amounts in '000€ | Amounts in '000€ | Amounts in '000€ | Amounts in '000€ |
| Total Turnover (1) | 1,923,538 | 1,906,768 | 16,770 | 1,060,763 | 1,036,656 | 24,107 |
| less : | | | | | | |
| Operating expenses before depreciation and impairment (2) | 1,672,689 | 1,714,330 | (41,641) | 970,419 | 1,008,051 | (37,632) |
| Payroll cost | 109,900 | 109,900 | – | 83,896 | 83,896 | – |
| Lignite | (335) | (335) | – | 5,600 | 5,600 | – |
| Liquid Fuels | 123,999 | 123,999 | – | 102,123 | 102,123 | – |
| Natural Gas | 457,334 | 457,334 | – | 91,895 | 91,895 | – |
| Energy purchases | 604,898 | 604,898 | – | 307,216 | 307,216 | – |
| Materials and consumables | 14,584 | 14,584 | – | 15,896 | 15,896 | – |
| Transmission system usage | 32,696 | 32,696 | – | 31,091 | 31,091 | – |
| Distribution system usage | 68,839 | 109,273 | (40,434) | 64,047 | 99,955 | (35,908) |
| Utilities and maintenance | 28,911 | 28,911 | – | 32,790 | 32,790 | – |
| Third party fees | 20,153 | 20,153 | – | 27,478 | 27,478 | – |
| CO ₂ emission rights | 138,364 | 138,364 | – | 110,758 | 110,758 | – |
| Risk allowances | 65,975 | 65,975 | – | 18,440 | 18,440 | – |
| Provisions for impairment of materials | 7,267 | 7,267 | – | 14,855 | 14,855 | – |
| Provisions for bad debt | 15,495 | 15,495 | – | 21,525 | 21,525 | – |
| Other Losses / (Gains), Net | (15,391) | (14,184) | (1,207) | 42,809 | 44,533 | (1,724) |
| EBITDA (A) = [(1) - (2)] | 250,849 | 192,438 | 58,411 | 90,344 | 28,605 | 61,739 |
| EBITDA MARGIN [(A) / (1)] | 13.0% | 10.1% | 348.3% | 8.5% | 2.8% | 256.1% |

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

| | Total Group 01.01-31.12.2021 | Total Group 01.01-31.12.2020 RESTATED | Total Group 01.10-31.12.2021 | Total Group 01.10-31.12.2020 RESTATED | Notes |
|---|---------------------------------|---|---------------------------------|---|--|
| | Amounts in '000€ | Amounts in '000€ | Amounts in '000€ | Amounts in '000€ | |
| Operating expenses before depreciation and impairment (2) | 4,885,334 | 3,849,600 | 1,764,622 | 1,037,820 | |
| MINUS : | | | | | |
| Provision for allowance for employees' severance payments | 16,075 | 35,830 | 1,154 | 3,340 | Note 7, 31 of the Annual Financial Report 2021 |
| Retroactive charge due to recovery of special allowances from the implementation of the Collective Labour Agreement 2021-2024 | 34,555 | – | (101) | – | Note 7, 31 of the Annual Financial Report 2021 |
| Extraordinary one-off charge of electricity suppliers for the Renewables Special Account | – | 72,863 | – | 72,863 | Note 8 of the Annual Financial Report 2021 |
| Extraordinary one-off charge for Renewable Energy stations. and S.I.T.H.Y.A. electricity producers for the Renewables Special Account | – | 1,444 | – | 1,444 | Note 13 of the Annual Financial Report 2021 |
| Cost revision of the natural gas pipeline for the years 2012-2019 | – | (44,773) | – | – | Note 13 of the Annual Financial Report 2021 |
| Operating expenses before depreciation and impairment without one-off effects (2) | 4,834,704 | 3,784,236 | 1,763,569 | 960,173 | |

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

| | Total Company 01.01-31.12.2021 | Company Continuing Operations 01.01-31.12.2021 | Company Discontinued Operations 01.01-30.11.2021 | Total Company 01.01-31.12.2020 RESTATED | Company Continuing Operations 01.01-31.12.2020 RESTATED | Company Discontinued Operations 01.01-31.12.2020 RESTATED | Notes |
|---|-----------------------------------|---|---|---|---|---|--|
| | Amounts in '000€ | Amounts in '000€ | Amounts in '000€ | Amounts in '000€ | Amounts in '000€ | Amounts in '000€ | |
| Operating expenses before depreciation and impairment (2) | 4,583,957 | 4,828,347 | (244,390) | 3,515,328 | 3,781,498 | (266,170) | |
| MINUS : | | | | | | | |
| Provision for allowance for employees' severance payments | 13,591 | 13,591 | – | 22,576 | 22,576 | – | Note 7, 31 of the Annual Financial Report 2021 |
| Retroactive charge due to recovery of special allowances from the implementation of the Collective Labour Agreement 2021-2024 | 22,074 | 22,074 | – | – | – | – | Note 7, 31 of the Annual Financial Report 2021 |
| Extraordinary one-off charge of electricity suppliers for the Renewables Special Account | – | – | – | 72,863 | 72,863 | – | Note 8 of the Annual Financial Report 2021 |
| Extraordinary one-off charge for Renewable Energy stations. and S.I.T.H.Y.A. electricity producers for the Renewables Special Account | – | – | – | – | – | – | Note 8 of the Annual Financial Report 2021 |
| Cost revision of the natural gas pipeline for the years 2012-2019 | – | – | – | (44,773) | (44,473) | – | Note 13 of the Annual Financial Report 2021 |
| Operating expenses before depreciation and impairment without one-off effects (2) | 4,548,292 | 4,792,682 | (244,390) | 3,464,662 | 3,730,532 | (266,170) | |

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

| | Total Company 01.10-31.12.2021 | Company Continuing Operations 01.10-31.12.2021 | Company Discontinued Operations 01.10-30.11.2021 | Total Company 01.10-31.12.2020 RESTATED | Company Continuing Operations 01.10-31.12.2020 RESTATED | Company Discontinued Operations 01.10-31.12.2020 RESTATED |
|---|-----------------------------------|---|---|---|--|--|
| | Amounts in '000€ | Amounts in '000€ | Amounts in '000€ | Amounts in '000€ | Amounts in '000€ | Amounts in '000€ |
| Operating expenses before depreciation and impairment (2) | 1,672,689 | 1,714,330 | (41,641) | 970,419 | 1,008,051 | (37,632) |
| MINUS : | | | | | | |
| Provision for allowance for employees' severance payments | 1,700 | 1,700 | – | (3,929) | (3,929) | – |
| Retroactive charge due to recovery of special allowances from the implementation of the Collective Labour Agreement 2021-2024 | (104) | (104) | – | – | – | – |
| Extraordinary one-off charge of electricity suppliers for the Renewables Special Account | – | – | – | 72,863 | 72,863 | – |
| Extraordinary one-off charge for Renewable Energy stations. and S.I.T.H.Y.A. electricity producers for the Renewables Special Account | – | – | – | – | – | – |
| Cost revision of the natural gas pipeline for the years 2012-2019 | – | – | – | – | – | – |
| Operating expenses before depreciation and impairment without one-off effects (2) | 1,671,093 | 1,712,734 | (41,641) | 901,485 | 939,117 | (37,632) |

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

| | Total Group 01.01-31.12.2021 | Total Group 01.01-31.12.2020 RESTATED | Total Group 01.10-31.12.2021 | Total Group 01.10-31.12.2020 RESTATED | Notes |
|---|---------------------------------|---|---------------------------------|---|--|
| | Amounts in '000€ | Amounts in '000€ | Amounts in '000€ | Amounts in '000€ | |
| EBITDA (1) | 821,057 | 799,844 | 244,226 | 91,514 | |
| Plus one-off effects (2): | 50,630 | 65,364 | 1,053 | 77,647 | |
| Provision for allowance for employees' severance payments | 16,075 | 35,830 | 1,154 | 3,340 | Note 7, 31 of the Annual Financial Report 2021 |
| Retroactive charge due to recovery of special allowances from the implementation of the Collective Labour Agreement 2021-2024 | 34,555 | – | (101) | – | Note 7, 31 of the Annual Financial Report 2021 |
| Extraordinary one-off charge of electricity suppliers for the Renewables Special Account | – | 72,863 | – | 72,863 | Note 8 of the Annual Financial Report 2021 |
| Extraordinary one-off charge for Renewable Energy stations. and S.I.T.H.Y.A. electricity producers for the Renewables Special Account | – | 1,444 | – | 1,444 | Note 8 of the Annual Financial Report 2021 |
| Cost revision of the natural gas pipeline for the years 2012-2019 | – | (44,773) | – | – | Note 13 of the Annual Financial Report 2021 |
| EBITDA Recurring excluding one-off effects (3) = [(1)+(2)] | 871,687 | 865,208 | 245,279 | 169,161 | |
| Total Turnover (4) | 5,706,391 | 4,649,444 | 2,008,848 | 1,129,334 | |
| EBITDA Recurring margin excluding one-off effects (3)/(4) | 15.3% | 18.6% | 12.2% | 15.0% | |

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

| | Total Company 01.01-31.12.2021 | Company Continuing Operations 01.01-31.12.2021 | Company Discontinued Operations 01.01-30.11.2021 | Total Company 01.10-31.12.2020 RESTATED | Company Continuing Operations 01.01-31.12.2020 RESTATED | Company Discontinued Operations 01.01-31.12.2020 RESTATED | Notes |
|---|-----------------------------------|---|---|---|---|---|--|
| | Amounts in '000€ | Amounts in '000€ | Amounts in '000€ | Amounts in '000€ | Amounts in '000€ | Amounts in '000€ | |
| EBITDA (1) | 815,518 | 480,092 | 335,426 | 880,501 | 518,685 | 361,816 | |
| Plus one-off effects (2): | 35,665 | 35,665 | 0 | 50,666 | 50,966 | 0 | |
| Provision for allowance for employees' severance payments | 13,591 | 13,591 | – | 22,576 | 22,576 | – | Note 7, 31 of the Annual Financial Report 2021 |
| Retroactive charge due to recovery of special allowances from the implementation of the Collective Labour Agreement 2021-2024 | 22,074 | 22,074 | – | – | – | – | Note 7, 31 of the Annual Financial Report 2021 |
| Extraordinary one-off charge of electricity suppliers for the Renewables Special Account | – | – | – | 72,863 | 72,863 | – | Note 8 of the Annual Financial Report 2021 |
| Extraordinary one-off charge for Renewable Energy stations, and S.I.T.H.Y.A. electricity producers for the Renewables Special Account | – | – | – | – | – | – | Note 8 of the Annual Financial Report 2021 |
| Cost revision of the natural gas pipeline for the years 2012-2019 | – | – | – | (44,773) | (44,473) | – | Note 13 of the Annual Financial Report 2021 |
| EBITDA Recurring excluding one-off effects (3) = [(1)+(2)] | 851,183 | 515,757 | 335,426 | 931,167 | 569,651 | 361,816 | |
| Total Turnover (4) | 5,399,475 | 5,308,439 | 91,036 | 4,395,829 | 4,300,183 | 95,646 | |
| EBITDA Recurring margin excluding one-off effects (3)/(4) | 15.8% | 9.7% | 368.5% | 21.2% | 13.2% | 378.3% | |

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

| | Total Company 01.10-31.12.2021 | Company Continuing Operations 01.10-31.12.2021 | Company Discontinued Operations 01.10-30.11.2021 | Total Company 01.10-31.12.2020 RESTATED | Company Continuing Operations 01.10-31.12.2020 RESTATED | Company Discontinued Operations 01.10-31.12.2020 RESTATED | Notes |
|---|-----------------------------------|---|---|---|---|---|--|
| | Amounts in '000€ | Amounts in '000€ | Amounts in '000€ | Amounts in '000€ | Amounts in '000€ | Amounts in '000€ | |
| EBITDA (1) | 250,849 | 192,438 | 58,411 | 90,344 | 28,605 | 61,739 | |
| Plus one-off effects (2): | 1,596 | 1,596 | 0 | 68,934 | 68,934 | 0 | |
| Provision for allowance for employees' severance payments | 1,700 | 1,700 | – | (3,929) | (3,929) | – | Note 7, 31 of the Annual Financial Report 2021 |
| Retroactive charge due to recovery of special allowances from the implementation of the Collective Labour Agreement 2021-2024 | (104) | (104) | – | – | – | – | Note 7, 31 of the Annual Financial Report 2021 |
| Extraordinary one-off charge of electricity suppliers for the Renewables Special Account | – | – | – | 72,863 | 72,863 | – | Note 8 of the Annual Financial Report 2021 |
| Extraordinary one-off charge for Renewable Energy stations, and S.I.T.H.Y.A. electricity producers for the Renewables Special Account | – | – | – | – | – | – | Note 8 of the Annual Financial Report 2021 |
| Cost revision of the natural gas pipeline for the years 2012-2019 | – | – | – | – | – | – | Note 13 of the Annual Financial Report 2021 |
| EBITDA Recurring excluding one-off effects (3) = [(1)+(2)] | 252,445 | 194,034 | 58,411 | 159,278 | 97,539 | 61,739 | |
| Total Turnover (4) | 1,923,538 | 1,906,768 | 16,770 | 1,060,763 | 1,036,656 | 24,107 | |
| EBITDA Recurring margin excluding one-off effects (3)/(4) | 13.1% | 10.2% | 348.3% | 15.0% | 9.4% | 256.1% | |

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

| | Total Group 01.01-31.12.2021 | Total Group 01.01-31.12.2020 RESTATED | Total Group 01.10-31.12.2021 | Total Group 01.10-31.12.2020 RESTATED |
|---|---------------------------------|---|---------------------------------|---|
| | Amounts in '000€ | Amounts in '000€ | Amounts in '000€ | Amounts in '000€ |
| EBITDA | 821,057 | 799,844 | 244,226 | 91,514 |
| MINUS : | | | | |
| Depreciation and Amortization | 666,248 | 744,045 | 166,690 | 193,107 |
| Impairment of Property, Plant and Equipment | 107,575 | (125,319) | 75,795 | (138,656) |
| Impairment of lignite subsidiaries' | – | – | – | – |
| EBIT (A) | 47,234 | 181,118 | 1,741 | 37,063 |
| Total turnover (1) | 5,706,391 | 4,649,444 | 2,008,848 | 1,129,334 |
| EBIT MARGIN [(A) / (1)] | 0.8% | 3.9% | 0.1% | 3.3% |

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

| | Total Group 01.01-31.12.2021 | Company Continuing Operations 01.01-31.12.2021 | Company Discontinued Operations 01.01-30.11.2021 | Total Company 01.01-31.12.2020 RESTATED | Company Continuing Operations 01.01-31.12.2020 RESTATED | Company Discontinued Operations 01.01-31.12.2020 RESTATED |
|---|---------------------------------|---|---|---|---|---|
| | Amounts in '000€ | Amounts in '000€ | Amounts in '000€ | Amounts in '000€ | Amounts in '000€ | Amounts in '000€ |
| EBITDA | 815,518 | 480,092 | 335,426 | 880,501 | 518,685 | 361,816 |
| MINUS : | | | | | | |
| Depreciation and Amortization | 346,923 | 346,923 | – | 679,560 | 429,004 | 257,636 |
| Impairment of Property, Plant and Equipment | 78,675 | 78,675 | – | (130,912) | (130,912) | – |
| Impairment of lignite subsidiaries' | 88,000 | 88,000 | – | 124,426 | 124,426 | – |
| EBIT (A) | 301,920 | (33,506) | 335,426 | 207,427 | 96,167 | 104,180 |
| Total turnover (1) | 5,399,475 | 5,308,439 | 91,036 | 4,395,829 | 4,300,183 | 95,646 |
| EBIT MARGIN [(A) / (1)] | 5.6% | (0.6%) | 368.5% | 4.7% | 2.2% | 108.9% |

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

| | Total Company 01.10-31.12.2021 | Company Continuing Operations 01.10-31.12.2021 | Company Discontinued Operations 01.10-30.11.2021 | Total Company 01.10-31.12.2020 RESTATED | Company Continuing Operations 01.10-31.12.2020 RESTATED | Company Discontinued Operations 01.10-31.12.2020 RESTATED |
|---|-----------------------------------|---|---|---|---|---|
| | Amounts in '000€ | Amounts in '000€ | Amounts in '000€ | Amounts in '000€ | Amounts in '000€ | Amounts in '000€ |
| EBITDA | 250,849 | 192,438 | 58,411 | 90,344 | 28,605 | 61,739 |
| MINUS : | | | | | | |
| Depreciation and Amortization | 85,566 | 85,566 | – | 174,220 | 109,122 | 65,098 |
| Impairment of Property, Plant and Equipment | 46,895 | 65,705 | – | (144,249) | (144,249) | – |
| Impairment of lignite subsidiaries' | – | – | – | 5,000 | 5,000 | – |
| EBIT (A) | 118,388 | 41,167 | 58,411 | 55,373 | 58,732 | (3,359) |
| Total turnover (1) | 1,923,538 | 1,906,768 | 16,770 | 1,060,763 | 1,036,656 | 24,107 |
| EBIT MARGIN [(A) / (1)] | 6.2% | 2.2% | 348.3% | 5.2% | 5.7% | (13.9%) |

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

| | Total Group 01.01-31.12.2021 | Total Group 01.01-31.12.2020 RESTATED | Total Group 01.10-31.12.2021 | Total Group 01.10-31.12.2020 RESTATED |
|--|---------------------------------|---|---------------------------------|---|
| | Amounts in '000€ | Amounts in '000€ | Amounts in '000€ | Amounts in '000€ |
| Depreciation, Net Financial Expense and Profit from Subsidiaries and Associates | 863,304 | 878,885 | 233,261 | 230,486 |
| Depreciation and Amortization | 666,248 | 744,045 | 166,690 | 193,107 |
| Financial expense | 259,541 | 198,233 | 78,394 | 51,910 |
| Financial income | (59,294) | (60,108) | (12,202) | (13,859) |
| Net (profit)/loss from associates | (4,350) | (2,423) | (1,552) | (723) |
| Net loss/(profit) from FX differences | 1,159 | (862) | 1,931 | 51 |

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

| | Total Company 01.01-31.12.2021 | Company Continuing Operations 01.01-31.12.2021 | Company Discontinued Operations 01.01-30.11.2021 | Total Company 01.01-31.12.2020 RESTATED | Company Continuing Operations 01.01-31.12.2020 RESTATED | Company Discontinued Operations 01.01-31.12.2020 RESTATED |
|--|-----------------------------------|---|---|---|---|---|
| | Amounts in '000€ | Amounts in '000€ | Amounts in '000€ | Amounts in '000€ | Amounts in '000€ | Amounts in '000€ |
| Depreciation, Net Financial Expense and Profit from Subsidiaries and Associates | 534,790 | 489,402 | 45,388 | 791,514 | 481,123 | 310,391 |
| Depreciation and Amortization | 346,923 | 346,923 | 45,388 | 679,560 | 421,924 | 257,636 |
| Financial expense | 251,963 | 206,575 | 0 | 194,611 | 141,856 | 52,755 |
| Financial income | (65,222) | (65,222) | – | (81,824) | (81,824) | – |
| Net (profit)/loss from associates | – | – | – | 2 | 2 | – |
| Net loss/(profit) from FX differences | 1,126 | 1,126 | – | (835) | (835) | – |

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

| | Total Company 01.10-31.12.2021 | Company Continuing Operations 01.10-31.12.2021 | Company Discontinued Operations 01.10-30.11.2021 | Total Company 01.10-31.12.2020 RESTATED | Company Continuing Operations 01.10-31.12.2020 RESTATED | Company Discontinued Operations 01.10-31.12.2020 RESTATED |
|--|-----------------------------------|---|---|---|---|---|
| | Amounts in '000€ | Amounts in '000€ | Amounts in '000€ | Amounts in '000€ | Amounts in '000€ | Amounts in '000€ |
| Depreciation, Net Financial Expense and Profit from Subsidiaries and Associates | 149,298 | 141,278 | 8,020 | 212,352 | 134,381 | 77,971 |
| Depreciation and Amortization | 85,566 | 85,566 | – | 174,220 | 109,122 | 65,098 |
| Financial expense | 73,725 | 65,705 | 8,020 | 50,941 | 38,068 | – |
| Financial income | (11,969) | (11,969) | – | (12,895) | (12,895) | 12,873 |
| Net (profit)/loss from associates and joint ventures | – | – | – | – | – | – |
| Net loss/(profit) from FX differences | 1,976 | 1,976 | – | 86 | 86 | – |

TABLE F – NET DEBT

| | GROUP | | COMPANY | |
|--|------------------|------------------|------------------|------------------|
| | Amounts in '000€ | | Amounts in '000€ | |
| | 31.12.2021 | 31.12.2020 | 31.12.2021 | 31.12.2020 |
| Long-term borrowing | 4,062,638 | 3,480,453 | 2,723,954 | 3,383,968 |
| Current portion of long term borrowing | 353,632 | 546,802 | 207,051 | 546,812 |
| Short term borrowing | 271,337 | 42,152 | 260,000 | 30,000 |
| Cash and cash equivalents | (2,832,351) | (815,640) | (2,512,204) | (626,940) |
| Restricted cash | (53,323) | (53,535) | (35,754) | (47,636) |
| Financial assets measured at fair value through other comprehensive income | (327) | (866) | (325) | (646) |
| Unamortized portion of borrowing costs | 88,166 | 84,235 | 88,166 | 84,235 |
| TOTAL | 1,889,772 | 3,283,601 | 730,888 | 3,369,793 |

Athens, April 5th 2022

For the Board of Directors

The President and CEO

Georgios I. Stassis

The Vice President

Pyrros D. Papadimitriou

C – Auditor's report

This report is a free translation from the greek original

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Public Power Corporation S.A.

Report on the Audit of the Separate and Consolidated Financial Statements

Opinion

We have audited the accompanying separate and consolidated financial statements of Public Power Corporation S.A. ("the Company"), which comprise the separate and consolidated statement of financial position as of December 31, 2021, the separate and consolidated statements of income and other comprehensive income, the statements of changes in equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying separate and consolidated financial statements present fairly in all material respects the financial position of Public Power Corporation S.A., and its subsidiaries ("the Group") as at December 31, 2021 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as endorsed by the European Union.

Basis for Opinion

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

Emphasis of Matter

We draw your attention to note 44.2 to the separate and consolidated financial statements, which describes the restatement of the comparatives of the separate and the consolidated financial statements and the relevant considerations and further actions of the Company and the Group. 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 separate and consolidated financial statements of

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

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

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

| KEY AUDIT MATTER | HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER |
|---|--|
| Unbilled revenue recognition and related contract assets from low tension customers (separate and consolidated financial statements) | |
| <p>The Company's and the Group's unbilled revenue for the year ended December 31, 2021 and the related contract assets from low tension customers as at December 31, 2021 amounted to €712mil.</p> <p>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.</p> <p>We have identified the estimation process of the unbilled revenue and the related contract assets from low tension customers as one of the key audit matters due to the inherent risk of revenue recognition in the correct period, the significant audit effort required, and the high degree of subjectivity in the management's judgments, estimates and assumptions used in this process.</p> <p>The Company's and Group's disclosures relevant to the accounting policy, the judgments, the estimates and the assumptions used to determine the unbilled revenue and the related contract assets from low tension customers can be found in notes 4.3, 4.4, 6 and 22 to the separate and consolidated financial statements.</p> | <p>The audit procedures that we performed, among others were as follows:</p> <ul style="list-style-type: none"> – We discussed with management and assessed the design of management controls over the estimation of the unbilled revenue and the related contract assets from low tension customers. – We received and audited the calculation of the management's estimate, evaluating the judgments, estimates and assumptions related to the technical and non-technical losses of the distribution network, the invoicing period, the average revenue and the adjustments for discounts and expected credit losses. – We assessed the consistency of application of the estimation, the methods, the assumptions, and the calculations used between periods and whether events of the period that alter the environment, the circumstances and data, in which the estimates and assumptions used by the management are based, have been taken into consideration, as well as changes in the business practices, the accounting principles and policies affecting the related calculations. – We tested the calculations for mathematical accuracy and the correct accounting of the related amounts in the financial statements. – Finally, we assessed the adequacy of related disclosures in the separate and consolidated financial statements. |

| KEY AUDIT MATTER | HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER |
|---|---|
| Trade receivables impairment test (separate and consolidated financial statements) | |
| <p>At December 31, 2021, the Company's and the Group's trade receivables amounted to €876mil and €1.101mil., after accumulated impairment losses of €2.305mil. and €2.422mil., respectively. The Company and Group apply the simplified approach of IFRS 9 "Financial Instruments" and determine lifetime expected credit losses ("ELC") on their trade receivables by using historical information, including the conditions of COVID-19 pandemic and the current economic conditions, which reflects the expected effect of current information in future.</p> <p>We have identified the process of trade receivables impairment test as a key audit matter due to the magnitude of the related accounts and the significance of management's assumptions and estimates used.</p> <p>The Company's and Group's disclosures relevant to the accounting policy, the judgments, the estimates and the assumptions used for the impairment test of trade receivables can be found in notes 4.3, 4.4 and 21 to the separate and consolidated financial statements.</p> | <p>The audit procedures that we performed, among others were as follows:</p> <ul style="list-style-type: none"> – We discussed with management and assessed the design of management controls over the impairment process of trade receivables impairment test. – We received and audited the calculation of trade receivables impairment performed by management, evaluating, among others, the completeness and accuracy of the data used for the determination of expected credit losses and the assumptions on which the management's estimation was based. – We tested the calculations for mathematical accuracy and the correct accounting of the related amounts in the separate and consolidated financial statements. <p>Finally, we assessed the adequacy of related disclosures in the separate and consolidated financial statements.</p> |
| Valuation of Property, Plant and Equipment (separate and consolidated financial statements) | |
| <p>At December 31, 2021 Company's and Group's property, plant and equipment amounted to €5.119mil. and €10.266mil., respectively.</p> <p>Property, plant and equipment are measured at revalued amounts (fair values less accumulated depreciation and impairment loss), except for the mines and lakes that are measured at cost (less accumulated depreciation and impairment) and property, plant and equipment under construction, that are measured at cost (less accumulated impairment loss).</p> <p>The fair values of property, plant and equipment that are measured at revalued amounts, are determined by independent appraisers periodically, in order to assure that the carrying value of an asset does not differ significantly from its fair value. The last revaluation was performed as of December 31, 2019. The determination of the fair values of property, plant and equipment requires the management to make, among others, estimations, assumptions and judgments regarding the ownership, the use and the existence of any physical, operational and economic obsolescence.</p> <p>In 2021, in the context of the spin-off of the distribution network business, as described in the Key Audit Matter «Spin-off of the distribution network business», a valuation was performed by an independent appraiser which resulted in a revaluation surplus of €262mil. for the Group.</p> | <p>Audit procedures that we performed, among others were as follows:</p> <ul style="list-style-type: none"> – We discussed with management and assessed the design of management controls over the evaluation process of whether the fair values of the property, plant and equipment have changed significantly, and impairment indications exist for the property, plant and equipment. – For property, plant and equipment that are measured at fair values, we received the management's analysis and assessed the reasonability and the accuracy of the assumptions used. – For property, plant and equipment of the distribution network business, the fair values of which have changed, we received the valuation report of the independent appraiser and assessed with the contribution of EY valuation specialists, the reasonability and accuracy of the assumptions used. – We evaluated the competence, capabilities and objectivity of the independent appraiser whom the management engage to conduct the valuation study. |

| KEY AUDIT MATTER | HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER |
|--|---|
| Valuation of Property, Plant and Equipment (separate and consolidated financial statements) (continue) | |
| <p>The determination of the fair values of property, plant and equipment requires the management to make, among others, estimations, assumptions and judgments regarding the ownership, the use and the existence of any physical, operational and economic obsolescence.</p> <p>In addition to the above, the Company assesses annually whether impairment indications exist and if this is the case, performs an impairment test for its property plant and equipment. This process incorporates judgments, estimates and assumptions with high degree of subjectivity, the most important of which are related to the estimated future production capacity and use of the assets, the determination of the cash generating unit on which the impairment test will be performed, their discounted future cash flows and other factors.</p> <p>In the context of the process for the assessment of impairment indications for the property, plant and equipment and taking also into consideration the requirements of the lignite phase-out plan, management performed impairment tests, which resulted in an impairment loss of €32mil. and €34mil. for the Company and the Group, respectively, which were recognised in the current year's separate and consolidated statements of income. We have identified the valuation of property, plant and equipment as a key audit matter due to magnitude of the related accounts and the significance of management's judgments, estimates and assumptions on which is based.</p> <p>The Company's and Group's disclosures relevant to the accounting policy, the judgments, the estimates and the assumptions used for the valuation in fair values and the assessment of impairment indications for the property, plant and equipment can be found in notes 4.3, 4.4, 15, 35 and 41 to the separate and consolidated financial statements.</p> | <ul style="list-style-type: none"> – We performed sampling tests regarding the mathematical accuracy of determination of revaluation surplus and deficit of property, plant and equipment that were measured at fair values, assessing also the implementation of the Company's accounting policy and the correctness of the accounting process. – For property, plant and equipment that are measured at cost, we assessed the management's evaluation for whether there were indications of impairment. – For property, plant and equipment that are measured at cost, and for which impairment indications existed and therefore impairment tests were performed, we assessed with the contribution, where necessary, of EY valuation specialists, the reasonability and accuracy of the assumptions and methodology used in estimating the recoverable amounts. – We tested the calculations for mathematical accuracy and the correct accounting of the related amounts in the financial statements. – Finally, we assessed the adequacy of related disclosures in the separate and consolidated financial statements |

| KEY AUDIT MATTER | HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER |
|---|---|
| <p>Spin-off of distribution network business (separate financial statements)</p> | |
| <p>The Company launched in 2020 an international tender process for the sale of 49% of its share capital in the 100% subsidiary HELLENIC ELECTRICITY DISTRIBUTION NETWORK OPERATOR SA. («HEDNO»).</p> <p>As a prerequisite for the contemplated sale, the spin-off of the distribution network business and its transfer to HEDNO should take place. This business was valued at fair value by an independent appraiser, in accordance with the provisions of Decree Law 1297/1972 and Law 4548/2018 and was contributed to HEDNO on November 30, 2021 by shares exchange.</p> <p>The spin-off and contribution of a business to a 100% by shares exchange is accounted as a common control transaction and judgment is required for the determination of the appropriate accounting policy to reflect the transaction. The Company recognised the shares received in exchange as an addition to the cost of the investment in subsidiary at the carrying amount or fair value of the business contributed based on the effect of the transaction on its future cash flows (i.e. evaluating whether commercial substance exists)</p> <p>On November 30, 2021, PPC contributed to HEDNO the assets and liabilities of the distribution network business. The assets and liabilities of the distribution network business were previously classified as held for sale, as the criteria of IFRS 5 were met. assets, as they met the relevant criteria set out in IFRS 5 and were valued at the lower of their carrying amount and their fair value book (€964mil. at the date of contribution).</p> <p>Upon the derecognition of these assets and liabilities, the Company increased its investment in HEDNO by the fair value of the contributed business amounted to €1.016mil. The difference, amounted to €52mil., was presented as profit from the investment to HEDNO in the separate statement of income of the current year.</p> <p>We have recognized the spin-off of the distribution network business as one of the most important key audit matters of the Company, due to the magnitude of the related accounts, due to degree of judgment on the selection of the accounting policy and the significance of management's assumptions and estimates used in relation to the valuation of the contributed business and the related investment to HEDNO.</p> <p>The Company's disclosures relevant to the accounting policy, the judgments, the estimates and the assumptions used for the spin-off of the distribution network business can be found in notes 4.3, 4.4 and 5, of the separate and consolidated financial statements.</p> | <p>The audit procedures that we performed, among others were as follows:</p> <ul style="list-style-type: none"> – We discussed with management and assessed the design of management controls over the process of valuation of investments in subsidiaries. – We received the valuation report of the distribution network business from the independent appraiser to whom the management engaged to conduct the valuation exercise and assessed with the contribution of EY valuation specialists, the reasonability and accuracy of the assumptions used. – We evaluated the competence, capabilities and objectivity of the independent appraiser whom the management engage to conduct the valuation study. – We received an extensive and detailed memorandum from the Company's management on the accounting treatment and evaluation of the transaction and we evaluated it in accordance with the provisions of IFRS. – We have evaluated the adequacy of the Company's accounting policy and its proper application. – Finally, we assessed the adequacy of related disclosures in the separate and consolidated financial statements. |

Other information

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

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

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

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

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

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

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

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

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

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

We also:

- Identify and assess the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate and consolidated financial statements, including the disclosures, and whether the separate and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the separate and consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the Company and its subsidiaries. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

1. Board of Directors' Report

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

- a) The Board of Directors' Report includes a Corporate Governance Statement that contains the information required by article 152 of Law 4548/2018.
- b) In our opinion the Board of Directors' Report has been prepared in accordance with the legal requirements of articles 150-151 and 153-154 and paragraph 1 (c and d) of article 152 of Law 4548/2018 and the content of the Board of Directors' report is consistent with the accompanying separate and consolidated financial statements for the year ended December 31, 2021.
- c) Based on the knowledge and understanding concerning Public Power Corporation S.A. and its environment, obtained during our audit, we have not identified information included in the Board of Directors' Report that contains a material misstatement.

2. Unbundled Financial Statements

The management is responsible for the preparation of the Company's and the Group's unbundled financial statements as required by the article 141 of Law 4001/2011 and the Decision 266/2014 of the Regulatory Authority for Energy (RAE) and for those internal controls that management determines are necessary to enable the preparation of the Company's and Group's unbundled balance sheets as at December 31, 2021 and the unbundled statements of income before tax for the period from January 1, 2021 to December 31, 2021 that are free from material misstatement, whether due to fraud or error. The methodology of preparation of the unbundled financial statements is described in note 2 of appendix 1 to the financial statements.

In our opinion, the Company's and Group's unbundled financial statements as at December 31, 2021, as presented in the relevant appendix to the separate and consolidated financial statements, have been prepared in accordance with the provisions of article 141 of Law 4001 / 2011 and the Decision 266/2014 of the Regulatory Authority for Energy (RAE).

3. Additional Report to the Audit Committee

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

4. Provision of Non-audit Services

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

Non-audit services provided by us to the Company and its subsidiaries during the year ended December 31, 2021, are disclosed in Note 13 of the separate and consolidated financial statements.

5. Appointment of the Auditor

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

6. Rules of Procedure

The Company has in place Rules of Procedure, the context of which is in accordance with the provisions of article 14 of Law 4706/2020

7. Reasonable Assurance report on the European Single Electronic Format

We have examined the digital files of the Company and the Group, prepared in accordance with the European Single Electronic Format ("ESEF") as defined in the EU Delegated Regulation 2019/815, as amended by the EU Delegated Regulation 2020/1989 of the European Commission (hereinafter referred to as "the ESEF Regulation"), that comprise an XHTML file "«213800T9Y5XCOVRZ4Y57-2021-12-31.xhtml" which includes the separate and consolidated financial statements of the Company and the Group for the year ended December 31, 2021, and an XBRL file "213800T9Y5XCOVRZ4Y57-2021-12-31-en.zip" with the appropriate tagging of the aforementioned consolidated financial statements.

Regulatory Framework

The digital files of the European Single Electronic Format are prepared in accordance with the ESEF Regulation and the Interpretative Communication of the European Commission 2020/C 379/01 dated 10 November 2020, as required by Law 3556/2007 and the relevant communications of the Hellenic Capital Market Commission and the Athens Stock Exchange (hereinafter referred to as the «ESEF Regulatory Framework»). This Framework provides, among others, the following requirements:

- all annual financial reports should be prepared in XHTML format.
- for the consolidated financial statements prepared in accordance with IFRS, the financial information in the statement of income, the statement of other comprehensive income, the statement of financial position, the statement of changes of equity and the statement of cash flows should be marked-up (XBRL tags), according to the Taxonomy of ESEF (ESEF Taxonomy), as applicable. The technical specifications for ESEF, including the relevant taxonomy, are set out in the ESEF Regulatory Technical Standards.

The requirements set out in the ESEF Regulatory Framework provide appropriate criteria for us to express a reasonable assurance conclusion.

Responsibilities of Management and Those Charged With Governance

Management is responsible for the preparation and submission of the separate and consolidated financial statements of the Company for the year ended December 31, 2021, in accordance with the requirements set out in the ESEF Regulatory Framework, and for such internal control as management determines is necessary to enable the preparation of the digital files that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities

Our responsibility is to plan and perform this assurance engagement in accordance with the Decision 214/4/11-02-2022 of the Board of Directors of the Hellenic Accounting and Auditing Standards Oversight Board and the "Guiding instructions to auditors in connection with their assurance engagement on the European Single Electronic Format (ESEF) of public issuers in regulated Greek markets", as issued by the Institute of Certified Public Accountants of Greece on February 14, 2022 (hereinafter referred to as "ESEF Guiding Instructions"), in order to obtain reasonable assurance that the separate and consolidated financial statements prepared by management in accordance with ESEF comply, in all material respects, with the ESEF Regulatory Framework.

Our work was performed in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), as incorporated in Greek Law, and we have fulfilled our other ethical independence responsibilities in accordance with Law 4449/2017 and the EU Regulation 537/2014.

The assurance engagement we performed, in accordance with the International Standard on Assurance Engagements 3000, «Assurance Engagements Other Than an Audit or Review of Historical Financial Information», is limited to the objectives included in the ESEF Guiding Instructions. Reasonable assurance is a high level of assurance, but it is not a guarantee that this reasonable assurance engagement will always detect a material misstatement with respect to non-compliance with the requirements of the ESEF Regulatory Framework when it exists.

Conclusion

Based on the procedures performed and the evidence obtained, we express the conclusion that the separate and consolidated financial statements of the Company and the Group for the year ended December 31, 2021, in XHTML file format «213800T9Y5XCOVRZ4Y57-2021-12-31.xhtml" as well as the required XBRL file "213800T9Y5XCOVRZ4Y57-2021-12-31-en.zip" with relevant tagging on the aforementioned consolidated financial statements, have been prepared, in all material respects, in accordance with the ESEF Regulatory Framework.

Athens 5 April 2022

Ioannis Pierros
Certified Auditor Accountant
SOEL R.N. 3505

ERNST & YOUNG (HELLAS)
Certified Auditors – Accountants S.A.
8B Chimarras, Maroussi, 151 25, Greece
Company SOEL R.N. 107



CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS DECEMBER 31ST 2021

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 5th 2022 and they are available on the web site of Public Power Corporation S.A. at www.dei.gr.

The attached separate and consolidated financial statements have been translated from the original version in Greek.

Chairman and
Chief Executive
Officer

Vice
Chairman

Chief Financial
Officer

Accounting
Department
Director

GEORGIOS I.
STASSIS

PYRROS D.
PAPADIMITRIOU

KONSTANTINOS A.
ALEXANDRIDIS

EFTHIMIOS A.
KOUTROULIS

| PUBLIC POWER CORPORATION S.A. CONSOLIDATED AND SEPARATE STATEMENTS OF INCOME FOR THE YEAR ENDED DECEMBER 31, 2021 (All amounts in thousands of Euro) | Note | GROUP | | COMPANY | | | | | |
|--|------------|---------------------------|----------------------------|---------------------------|---------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| | | 01.01.2021- 31.12.2021 | *01.01.2020- 31.12.2020 | 01.01.2021- 31.12.2021 | 01.01.2021- 31.12.2021 | 01.01.2021- 30.11.2021 | *01.01.2020- 31.12.2020 | *01.01.2020- 31.12.2020 | *01.01.2020- 31.12.2020 |
| | | Total Group | Total Group | Total Company | Continuing Operations | Discontinued Operations | Total Company | Continuing Operation | Discontinued Operations |
| REVENUES: | | | | | | | | | |
| Revenue from energy sales | 6 | 5,015,668 | 3,947,327 | 4,987,108 | 4,987,108 | – | 3,910,362 | 3,910,362 | – |
| Revenue from natural gas sales | 6 | 1,161 | 472 | 1,161 | 1,161 | – | 472 | 472 | – |
| Other sales | 6 | 689,562 | 701,645 | 411,206 | 320,170 | 91,036 | 484,995 | 389,349 | 95,646 |
| | | 5,706,391 | 4,649,444 | 5,399,475 | 5,308,439 | 91,036 | 4,395,829 | 4,300,183 | 95,646 |
| EXPENSES: | | | | | | | | | |
| Payroll cost | 7 | 730,371 | 713,609 | 412,094 | 412,094 | – | 411,274 | 411,274 | – |
| Lignite | | 41,104 | 49,584 | 21,323 | 21,323 | – | 20,997 | 20,997 | – |
| Liquid Fuels | | 537,003 | 462,515 | 530,825 | 530,825 | – | 455,849 | 455,849 | – |
| Natural Gas | | 910,068 | 297,858 | 910,068 | 910,068 | – | 297,858 | 297,858 | – |
| Depreciation and amortization | 9 | 666,248 | 744,045 | 346,923 | 346,923 | – | 679,560 | 421,924 | 257,636 |
| Energy purchases | 8 | 1,286,722 | 1,117,863 | 1,487,577 | 1,487,577 | – | 1,215,330 | 1,215,330 | – |
| Materials and consumables | | 121,643 | 110,923 | 71,650 | 71,650 | – | 58,363 | 58,363 | – |
| Transmission system usage | | 129,257 | 135,836 | 129,257 | 129,257 | – | 135,775 | 135,775 | – |
| Distribution system usage | | – | – | 220,588 | 459,293 | (238,705) | 223,802 | 483,134 | (259,332) |
| Utilities and maintenance | | 180,212 | 199,769 | 109,651 | 109,651 | – | 122,850 | 122,850 | – |
| Third party fees | | 141,812 | 113,260 | 89,035 | 89,035 | – | 79,800 | 79,800 | – |
| Emission allowances | 10 | 699,164 | 393,486 | 573,793 | 573,793 | – | 327,861 | 327,861 | – |
| Provisions for risks | 40, 32 | 88,847 | 38,608 | 105,430 | 105,430 | – | 43,074 | 43,074 | – |
| Provision for impairment of inventories | 20 | 25,762 | 86,336 | 24,272 | 24,272 | – | 62,455 | 62,455 | – |
| Provision for expected credit losses | 21, 22, 23 | (59,740) | 61,946 | (108,938) | (108,938) | – | 36,652 | 36,652 | – |
| Financial expenses | 11 | 259,541 | 198,233 | 251,963 | 206,575 | 45,388 | 194,611 | 141,856 | 52,755 |
| Financial Income | 12 | (59,294) | (60,108) | (65,222) | (65,222) | – | (81,824) | (81,824) | – |
| Impairment loss on Lignite Subsidiaries | 17 | – | – | 88,000 | 88,000 | – | 124,426 | 124,426 | – |
| Impairment loss on assets | 35 | 107,575 | (125,319) | 78,675 | 78,675 | – | (130,912) | (130,912) | – |
| Other (income) / expenses, net | 13 | 53,109 | 68,007 | 7,332 | 13,017 | (5,685) | 23,388 | 30,226 | (6,838) |
| (Gains)/ losses from associate | 18 | (4,350) | (2,423) | – | – | – | 2 | 2 | – |
| Income from the spin off of distribution network | | – | – | (52,301) | (52,301) | – | – | – | – |
| Foreign currency (gains) / losses, net | | 1,159 | (862) | 1,126 | 1,126 | – | (835) | (835) | – |
| | | 5,856,213 | 4,603,166 | 5,233,121 | 5,432,123 | (199,002) | 4,300,356 | 4,256,135 | 44,221 |
| PROFIT/(LOSS) BEFORE TAX | | (149,822) | 46,278 | 166,354 | (123,684) | 290,038 | 95,473 | 44,048 | 51,425 |
| Income tax | 14 | 131,452 | (26,797) | 139,791 | 20,829 | 118,962 | (31,224) | (28,729) | (2,495) |
| NET PROFIT/(LOSS) | | (18,370) | 19,481 | 306,145 | (102,855) | 409,000 | 64,249 | 15,319 | 48,930 |
| Attributable to: | | | | | | | | | |
| Owners of the Parent | | (18,404) | 19,441 | | | | | | |
| Non – controlling interests | | 34 | 40 | | | | | | |
| Profit/(Loss) per share, basic and diluted | | (0.05) | 0.08 | | | | | | |
| Weighted average number of shares | | 382,000,000 | 232,000,000 | | | | | | |

- The accompanying notes are an integral part of the consolidated and separate financial statements.
* Some figures of the Group and the Parent Company are restated compared to those published in the annual financial statements as of December 31st, 2020 (See Note 44).

| PUBLIC POWER CORPORATION S.A. STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2021 (All amounts in thousands of Euro) | Note | GROUP | | COMPANY | | | | | |
|---|------|---------------------------|----------------------------|---------------------------|---------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| | | 01.01.2021- 31.12.2021 | *01.01.2020- 31.12.2020 | 01.01.2021- 31.12.2021 | 01.01.2021- 31.12.2021 | 01.01.2021- 31.12.2021 | *01.01.2020- 31.12.2020 | *01.01.2020- 31.12.2020 | *01.01.2020- 31.12.2020 |
| | | Total Group | Total Group | Total Company | Continuing Operations | Discontinued Operations | Total Company | Continuing Operations | Discontinued Operations |
| Net Profit/(Loss) for the year | | (18,370) | 19,481 | 306,145 | (102,855) | 409,000 | 64,249 | 15,319 | 48,930 |
| Reclassification of hedging transactions through the statement of comprehensive income | 43 | (244,864) | – | (244,864) | (244,864) | – | 5,464 | 5,464 | – |
| Foreign exchange differences | | (642) | (184) | – | – | – | – | – | – |
| Gains from the valuation of hedging transactions | 43 | 459,808 | 5,464 | 459,808 | 459,808 | – | (1,153) | (1,153) | – |
| Deferred tax on gains from the valuation of hedging transactions | | (17,305) | (1,153) | (17,305) | (17,305) | – | – | – | – |
| Deferred tax on gains from the valuation of hedging transactions due to change of tax rate | | 1,538 | – | 1,538 | – | – | – | – | – |
| Net Other Comprehensive income / (loss) to be reclassified to profit or loss in subsequent periods | | 198,535 | 4,127 | 199,177 | 197,639 | – | 4,311 | 4,311 | – |
| Gains / (Losses) on financial assets at fair value through total income | | (539) | (384) | (319) | (319) | – | (232) | (232) | – |
| Revaluation of Property, plant and equipment | 15 | 331,190 | (547) | – | – | – | 2,095 | 2,095 | – |
| Deferred tax on revaluation of Property, plant and equipment | 14 | 46,946 | 131 | – | – | – | (503) | (503) | – |
| Impairment of Property, plant and equipment with revaluation surplus | 15 | – | (38,581) | – | – | – | (38,581) | (38,581) | – |
| Deferred tax on impairment of Property, plant and equipment with revaluation surplus | | – | 9,259 | – | – | – | 9,259 | 9,259 | – |
| Deferred taxes on fixed assets due to change of tax rate | 14 | 123,354 | – | 123,354 | 79,840 | 43,514 | – | – | – |
| Provision for decommissioning and dismantling of facilities/ equipment of Units and mines | 32 | 11,165 | 3,251 | 11,165 | 11,165 | – | 3,251 | 3,251 | – |
| Deferred taxes on provision for decommissioning and dismantling of facilities/ equipment of Units and mines | 14 | (2,456) | (780) | (2,456) | – | – | (780) | (780) | – |
| Deferred taxes on provision for decommissioning and dismantling of facilities/ equipment of Units and mines due to tax rate change | 14 | (2,494) | – | (2,494) | (2,494) | – | – | – | – |
| Actuarial gains/ (losses) | 31 | 29,819 | 41,707 | 18,517 | 18,517 | – | 27,825 | 27,825 | – |
| Deferred tax on actuarial gains/ losses | 14 | (6,560) | (9,733) | (4,074) | – | – | (6,678) | (6,678) | – |
| Deferred tax on actuarial gains/ losses due to tax rate change | 14 | (2,483) | – | (1,828) | (1,828) | – | – | – | – |
| Net Other Comprehensive (loss) / income not to be reclassified to profit or loss in subsequent periods | | 527,942 | 4,323 | 141,865 | 104,881 | 43,514 | (4,344) | (4,344) | – |
| Other Comprehensive (loss) / income for the year after tax | | 726,477 | 8,450 | 341,042 | 302,521 | 43,514 | (33) | (33) | – |
| Total Comprehensive (loss)/ income for the year after tax | | 708,107 | 27,931 | 647,187 | 199,666 | 452,514 | 64,216 | 15,286 | 48,930 |
| Attributable to: | | | | | | | | | |
| Owners of the Parent | | 708,073 | 27,891 | | | | | | |
| Non-controlling interests | | 34 | 40 | | | | | | |

- The accompanying notes are an integral part of the consolidated and separate financial statements.
* Some figures of the Group and the Parent Company are restated compared to those published in the annual financial statements as of December 31st, 2020 (See Note 44).

PUBLIC POWER CORPORATION S.A.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2021
 (All amounts in thousands of Euro)

| | Note | GROUP | | |
|--|------|-------------------|-------------------|-------------------|
| | | 31.12.2021 | *31.12.2020 | *01.01.2020 |
| ASSETS | | | | |
| Non - Current Assets : | | | | |
| Property, plant and equipment, net | 15 | 10,265,746 | 10,269,886 | 10,572,714 |
| Intangible assets, net | 16 | 359,989 | 112,116 | 80,923 |
| Right of use assets | 42 | 134,570 | 64,575 | 67,193 |
| Investments in subsidiaries | 17 | | – | |
| Investments in associates | 18 | 38,822 | 34,063 | 36,364 |
| Financial assets measured at fair value through other comprehensive income | 24 | 327 | 866 | 1,251 |
| Other non - current assets | | 3,921 | 14,268 | 20,428 |
| Deferred tax asset | 14 | 382,487 | 202,113 | 221,098 |
| Total non - current assets | | 11,185,862 | 10,697,887 | 10,999,971 |
| Current Assets : | | | | |
| Inventories | 20 | 609,902 | 630,364 | 730,895 |
| Trade receivables | 21 | 1,100,625 | 708,679 | 683,491 |
| Contract assets | 22 | 660,345 | 372,475 | 424,911 |
| Other receivables | 23 | 1,242,540 | 393,716 | 381,167 |
| Derivative Financial instruments | 43 | 76,908 | 4,803 | – |
| Income tax receivable | 14 | 4,795 | 2,728 | 12,565 |
| Cash and cash equivalents | 25 | 2,832,351 | 815,640 | 286,917 |
| Restricted cash | 25 | 65,856 | 58,702 | 67,752 |
| Total | | 6,593,322 | 2,987,107 | 2,587,698 |
| Total Assets Held for Sale | 5 | – | – | – |
| Total current assets | | 6,593,322 | 2,987,107 | 2,587,698 |
| Total Assets | | 17,779,184 | 13,684,994 | 13,587,669 |
| EQUITY AND LIABILITIES | | | | |
| EQUITY : | | | | |
| Share capital | 26 | 947,360 | 575,360 | 575,360 |
| Share premium | 26 | 1,018,753 | 106,679 | 106,679 |
| Legal reserve | 27 | 128,317 | 128,317 | 128,317 |
| Statutory revaluation surplus | | (947,342) | (947,342) | (947,342) |
| Revaluation surplus | 15 | 5,163,915 | 4,686,388 | 4,753,454 |
| Other Reserves | 28 | 306,377 | 87,605 | 51,888 |
| Retained earnings | | (1,538,702) | (1,550,361) | (1,610,521) |
| Total Equity attributable to the Owners of the Parent | | 5,078,678 | 3,086,646 | 3,057,835 |
| Non - controlling interests | | 329 | 295 | 255 |
| Total equity | | 5,079,007 | 3,086,941 | 3,058,090 |

| | Note | GROUP | | |
|--|------|-------------------|-------------------|-------------------|
| | | 31.12.2021 | *31.12.2020 | *01.01.2020 |
| Non - Current Liabilities : | | | | |
| Long - term borrowings | 30 | 4,062,638 | 3,480,453 | 3,510,961 |
| Post-retirement benefits | 31 | 209,372 | 230,422 | 300,957 |
| Provisions | 32 | 835,261 | 774,357 | 780,694 |
| Financial lease liability | 42 | 119,461 | 48,198 | 49,369 |
| Contract liabilities | 34 | 2,349,074 | 2,274,035 | 2,331,696 |
| Subsidies | 33 | 137,548 | 153,720 | 172,577 |
| Long term financial liability from the securitization of receivables | 45 | 229,475 | 123,465 | – |
| Other non - current liabilities | | 35,564 | 22,515 | 13,055 |
| Total non - current liabilities | | 7,978,393 | 7,107,165 | 7,159,309 |
| Current Liabilities : | | | | |
| Trade and other payables | 36 | 970,073 | 1,428,758 | 1,689,234 |
| Short term financial liability from the securitization of receivables | 45 | 150,620 | 11,688 | – |
| Dividends payable | 29 | – | 12 | 13 |
| Income tax payable | 14 | 70,461 | 68,155 | 69,630 |
| Short - term borrowings | 37 | 271,337 | 42,152 | 18,630 |
| Current portion of long - term borrowings | 30 | 353,632 | 546,802 | 417,351 |
| Current portion of financial lease liability | 42 | 17,672 | 17,791 | 18,322 |
| Accrued and other current liabilities | 39 | 1,677,820 | 811,588 | 718,180 |
| Current portion of the provision of decommissioning and removal of Power Plants' Mines' and Wind Parks' facilities and mines' land restoration areas | 32 | 80,598 | 13,065 | – |
| Short-term contract liabilities | 38 | 1,129,571 | 550,877 | 438,910 |
| Total | | 4,721,784 | 3,490,888 | 3,370,270 |
| Total Liabilities Held for Sale | 5 | – | – | – |
| Total Current Liabilities | | 4,721,784 | 3,490,888 | 3,370,270 |
| Total Equity and Liabilities | | 17,779,184 | 13,684,994 | 13,587,669 |

- The accompanying notes are an integral part of the consolidated and separate financial statements.
 * Some figures of the Group and the Parent Company are restated compared to those published in the annual financial statements as of December 31st, 2020 (See Note 44).

PUBLIC POWER CORPORATION S.A.
SEPARATE STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2021
 (All amounts in thousands of Euro)

| | Note | COMPANY | | |
|--|------|-------------------|-------------------|-------------------|
| | | 31.12.2021 | *31.12.2020 | *01.01.2020 |
| ASSETS | | | | |
| Non - Current Assets : | | | | |
| Property, plant and equipment, net | 15 | 5,118,915 | 5,352,700 | 10,176,626 |
| Intangible assets, net | 16 | 333,783 | 87,601 | 65,054 |
| Right of use assets | 42 | 102,769 | 37,447 | 41,084 |
| Investments in subsidiaries | 17 | 1,241,530 | 221,611 | 221,271 |
| Investments in associates | 18 | 37 | 37 | 997 |
| Financial assets measured at fair value through other comprehensive income | 24 | 325 | 646 | 879 |
| Other non - current assets | | 13,689 | 15,977 | 20,132 |
| Deferred tax asset | 14 | 731,841 | 761,055 | 204,584 |
| Total non - current assets | | 7,542,889 | 6,477,074 | 10,730,627 |
| Current Assets : | | | | |
| Inventories | 20 | 430,136 | 455,174 | 530,923 |
| Trade receivables | 21 | 875,909 | 554,619 | 579,213 |
| Contract assets | 22 | 660,345 | 372,475 | 424,911 |
| Other receivables | 23 | 1,119,988 | 214,723 | 235,444 |
| Derivative Financial instruments | 43 | 76,908 | 4,803 | – |
| Income tax receivable | 14 | – | – | – |
| Cash and cash equivalents | 25 | 2,512,204 | 626,940 | 205,461 |
| Restricted cash | 25 | 48,278 | 52,803 | 67,752 |
| Total | | 5,723,768 | 2,281,537 | 2,043,704 |
| Total Assets Held for Sale | 5 | – | 4,563,389 | – |
| Total current assets | | 5,723,768 | 6,844,926 | 2,043,704 |
| Total Assets | | 13,266,657 | 13,322,000 | 12,774,331 |
| EQUITY AND LIABILITIES | | | | |
| EQUITY : | | | | |
| Share capital | 26 | 947,360 | 575,360 | 575,360 |
| Share premium | 26 | 1,018,753 | 106,679 | 106,679 |
| Legal reserve | 27 | 128,317 | 128,317 | 128,317 |
| Statutory revaluation surplus | | (947,342) | (947,342) | (947,342) |
| Revaluation surplus | 15 | 3,000,597 | 4,594,433 | 4,658,997 |
| Other Reserves | 28 | 263,326 | 51,852 | 26,626 |
| Retained earnings | | 249,016 | (1,780,536) | (1,884,091) |
| Total Equity attributable to the Owners of the Parent | | 4,660,027 | 2,728,763 | 2,664,546 |
| Non - controlling interests | | – | – | – |
| Total equity | | 4,660,027 | 2,728,763 | 2,664,546 |

| | Note | COMPANY | | |
|--|------|-------------------|-------------------|-------------------|
| | | 31.12.2021 | *31.12.2020 | *01.01.2020 |
| Non - Current Liabilities : | | | | |
| Long - term borrowings | 30 | 2,723,954 | 2,008,603 | 3,467,108 |
| Post-retirement benefits | 31 | 119,625 | 129,371 | 175,767 |
| Provisions | 32 | 809,980 | 732,629 | 737,035 |
| Financial lease liability | 42 | 94,825 | 26,975 | 29,284 |
| Contract liabilities | 34 | 438,272 | 450,745 | 2,331,696 |
| Subsidies | 33 | 95,665 | 105,259 | 156,844 |
| Long term financial liability from the securitization of receivables | 45 | 229,475 | 123,465 | – |
| Other non - current liabilities | | 38 | 38 | 38 |
| Total non - current liabilities | | 4,511,834 | 3,577,085 | 6,897,772 |
| Current Liabilities : | | | | |
| Trade and other payables | 36 | 480,202 | 1,171,262 | 1,523,818 |
| Short term financial liability from the securitization of receivables | 45 | 150,620 | 11,688 | – |
| Dividends payable | 29 | – | 12 | 13 |
| Income tax payable | 14 | 63,778 | 63,778 | 63,778 |
| Short - term borrowings | 37 | 260,000 | 30,000 | – |
| Current portion of long - term borrowings | 30 | 207,051 | 397,115 | 417,361 |
| Current portion of financial lease liability | 42 | 10,573 | 11,996 | 12,780 |
| Accrued and other current liabilities | 39 | 1,712,403 | 825,186 | 755,353 |
| Current portion of the provision of decommissioning and removal of Power Plants' Mines' and Wind Parks' facilities and mines' land restoration areas | 32 | 80,598 | 13,065 | – |
| Short-term contract liabilities | 38 | 1,129,571 | 550,877 | 438,910 |
| Total | | 4,094,796 | 3,074,979 | 3,212,013 |
| Total Liabilities Held for Sale | 5 | – | 3,941,173 | – |
| Total Current Liabilities | | 4,094,796 | 7,016,152 | 3,212,013 |
| Total Equity and Liabilities | | 13,266,657 | 13,322,000 | 12,774,331 |

- The accompanying notes are an integral part of the consolidated and separate financial statements.
 * Some figures of the Group and the Parent Company are restated compared to those published in the annual financial statements as of December 31st, 2020 (See Note 44).

PUBLIC POWER CORPORATION S.A.
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2021
 (All amounts in thousands of Euro)

| | Note | GROUP | | | | | | | | | | | |
|---|--------|----------------|------------------|----------------|---------------------|-------------------------------|---|---|----------------------|--------------------|------------------|--------------------------|------------------|
| | | Share Capital | Share Premium | Legal Reserve | Revaluation Surplus | Statutory Revaluation Surplus | Other Reserves | | | Retained Earnings | Total | Non-Controlling Interest | Total Equity |
| | | | | | | | Fair Value of financial assets through comprehensive income | Foreign Exchange Differences, Tax-free and Other Reserves | Other Reserves Total | | | | |
| Balance, January 1st, 2020 | | 575,360 | 106,679 | 128,317 | 4,753,454 | (947,342) | 453 | 51,435 | 51,888 | (1,628,019) | 3,040,337 | 255 | 3,040,592 |
| Adjustment due to accounting policy change in IAS 19 | 44 | – | – | – | – | – | – | – | – | 1,775 | 1,775 | – | 1,775 |
| Impact due to revenue recognition from unbilled usage charges of distribution network | 44 | – | – | – | – | – | – | – | – | 15,723 | 15,723 | – | 15,723 |
| Balance, January 1st, 2020 (restated) | | 575,360 | 106,679 | 128,317 | 4,753,454 | (947,342) | 453 | 51,435 | 51,888 | (1,610,521) | 3,057,835 | 255 | 3,058,090 |
| Profit/(Loss) for the year | | – | – | – | – | – | – | – | – | 19,441 | 19,441 | 40 | 19,481 |
| Other comprehensive income/(loss) for the year after tax recognized in equity | | – | – | – | (27,267) | – | (384) | 36,101 | 35,717 | – | 8,450 | – | 8,450 |
| Total Comprehensive income / (loss) for the year, after tax | | – | – | – | (27,267) | – | (384) | 36,101 | 35,717 | 19,441 | 27,891 | 40 | 27,931 |
| Disposals of property, plant and equipment | | – | – | – | (26,060) | – | – | – | – | 26,060 | – | – | – |
| Other movements | | – | – | – | (13,739) | – | – | – | – | 14,659 | 920 | – | 920 |
| Balance, December 31st, 2020 | | 575,360 | 106,679 | 128,317 | 4,686,388 | (947,342) | 69 | 87,536 | 87,605 | (1,550,361) | 3,086,646 | 295 | 3,086,941 |
| Balance, January 1st, 2021 | | 575,360 | 106,679 | 128,317 | 4,686,388 | (947,342) | 69 | 87,536 | 87,605 | (1,550,361) | 3,086,646 | 295 | 3,086,941 |
| Profit/(Loss) for the year | | – | – | – | – | – | – | – | – | (18,404) | (18,404) | 34 | (18,370) |
| Other comprehensive income/(loss) for the year after tax | 15, 28 | – | – | – | 507,705 | – | (539) | 219,311 | 218,772 | – | 726,477 | – | 726,477 |
| Total Comprehensive income / (loss) for the year, after tax | | – | – | – | 507,705 | – | (539) | 219,311 | 218,772 | (18,404) | 708,073 | 34 | 708,107 |
| Share capital increase | 26 | 372,000 | 978,000 | – | – | – | – | – | – | – | 1,350,000 | – | 1,350,000 |
| Expenses of the share capital increase | 26 | – | (65,926) | – | – | – | – | – | – | – | (65,926) | – | (65,926) |
| Disposals of property, plant and equipment | | – | – | – | (30,178) | – | – | – | – | 30,178 | – | – | – |
| Other movements | | – | – | – | – | – | – | – | – | (115) | (115) | – | (115) |
| Balance, December 31st, 2021 | | 947,360 | 1,018,753 | 128,317 | 5,163,915 | (947,342) | (470) | 306,847 | 306,377 | (1,538,702) | 5,078,678 | 329 | 5,079,007 |

- The accompanying notes are an integral part of the consolidated and separate financial statements.

PUBLIC POWER CORPORATION S.A.
SEPARATE STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2021
 (All amounts in thousands of Euro)

| | Note | COMPANY | | | | | | | | | Total Equity |
|---|--------|----------------|------------------|----------------|---------------------|-------------------------------|---|-----------------------------|----------------------|--------------------|------------------|
| | | Share Capital | Share Premium | Legal Reserve | Revaluation Surplus | Statutory Revaluation Surplus | Fair Value of financial assets through comprehensive income | Tax-free and Other Reserves | Other Reserves Total | Retained Earnings | |
| Balance, January 1st, 2020 | | 575,360 | 106,679 | 128,317 | 4,658,997 | (947,342) | 150 | 26,476 | 26,626 | (1,862,818) | 2,685,819 |
| Impact due to revenue recognition from unbilled usage charges of distribution network | 44 | – | – | – | – | – | – | – | – | (21,273) | (21,273) |
| Balance, January 1st, 2020 (restated) | | 575,360 | 106,679 | 128,317 | 4,658,997 | (947,342) | 150 | 26,476 | 26,626 | (1,884,091) | 2,664,546 |
| Profit/(Loss) for the year (restated) | | – | – | – | – | – | – | – | – | 64,249 | 64,249 |
| Other comprehensive income/(loss) for the year after tax recognized in equity | | – | – | – | (25,259) | – | (232) | 25,458 | 25,226 | – | (33) |
| Total Comprehensive income / (loss) for the year, after tax | | – | – | – | (25,259) | – | (232) | 25,458 | 25,226 | 64,249 | 64,216 |
| Disposals of property, plant and equipment | | – | – | – | (25,566) | – | – | – | – | 25,566 | – |
| Other movements | | – | – | – | (13,739) | – | – | – | – | 13,739 | 1 |
| Balance, December 31st, 2020 | | 575,360 | 106,679 | 128,317 | 4,594,433 | (947,342) | (82) | 51,934 | 51,852 | (1,780,537) | 2,728,763 |
| Balance, January 1st, 2021 | | 575,360 | 106,679 | 128,317 | 4,594,433 | (947,342) | (82) | 51,934 | 51,852 | (1,780,537) | 2,728,763 |
| Profit/(Loss) for the year | | – | – | – | – | – | – | – | – | 306,145 | 306,145 |
| Other comprehensive income/(loss) for the year after tax | 15, 28 | – | – | – | 129,569 | – | (319) | 211,793 | 211,474 | – | 341,042 |
| Total Comprehensive income / (loss) for the year, after tax | | – | – | – | 129,569 | – | (319) | 211,793 | 211,474 | 306,145 | 647,187 |
| Share capital increase | 26 | 372,000 | 978,000 | – | – | – | – | – | – | – | 1,350,000 |
| Expenses of the share capital increase | 26 | – | (65,926) | – | – | – | – | – | – | – | (65,926) |
| Disposals of property, plant and equipment | | – | – | – | (26,929) | – | – | – | – | 26,929 | – |
| Transfer of the revaluation surplus of property, plant and equipment of Dtribution Network due to the spin -off | 15, 5 | – | – | – | (1,696,476) | – | – | – | – | 1,696,476 | – |
| Other movements | | – | – | – | – | – | – | – | – | 3 | 3 |
| Balance, December 31st, 2021 | | 947,360 | 1,018,753 | 128,317 | 3,000,597 | (947,342) | (401) | 263,727 | 263,326 | 249,016 | 4,660,027 |

- The accompanying notes are an integral part of the consolidated and separate financial statements.

PUBLIC POWER CORPORATION S.A.
CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021
 (All amounts in thousands of Euro)

| | Note | GROUP | | COMPANY | |
|--|------|-----------------------|------------------------|-----------------------|------------------------|
| | | 01.01.2021-31.12.2021 | 01.01.2020-31.12.2020* | 01.01.2021-31.12.2021 | 01.01.2020-31.12.2020* |
| Operating activities | | | | | |
| Profit / (Loss) before tax from continuing operations | | (149.822) | 46.278 | (123.684) | 44.048 |
| Profit / (Loss) before tax from discontinued operations | | – | – | 290.038 | 51.425 |
| Profit / (Loss) before tax | | (149.822) | 46.278 | 166.354 | 95.473 |
| Adjustments: | | | | | |
| Depreciation and amortization | 9 | 662.273 | 741.041 | 342.992 | 418.982 |
| Impairment loss on assets | 35 | 107.575 | (125.319) | 78.675 | (130.912) |
| Depreciation of right-of-use assets | 9 | 20.147 | 21.861 | 13.827 | 15.385 |
| Impairment loss of the shareholding of Lignite Subsidiaries | 17 | – | – | 88.000 | 124.426 |
| Amortization of subsidies | 9 | (16.172) | (18.857) | (9.896) | (12.443) |
| Income from long-term contract liabilities | 34 | (91.852) | (88.577) | (248) | (248) |
| Income from the spin off of distribution network | | – | – | (52.301) | – |
| Share of loss/ (profit) of associates/ joint ventures | 18 | (4.350) | (2.423) | – | 2 |
| Interest income and dividends | | (59.294) | (60.108) | (65.222) | (81.824) |
| Sundry provisions | | 32.833 | 102.548 | 5.459 | 47.412 |
| Utilization of the provision of mines' land restoration areas | 32 | (10.777) | – | (10.777) | – |
| Foreign exchange gains losses on loans and borrowings | | (1.159) | 835 | (1.126) | 835 |
| Unbilled revenue | 6 | (347.935) | 79.854 | (347.935) | 83.157 |
| Disposals of property, plant and equipment and intangible assets | 15 | (4.536) | 7.074 | (559) | 880 |
| Amortization of loans' issuance fees | 30 | 7.133 | 3.212 | 7.133 | 3.212 |
| Interest expense | | 160.244 | 157.902 | 107.278 | 104.636 |
| Operating profit/(loss) before working capital changes | | 304.308 | 865.321 | 321.654 | 668.973 |
| (Increase)/decrease in: | | | | | |
| Trade receivables | 21 | (234.030) | (74.558) | (364.629) | (34.763) |
| Other receivables | 23 | (830.768) | 12.539 | (848.738) | 56.847 |
| Inventories | 20 | (5.311) | 7.134 | 769 | 6.246 |
| Increase/(decrease) in: | | | | | |
| Trade payables | 36 | (319.754) | (248.788) | (444.194) | (398.864) |
| Other non - current liabilities | 34 | 700.317 | 245.685 | 685.929 | 234.372 |

| | Note | GROUP | | COMPANY | |
|---|--------|-----------------------|------------------------|-----------------------|------------------------|
| | | 01.01.2021-31.12.2021 | 01.01.2020-31.12.2020* | 01.01.2021-31.12.2021 | 01.01.2020-31.12.2020* |
| Accrued and other liabilities excluding interest | 39 | 987.090 | 67.989 | 1.045.037 | 36.475 |
| Restricted cash | | (7.154) | 9.050 | 4.525 | 14.949 |
| (Payment) / Collection of Income Taxes | 14 | 100.261 | – | 103.153 | – |
| Discontinued operations | 5 | – | – | (18.822) | 199.630 |
| Net Cash from Operating Activities | | 694.959 | 884.372 | 484.684 | 783.865 |
| Investing Activities | | | | | |
| Interest and dividends received | 12 | 59.294 | 60.108 | 65.222 | 81.824 |
| Capital expenditure for property, plant and equipment and intangible assets | 15, 16 | (680.148) | (401.694) | (426.053) | (208.593) |
| Proceeds from long-term contract liabilities | 34 | 179.094 | 60.380 | – | – |
| Investments in subsidiaries and associates | | (4.759) | 2.301 | (33.700) | (25.000) |
| Sales of property, plant and equipment | 15 | 40.637 | – | 40.637 | – |
| Discontinued operations | 5 | – | – | (15.599) | (101.240) |
| Net Cash used in Investing Activities | | (405.882) | (278.905) | (369.493) | (253.009) |
| Financing Activities | | | | | |
| Net change in short-term borrowings | 37 | 229.185 | 23.522 | 230.000 | 30.000 |
| Principal lease payments of right-of-use assets | 42 | (22.711) | (23.825) | (15.052) | (16.634) |
| Proceeds from long-term borrowing | 30 | 1.896.888 | 483.120 | 1.880.364 | 226.637 |
| Principal payments of long-term borrowing | 30 | (1.497.516) | (399.547) | (1.343.742) | (220.557) |
| Interest paid and loans' issuance fees | | (162.274) | (160.013) | (110.929) | (103.846) |
| Dividends paid | | (12) | (1) | (12) | (1) |
| Share capital increase including expenses | 26 | 1.284.074 | – | 1.284.074 | – |
| Discontinued operations | 5 | – | – | (154.630) | (24.976) |
| Net Cash used in Financing Activities | | 1.727.634 | (76.744) | 1.770.073 | (109.377) |
| Net increase / (decrease) in cash and cash equivalents | | 2.016.711 | 528.723 | 1.885.264 | 421.479 |
| Cash and cash equivalents at the beginning of the year | | 815.640 | 286.917 | 626.940 | 205.461 |
| Cash and cash equivalents at the end of the year | | 2.832.351 | 815.640 | 2.512.204 | 626.940 |

- The accompanying notes are an integral part of the consolidated and separate financial statements.

* Some figures of the Group and the Parent Company are restated compared to those published in the annual financial statements as of December 31st, 2020 (See Note 44).

D – Notes to the financial statements

1. CORPORATE INFORMATION

Public Power Corporation S.A. ("PPC" or the "Parent Company") was established in 1950 in Greece for an unlimited duration as a State owned and managed corporation for electricity generation, transmission and distribution throughout Greece. In January 1, 2001 PPC was transformed into a société anonyme with a duration of 100 years and effective December 2001, PPC's shares are listed on the Athens Stock Exchange.

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

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

On December 31st, 2021 the number of personnel employed by the Group was 12,909 (2020: 13,799). On December 31st, 2021 95 employees of the Group (2020: 92), have been transferred to several State agencies (ministries, organizations, etc.), out of which, 90 were compensated by PPC (2020: 89). The total payroll cost of such employees, for the fiscal year ended December 31st, 2021 amounted to Euro 3,969 (2019: Euro 3,507). Additionally, on December 31st, 2021, PPC's transferred employees in EFKA (Greek Single Social Security Institution) amounted to 185, (2020: 222) for which payroll cost amounted to Euro 8,933 (2020: Euro 9,636).

PPC Group generates electricity in its own power generating stations of the Parent Company, from its wholly owned subsidiaries «LIGNITIKI MELITIS S.A.» and «LIGNITIKI MEGALOPOLIS S.A.» and "PPC Renewables S.A."; and distributes electricity to consumers through its own distribution lines for Medium and Low voltage through its wholly owned subsidiary Hellenic Distribution Network Operator "HEDNO S.A.". PPC Group has also developed an urban fibre optics network. Lignite consumed by the Group's lignite-fired power stations is extracted, to a significant extent, from its own lignite mines.

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

2. LEGAL FRAMEWORK

CHANGES IN THE LEGAL FRAMEWORK OF THE ELECTRICITY MARKET FOR 2021

A. ELECTRICITY MARKETS

A1. New Electricity Markets

The Target Model of the electricity market started in Greece from November 1, 2020. In particular, the Next Day Market, the Intraday Market and the Balancing Market started their operation on November 1, 2020 according to RAE Decision 1298 / 11.09.2020 (Government Gazette B' 4415 / 07.10.2020). While, the Derivatives Market started its operation with derivative products without physical delivery, on March 23, 2020 and with the possibility of physical delivery from November 1, 2020, the date when the other markets started. RAE and EXE in 2020 and 2021 issued a series of methodologies and technical decisions to regulate individual issues of these markets. We quote some decisions of 2021 that significantly determined the mode of operation of the Electricity Market.

- With RAE's Decisions 87/2021 (Government Gazette B' 640 / 18.02.2021) and 661/2021 (Government Gazette B' 4259 / 15.09.2021) it was defined for the years 2021 and 2022 extension of the submission restriction only by the Thermal Production Units Block Orders for the Next Day Market and the submission parameters and technical characteristics of the acceptable Next Day Market Types were defined, structural changes that may affect the formation of the clearing price of the market as well as the development of strategies in the market. market for the creation of feasible purchase programs
- The Hellenic Energy Exchange issued on 09.04.2021, with effect from 14.04.2021, the amended Decision No. 5 for the Contracts for the Future Fulfillment of Electricity in the Energy Financial Market (Derivatives Market) of HEnEX, as well as the amended Decision No. 6. for the Charges of Members of the Energy Financial Market (Derivatives Market) of HEnEX. Following the above, Decision No. 5 was amended again on 27.12.2021, with effect from 28.12.2021, setting the maximum Daily Price Fluctuation in the Market at $\pm 60\%$ on the Starting Price for all Contracts, regardless of Delivery Time, influencing the shaping of market participants.
- According to the Announcement of ENTSO-E, May 12th 2021 was set as the settlement day for the physical delivery into the conjunctive operational Day Ahead Market in the cross-border connection between Greece and Bulgaria, for the fulfilment of the unified European electricity market target. The connection has decisively influenced the results of the Next Day Market, hence the financial results of the participants. All participants now prepare their bids in a more dynamic way, based on the estimated prices of the neighboring markets.
- Decision RAE 610/2021 (OG B 3857/ 18.08.2021) amended the Rules of Operation of the Next Day Market and the Intraday Market regarding the planning principles and the operation of the Additional Regional Intraday Auctions (CRID) RAE 701/2021 (OG B' 4342 / 20.09.2021) was set on September 22, 2021 as the first Day of Fulfillment of Natural Delivery, of the coupled operation of the Intraday Market of Greece with the corresponding ones of Italy and Slovenia through CRIDAS. The operation of CRIDAS in conjunction mode affects the financial results of the participants. Since the launch of CRIDAS, the volume of the Intraday Market has increased significantly (over 60%), and the Parent Company now participates with much increased volumes in this market.

- Law 4821/2021(OG A 134/31.07.2021) determined:
 - The transitional provisions for the operation of the electrical interconnection of Peloponnese - Crete and in particular a) during the transitional period from 03.07.2021 to 30.09.2021 and b) from 01.10.2021 (last day of completion of the first phase), to the Completion day of the 2nd phase of the electrical interconnection of the island of Crete with the Mainland System, which will take place with RAE's decision.
 - The automatic transfer from August 1, 2021 of all fixed assets of high voltage (HV) of the electrical system of island Crete, owned by the Public Electricity Company (PPC SA) and managed by the Hellenic Electricity Distribution Network (HEDNO SA) as Administrator of Non-Interconnected Islands, from PPC SA to IPTO SA, by full ownership, use and possession (Note 15).
 - The manner and settling of the consideration of the transferred fixed assets.
 - The conditions and possibility of the transfer to IPTO SA HEDNO's personnel, employed in Island Management Department/ Services of Crete - Rhodes, with the objective of the operation of the Transmission Control System of Crete.
- With Decision 734/2021 (OG B' 4633/ 06.10.2021) RAE extended, after evaluation of the level of technical and operational readiness of the competent Administrators, the commencement of implementation of the hybrid market framework of the electrical system of Crete of Phase A, ie November 1, 2021. Operational readiness was defined by the provisions of articles 104-108 of Law 4821/2021 (OG A' 134/ 31.7.2021). With the Decisions RAE 775/2021 (OG B' 4982/ 27.10.2021) and RAE 807/2021 (OG B' 5025 / 29.10.2021) the necessary amendments to the Codes and Regulations of the markets regarding the participation of the electrical system of Crete were approved, during the First Phase of interconnection of Crete, shaping the new way of participation in the Greek market and compensation of the Company, as Producer and Supplier in Crete.
- With Law 4843/2021 (OG A' 193 /20.10.2021), Hellenic Republic in order to fulfill its commitment on September 1st, 2021 to the European Commission for taking structural measures in the field of electricity production using lignite, PPC is obliged, through its participation in one or both of the organized markets of energy derivatives (EEX SA, EEX AG) to create a Net Sales Position in quarterly Hellenic Future Fulfillment Contracts, with quantities of electricity amounting to:
 - a) fifty percent (50%) of the lignite electricity generation of the corresponding calendar quarter of the previous calendar year, during the fourth quarter of 2021 and up to the third quarter of 2022,
 - b) forty percent (40%) of the lignite electricity production of the respective calendar quarter of the previous calendar year, in the following quarters, by 31 December 2024 at the latest. The above quantities do not take into account the production of lignite electricity for strategic backup purposes

In this context, PPC has taken positions in futures contracts (Note 8).

In the same law (articles 48 and 49) and in the context of the abolition of structural disinvestment measures based on Law 4533/2018, the companies «LIGNITIKI MEGALOPOLIS SOLE SHAREHOLDER SA» and «LIGNITIKI MELITIS SOLE SHAREHOLDER SA» can be merged through absorption by PPC SA. From the date of registration of the merger agreement in G.C.R., PPC automatically obtains, as a universal successor, all the assets and liabilities, rights, obligations and legal relations of the absorbed companies, including the exploration and exploitation rights on the lignite deposits, as well as the administrative licenses and approvals, which were submitted to the above companies. The Board of Directors of PPC decided in 2021 the absorption of its lignite subsidiaries, which is expected to be completed within the second quarter of 2022 with the approval of the Greek Commercial Register.

- RAE, with decisions 687/2021 (OG B' 5088/ 04.11.2021), RAE 688/2021 (OG B' 5088/ 04.11.2021), RAE 689/2021 (OG B' 5087/ 04.11.2021), RAE 690/2021 (OG 5087 / 04.11.2021), RAE 691/2021 (OG B' 4964 / 27.10.2021) and 692/2021 (OG B' 4872 / 21.10.2021) the numerical values of the parameters of the Charges for Non-Compliance (CMS) were determined as provided for in the Balancing Market Regulation, causing financial burden to the participants in the Balancing Market in case of imposition during their participation in the market.
- With RAE Decision 791/2021 (OG B' 5200/ 10.11.2021) the price of the Unit Charge of RES and SITHYA Producers (UOCC) was redefined to cover the Operating and Investment expenses of DAPEEP for the year 2021, and with the Decision RAE 988/2021 (OG B' 6047/ 20.12.2021) the Unit Charge for the year 2022 was determined. With this decision, the cost of RES was affected, as it is a charge paid by the producers to DAPEEP.
- With RAE's decision 703/2021 (OG B' 5663/ 03.12.2021) defined the trial period of application of the basic principles of the methodology for the distinction of energy for purposes out of balance (redispatching) and the balancing energy and the relevant rules action, which is also foreseen in the Greek Electricity Market Reform Plan (electricity market reform plan, Section 2, Action A.1), starting on 1.12.2021 and lasting at least one month, aiming to reduce the total costs in the Balancing Market.
- With RAE's Decision 1014/2021 (OG B' 6419/ 31.12.2021) it was deemed necessary to continue the implementation of the measure according to which, per supply portfolio, for Participants with a commission share of 40% (it was 4%, ie the restriction concerns now only PPC) for each Market Time Unit is determined a maximum percentage of transactions A% = 20% on Energy Financial Instruments (Forward Hedging Ratio "FHR"), settled with physical delivery of energy, which are declared in the trading system of the Next Market.
- RAE, with decision 987/2021 (OG B' 6485 / 31.12.2021) amended the regulatory framework for the Fees and Charges of the Next Day and Intraday Market (Market Regulation, Calculation Methodology, Fees and Charges for the years 2020-2022), shaping the cost Company's participation in these markets.
- The issues of interconnections of Greece with Italy and Bulgaria, with non-EU countries (Albania, Northern Macedonia and Turkey), as well as the issues of interconnections of the wider region of Southeastern Europe (SEE CCR), whose capacity and manner distribution have a decisive effect on the operation of the coupled electricity markets, have been defined by RAE Decisions 55/2021(OG B' 273 / 27.01.2021), 123/2021 (OG B' 1036 / 17.03.2021), 239/2021 (OG B' 2153 / 25.05.2021), 519/2021 (OG B' 3435 / 29.07. 2021), 520/2021 (OG B' 3436 / 29.07.2021), 600/2021 (OG B' 5217 / 11.11.2021), 861/2021 (OG B' 5418 / 22.11.2021), 1009/2021 (OG B' 6227 / 24.12.2021), based on the relevant European Regulations.
- With RAE's decision 385/2021 (OG B' 2086 / 20.05.2021) the monthly minimum and maximum safety level of the reservoir of the hydroelectric units was determined , after a suggestion of PPC and its acceptance by IPTO, characteristics which affect the participation of the units in the electricity markets.

A2. Public service obligations (PSOs)

- With the Decision 64830 EX 2021 (OG B' 2378 / 07.06.2021), HEDNO received on 30.06.2021 an amount of €70 mill. to cover the cost of Public Service Obligations of electricity sector.
- With the Decision RIS/DIE/71867/1033 (OG B' 3635 / 06.08.2021) was determined for the first time the obligation to provide guarantees from the Electricity Suppliers and the Self-procured Customers, as had been foreseen with the provisions of article 42 of L.4643 / 2019, to HEDNO in case of non-payment of PSO charges of the Interconnected Electricity System of the country. The Table of guarantee amounts for the first period of the provision of guarantees (1.10.2021 - 31.03.2022) was approved by Decision 725/2021 (OG B' 4457/ 29.09.2021) and for the year 2022 (coverage periods 01.04.2022 -30.9.2022 and 01.10.2022-31.03.2023) with RAE Decision 986/2021 (OG B' 6485 / 31.12.2021).
- Law 4872/2021 (OG A'247 / 10.12.2021) defined a suspension of payment of PSO charges for the period of electricity consumption 1.11.2021 - 31.3.2022, with the possibility of extending or shortening the period based on RIS Decision, for certain categories of consumers. As a result, the Parent Company suspended its invoicing to its customers, while at the same time the corresponding charges were not invoiced by HEDNO.
- Law 4876/2021 (OG A' 251/ 23.12.2021) defined the settlement of due payments of PSO charges for previous years that were not recovered and concern the years before the launch of article 36 of Law 4067/2012 (01.01.2012), with RAE's Decision that was issued within 3 months from the launch of law.

The payment of due charges is made gradually and only in case of annual surpluses of the Special Account of PSO and the method of their payment, taking into account the benefit resulting from the interconnection of former NII, is determined by RAE, following a recommendation of HEDNO as the Manager of the Special Account.

A3. Hellenic Electricity Transmission System (HETS) and Hellenic Electricity Distribution Network (HEDN)

- RAE with its Decision 1566/2020 (OG B' 1389 / 08.04.2021), determined the return on the Regulated Asset Base of the Hellenic Electricity Distribution Network (HEDN) for the Regulatory Distribution Period 2021 - 2024, equal to 6.7%, a figure that contributes in the calculation of Distribution Network Charges.
- RAE with its Decision 248/2021 (OG B'2086 / 20.05.2021), approved the numerical values of the loss rates of HEDNO with effect from 01.07.2021, which affects the quantities that the energy suppliers buy from the Energy markets.
- RAE with its Decision 492/2021 (OG 2749 / 28.06.2021), approved the Charges for the Use of the Hellenic Electricity Transmission System as approved by RAE Decision 179/11.2.2021.
- With its decision 534/2021 (OG B' 3292/ 26.07.2021) RAE established a methodology for calculating guarantees for the Consumption Charges of the Network of Consumers of the Interconnected Network of HEDN and approved a relevant amendment of the Management Code of the Hellenic Network. For the year 2022 (coverage periods 01.04.2022-30.09.2022 and 01.10.2022-31.03.2023) the parameters of the Table of Quantities Guarantee were determined by the Decision of RAE 986/2021 (OG B' 6485 / 31.12.2021).

- With Decision 632/2021/05.08.2021, RAE approved the Allowed Revenue for the 1st Regulatory Period 2021-2024 (2021: € 775,984, 2022: € 781,851, 2023: € 780,897, 2024: € 804,837), and the Required Revenue for 2021 of the Hellenic Electricity Distribution Network. HEDNO (€ 777,313) (part of which corresponds to PPC SA (Main HEDNO) and HEDNO, the budget of the Offshore Islands Manager (HEDNO), as well as the numerical application prices of the incentive to limit Losses at HEDNO in the period 2021-2024. The Regulated Assets Base of HEDNO, including MDNs, for the first year of the Regulatory Period (2021) was set at € 2,909,210. Also, from the final liquidation of the revenues from the charges of HEDNO for the year 2019, a total under-recovery of the Required Revenue 2019 amounting to € 18,057 was recognized, which will be gradually recovered starting from the year 2021 and within an eight-year period.
- With Decision 631/2021 (OG B' 4282 / 16.09.2021) RAE approved the Network Development Plan for the period 2021-2025, based on the recommendation of the Administrator.
- Decision RAE 707/2021 (OG B' 5502 / 29.11.2021) approved the amendment of provisions of the Management Code of HEDN, regarding the application of a new methodology for the ND charges and the Decision RAE 707A / 2021 (OG B' 5427 /22. Consumers with Electric Vehicle Recharge Infrastructure)

Moreover:

Law 4819/2021(OG A 129/23.07.2021) (Note 6):

- Determined the extent, the terms and the conditions of the separation of the Distribution Network, owned by PPC SA, with a contribution to HEDNO SA.
- In particular, it stipulated that the Distribution Network business unit does not include the high voltage network of Crete and the existing fiber optic network, the related assets and related rights and obligations, as well as the right to install fiber optics or other electronic communications network components on HEDN. PPC SA remains the Network Operator and is obliged to provide access and transit rights in favor of third parties. It modifies the existing exclusivity license of the ownership of the HEDN of PPC SA, so as on the completion of the separation of the distribution network business unit, it will be transferred to HEDNO SA.
- The existing exclusivity license of the ownership of HEDNO of PPC SA is modified, so that in case of separation of the distribution network branch, it is transferred to HEDNO SA.

A4. Other Issues of the Electricity Market

- By RAE's Decision 132/2021 (OG B' 581/12.02.2021) certain provisions of the Code of the RES Operator and Guarantees of Origin (OG B' 4748/2020) were amended, regarding the Renewables special levy according to Law 4625/2019, the extraordinary charge of €2 per MWh for year 2021 to each representative of quantities imposed by Law 4759/2020.

- With the Decision YPEN/DHE/ 71867/1033 (OG B' 3635 / 06.08.2021) was determined for the first time the obligation to provide guarantees from the Electricity Suppliers and the Self-procured Customers, as had been foreseen with the provisions of article 42 of L.4643 / 2019, to DAPEEP in case of non-return of the revenues of the Special Account for RES and SITHYA (ETMEAR). The Table of guarantee amounts for the first period of the provision of guarantees (1.10.2021 - 31.03.2022) was approved by Decision RAE 662/2021 (OG B' 4457 / 29.09.2021).
- Decision RAE 381A/ 2021 (OG B' 2935 / 05.07.2021) adjusts the amount of annual reciprocal fees in favor of RAE, imposed during the year 2021 to companies operating in the markets of electricity, gas and liquids fuel.
- With RAE Decision 130/2021 it was granted to PPC license for the production of electricity in the region of Komotini from a combined cycle station with natural gas fuel of 665 MW. The validity of the license is set at 35 years and with the aim of operating the unit until 31.12.2024.
- With RAE Decision 217/2021 (OG B'1323 / 05.04.2021), the Unified Production License of PPC S.A. was amended with the deletion of Units I and II of SES Amyntaio, III and IV of SES Megalopolis and I of SES Melitis. The deletion of SES Megalopolis and SES Melitis from the Unified Production License of PPC S.A. was due to the fact that those are owned by the lignite subsidiaries of the Group.
- With Law 4796/2021 (OG A '63 / 17.04.2021) was extended, until 05.05.2021, the operation of the Cardiac Power Plant Unit IV to cover the district heating needs of the Eordea area and with the RAE Decision 758/2021 (Government Gazette B '6022 / 20.12.2021) the Unified Production License of PPC SA was further modified. with the deletion of Heart Units III and IV, at her request. The deletion of the Kardias and Amyntaio NPP Units is approved following a request from PPC, due to the completion of the scheduled operating hours (from 01.01.2016) in the context of the limited duration deviation from compliance with the emission limit values of the European Directive 2010/75 / EU (for industrial emissions).
- Ministerial Decision YPEN / DIE / 74784/1070 (OG B '3730 / 12.08.2021) defined issues for the imposition of the special fee for exploration and exploitation rights of lignite, amounting to €1.40/MWh of electricity produced from lignite, imposed by Article 7 of Law 4533/2018, as amended and in force by Law 4685/2020, from 1 January 2019 in favor of the Regions of Western Macedonia and Peloponnese and to the detriment of electricity producers using lignite that they own or have been granted in any way rights of exploration and exploitation of lignite on lignite-bearing areas within the Greek Territory.
- Law 4819 (OG A '129 / 23.7.2021) and Law 4839/2021 (OG A' 181/ 02.10.2021), by amending Law 3468/2006, additionally determines the distribution of revenues from auction auctions of greenhouse gas emissions for the years 2021 to 2030, including the strengthening of the special account «Energy Transition Fund» (hereinafter «TEM»), managed by DAPEEP, which is established by Article 61 of the same law. TEM can be financed from the state budget, as well as from the Special Account APE-SITHYA. Based on the amendments with the provisions of Law 4855/2021 (OG A '215 / 12.11.2021) and Law 4876/2021 (OG A' 251 / 23.12.2021) that followed, TEM for the protection of consumers provided electricity subsidy for the months of September, October, November and December 2021 to consumers, whose benefits are connected to low voltage and especially for the consumption period 01.08.2021-31.12.2022 may also be consumers of medium voltage agricultural use, as well as companies active in the field of drying agricultural products. The amount of the subsidy (€ / MWh), the procedure, the way and the time of its granting, the liquidation time, the

consumption period, the maximum and minimum consumption limits, as well as any other issue related to the granting of the subsidy were formulated by ministerial decisions / 109471/1763 (OG B '5402 / 22.11.2021), / 124574/2147 (OG B' 6321 / 30.12.2021).

In particular, the beneficiaries of the subsidy were all electricity consumers whose benefits are connected to the low voltage network, including the beneficiaries of special tariffs Social Residential Tariff (SRT) and Solidarity Services Tariff (SST). For consumers, who were contracted on floating electricity supply tariffs related to the wholesale electricity purchase price, the unit subsidy was set for the month of September at € 30 / MWh, for the month of October at € 60 / MWh, for the month of November to € 130 / MWh and for the month of December to € 165 / MWh on electricity consumption.

Respectively, for the beneficiaries of special tariffs SRT and SST, the monthly subsidy for the month of September, was set at € 30 / MWh, for the month of October at € 80 / MWh, for the month of November at € 150 / MWh and for the month of December to € 185 / MWh on electricity consumption. For consumers, who are contracted on fixed charge electricity supply tariffs, the unit subsidy was set for each month of the period of application of this measure, in the amount of € 20 / MWh on electricity consumption. In all previous cases, the subsidy was granted for the first 300 KWh for each month.

The details of the above subsidy were formulated with the ministerial decisions YPEN/ DIE /109471/1763 (OG B' 5402 / 22.11.2021), YPEN/ DIE/124574/2147 (OG B' 6321 / 30.12.2021). In this context, PPC received € 425 million within the last two months of 2021 from DAPEEP for the above subsidy, as this subsidy is included in the Low Voltage invoices reducing the receivable amount by PPC's customers.

- Ministerial decision YPEN/DKAPA/100628/1904 (OG B' 5029 / 30.10.2021) initially and subsequently, the Decision YPEN/DKAPA/ 109526/2055 (OG B '6295 / 29.12.2021) determined the way of distribution of revenues from auctions of greenhouse gas emission rights for the year 2021.

From this revenue, the 4% is a resource of ELAPE, the 4.5% is allocated to the Green Fund to finance actions for the development of sustainable economic activities of low carbon and environmental footprint, with the aim of strengthening and gradual diversification of local economies and creation of new jobs in the Regional Units of Kozani, Florina and in the Municipality of Megalopolis of the Regional Unit of Arcadia, the 1.5% is allocated to the special purpose account at the Bank of Greece for the financing of projects and actions to promote e-mobility and the 73.86% is available in the Special Account under the name «Energy Transition Fund».

- With Law 4872/2021 (OG A' 247/ 10.12.2021), the fair transition of the areas of the Region of Western Macedonia and the Municipality of Megalopolis has been designed and organized, that depend on the extraction and the use of lignite, as well as the Region of the North Aegean, South Aegean and Crete and Crete that depend on the use of oil for the production of electricity, as these areas are mentioned in the Territorial Plans for Fair Development Transition (ESDIM), which accompany the NSRF - Warrant 2021-2027 Program. While with articles 27 to 31, special provisions are defined for the separation of the Lignite phase-out Utilization Sector of the PPC's Zones.

- With Law 4876/2021 (OG A' 251 / 23.12.2021) article 66, an extension of the following regulations was defined: 1) Extension until 31.02.2023 of the Temporary Single Operating License of the PPC power plants and PPC's units are included in the Single Production License and have been transferred to PPC Renewables, except for those to which an independent Operating License has already been granted (based on the deadlines of article 24 of Law 3377/2005) 2) Extension until 30.04.2022 of the deadline for the licensing process for electricity storage stations, 3) Extension until 31.12.2022 of the possibility of providing support services from PPC to HEDNO, as defined in Law 4001/2011 in the context of independence of HEDNO.

The same Law defined the obligation of the participants in the electricity market to pay interest for financial debts to the Managers of IPTO, HEDNO and DAPEEP that became overdue until 31.12.2014 and which do not relate to regulated network charges, and rights to use interfaces, subject to the conditions of the Civil Code (articles 342, 345 and 346) and if, by virtue of a final court decision, the relevant interest amounts have been awarded in favor of the final legal beneficiaries (persons who, according to the regulatory framework, have claims for monetary debts to the Administrators, due to their participation in the electricity market). The right of the Administrators to collect interest is exercised after the payment of interest to the final legal beneficiaries.

- With the Ministerial Decision YPEN/ DIPA/ 124145/7794 / 27.12.2021, the request of PPC SA was accepted to include plants of Atherinolakkos (Units I-II), Melitis (Unit I), Megalopolis (Unit IV), Agios Dimitrios (Units I-II, III-IV, V) of PPC SA and its subsidiaries under the provisions of articles 12.4 and 27.1 of JM 36060/1155/ E.103/ 2013 (OG B' 1450 / 14.06.2013) as in force and additional operating hours of the Units were approved. This decision does not affect the withdrawal plan of PPC's lignite plants.
- With the Ministerial Decision YPEN/DIE/124788/2150 (OG B' 6302 / 29.12.2021) the Ministerial Decision YPEN/DHE/ 70697/861 / 14.07.2020 was amended regarding the one-off special aid for the reconnection of electricity supplies that have debts until 31.12.2021 and have been disconnected from the network until 15.02.2022, through the Special Management Account of HEDNO, which will be financed by the Special Account TEM, with the amount of € 9 million. The financing of TEM's Special Account will be from part of the revenue from the greenhouse gas emissions auctions and not from the state budget.

European Commission (EU) Affairs

- On 14 July 2021, the European Commission published the proposal for the legislative package «Fit for 55» which aims to achieve the ambitious goal of reducing greenhouse gas emissions by 55% by 2030, compared to 1990 levels, aligning EU policy with the political mandates of the Green Agreement and EU climate legislation. This new package Fit for 55 is compatible with the de-lignification plan and the sustainable development goals of PPC Group.

In December 2021, the second part of the «Fit for 55» legislative Package was approved, which includes the package for Effective and Green Mobility, the Carbon Empty Discharge Package in the Hydrogen & Gas Markets, an Announcement for the Sustainable Carbon Cycles, a new Regulation for the Reduction of Methane Emissions, and the revision of the Building Energy Efficiency Directive with the most important proposal being the Hydrogen and Gas Markets Package, which includes the revision of the Natural Gas Regulation and Directive, with the aim of exempting the EU gas market from carbon emissions and facilitating the adoption of renewable and low carbon gases such as hydrogen.

- Regulation (EU) 2020/852 (EU Taxonomy), establishing a framework for facilitating sustainable investment and as published in the Official Journal of the European Union on 22.06.2020, entered into force in July 2021 establishing the criteria and requirements, which determine whether an economic activity is characterized as environmentally sustainable, aiming at directing financial flows to green activities and investments. In order to determine the environmental viability of a particular economic activity, the Regulation sets six (6) environmental objectives and in order to determine the extent to which an investment is environmentally sustainable, the economic activity must meet the criteria of sustainability. A relevant report is included in the annual Report of the Board of Directors.

B. NATURAL GAS MARKET

B1. Gas balancing pedestal

Issues were defined regarding the operation of the Gas Balancing Podium and shape the way of participation in it:

- With the RAE Decision 469/2021 (OG B' 2726/ 25.06.2021) the Annual Load Balancing Services Plan of the NSRF for the year 2022 was approved.
- With RAE decision 498/2021 (OG 3530/ 03.08.2021) approved the prices of the parameters included in the calculation of the load balancing cost of the NSRF (balancing gas supply price and cost of using the LNG installation and the NTUA for Load Balancing purposes) for the year 2021, based on the annual load balancing plan of the NSRF approved by RAE and the relevant Administrator-Supplier contracts concluded through an international tender for the year 2021.
- RAE, with decision 1061/2021 (OG B '49/ 12.01.2022) amended the Load Balancing Manual of the National Natural Gas Transmission System, based on the 7th Revision of the Management Code of the NSRF and especially the changes related to natural gas transactions and the balancing of load in the NSRF, in view of the determination of the operating framework of the Trading Stand by the HENEX, with effect from the commencement of the operation of the Trading Stand.
- During the year 2021, the procedures for the operation of a trading platform (spot market) for natural gas in Greece were initiated by the HENEX, in which the Company will participate with the launch of its normal operation. On March 21, 2022, the operation of the gas spot market was launched.

B2. Natural Gas Networks

- By virtue of RAE Decision 116/2021 (OG B' 1392 / 08.04.2021), the TYNDP of the National Natural Gas System (NNGS) for the period 2021-2030 was approved.
- With the RAE Decisions 735/2021 (OG B' 4687 / 11.10.2021) and 1060/2021 (OG B' 37 / 10.01.2022) the 7th Revision of the NSRF Management Code was approved and completed, which includes the rules and procedures governing load balancing and balancing operations by the Administrator and are compatible with the rules of the Trading Platform designed by the HENEX.
- Decision RAE 633/2021 (OG B' 4271 / 16.09.2021) amended Decision RAE 643/2018 concerning the Development Framework for Remote Distribution Networks using Compressed / Liquefied Natural Gas.

B3. Other issues of the Natural Gas Market

- With the Decision A1185 (OG B' 3985 / 30.08.2021) of the Ministry of Energy and AADE, the terms, the conditions and the required controls were approved, for the exemption from the Special Consumption Tax (SCT) of Natural Gas used for electricity generation.

C. ELECTROMOBILITY

Arrangements were set that form the required actions of the Company for its activity in the field of electrification:

- Law 4819/2021 (OG A'129 / 23.07.2021) defined, through an amendment of Law 4710/2020 for the promotion of electrification, the possibility, through a ministerial decision, of announcing actions for the promotion of electrification and E/V through financial incentives for the purchase or lease of any type of purely E/V or hybrid E / external charging with emissions of up to 50g CO₂ / km, as well as for the supply and installation of PC recharge points, defining terms and conditions for obtaining financial incentives, beneficiaries, procedures for their implementation.
- JMC 355033 (Government Gazette B '5776 / 10.12.2021) regulates issues related to the management and transmission of data related to the operation of electric vehicle market operators, publicly accessible points for recharging electric vehicles (PC), rights access to the Register of Infrastructure and Electricity Market Bodies (M.Y.F.A.H.) of the interested parties, specifying the type, form and quality of the data in order to harmonize with the European directives and regulations.
- With JMC 355076 (Government Gazette B '5777 / 10.12.2021) are defined for the Register of Infrastructures and Electricity Market Bodies (M.Y.F.A.H.), issues of operation and interconnection with other Registers and applications of the public sector.

D. SUBJECTS OF RENEWABLE ENERGY SOURCES (RES) AND CO-PRODUCTION OF ELECTRICITY - HIGH EFFICIENCY HEAT (SITHYA)

- Arrangements have been set that affect the decision-making and formulation of proposals for activation in the field of RES: Law 4819/2021 (Government Gazette AD129 / 23.07.2021) defined:
- Licensing of hybrid RES stations and electricity storage stations as well as provision for a binding timetable for the development and participation of storage units in the electricity market and in power mechanisms.
- Suspension of deadlines for Ensuring the implementation of special projects for geothermal stations and determination of power margin in saturated networks for derogatory granting of network connection offers to photovoltaic stations.
- Submission of a letter of guarantee of Producer Certificate, the model and issues of duration, submission, renewal and return determined by RAE Decision 696/2021 (Government Gazette B '4349 / 21.09.2021).
- With the ministerial decision / 78429/3166 (Government Gazette B '4208 / 13.08.2021) new categories of RES and SITHYA stations were added that are included in the new support regime of the RES and SITHYA production stations and with the Decision / 5096 (Government Gazette B '6250 / 27.12.2021) the technologies or the categories of the electricity generation stations from RES and SITHYA that are included in a support regime in the form of Operational Aid through a competitive bidding process based on the provisions of Law 4414 / 2016.
- With the Decision RIS / DAPEEK / 121501/5015 (Government Gazette B '6351 / 30.12.2021) a new Special Program for the Development of Low Power Photovoltaic Systems was prepared, up to 6 kWp and for MDNs up to 3 kWp, on buildings for domestic consumption until 31.12.2023

3. SIGNIFICANT EVENTS

Effects of the COVID-19 Pandemic

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

Due to the fact that the majority of the impacts mainly comes from the measures taken, both worldwide and in Greece since mid-March 2020 to reduce the spread of the pandemic and to mitigate the economic impact on businesses and individuals, the Group's and the Parent Company's operation has been affected, initially causing short-term positive effects on their financial position, operating results and cash flows, mainly due to the considerable decrease in oil and natural gas prices. In the medium to long term, the pandemic has resulted in the delay or freezing of new energy investments, which at least partially corresponds to the high prices of energy products (electricity, gas, oil, CO₂ emission allowances etc.), observed in 2021, combined with the strong global recovery in demand for these energy products during 2021, as well as with geopolitical frictions that create nervousness in the energy markets. In particular in Greece, after the recovery of electricity demand observed in the first half of 2021, during the second half of 2021 a further increase in the demand for electricity was observed in the Interconnected System, with a significant increase in its price in the Day-ahead Market, which in combination with the increase in prices for emission allowances CO₂ and natural gas, contributed to the increase of the energy balance cost of both Greece and PPC for this period.

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

The overall final economic impact from the COVID-19 pandemic, on the global and the Greek economy as well as on business activities, cannot be assessed at this moment due to the high degree of uncertainty resulting from the inability to predict the final outcome but also due to the secondary effects mentioned above. However in any case, the Group's and the Parent Company's Management monitors constantly the developments of the COVID-19 pandemic and evaluates any possible further effects on the operation, financial position and results of the Group and the Parent Company, being alert to take further appropriate precautionary measures to safeguard the Group's and the Parent Company's liquidity and business activities.

Commercial policy

PPC is introducing a new Credit Policy, in accordance with the Electricity Supply Code, in the framework of which it is intensifying its actions with the ultimate goal of reducing debts and increasing receipts. Finally, it expands and creates new electronic and telephone billing services for better customer access to collection channels.

As early as the second half of 2020, the Commercial Policy was adapted to the new competitive environment, offering new products with competitive energy charges, in order to attract customers such as PPC myHome Online, PPC myHome Enter. Since February 2021, the new add on service Greenpass Home is available for PPC Home customers, which ensures that the amount of energy consumed in their households is produced by Renewable Energy Sources and is reserved by PPC for them.

Moreover, since April 2021, another new PPC product, myHome Enter +, is available to its customers. It offers free urgent technical service to the customers who choose it and through this product, PPC further expands its product portfolio in Electricity.

In the first four months of 2021, PPC decided to absorb the possible charge that could result from the CO₂ adjustment clause in the Low Voltage Electricity tariffs, while the CO₂ adjustment clause has been activated from May 2021.

From 5 August 2021, this clause was replaced by a new one, based on market price fluctuations, with a parallel introduction of discounts of 30% to 50% depending on the bill, on energy charges in order to align the adjustment mechanism with the rest of the market.

Also following the significant price increases, PPC, in addition to the support measures announced by the Ministry of Energy, announced an additional discount of € 30/ MWh for monthly consumption from 301kWh up to 600kWh for the low Voltage tariffs for consumption from 1/10/2021 to 31/12/2021.

For the 2021, the consistency discount of 5% was maintained for customers with timely payment of their bills.

Following the updates in Low Voltage tariffs, from October 2021 PPC replaced the CO₂ adjustment clause in the Medium Voltage tariffs with the new clause based on the market price fluctuations.

It is pointed out that the new generation of myHome products (Enter, Enter+, Online) offer customers fixed competitive charges, without applying any adjustment clause for the entire duration of the contract.

Shareholding of 5% of the photovoltaic projects that will be constructed by PPC SA in Western Macedonia and Megalopolis

In May 2021, PPC SA in the framework of the Sustainable Development policy that it has adopted, with its decision announced the participation of the inhabitants of Western Macedonia and Megalopolis in the PV parks that it will build and develop in these areas (construction and operation of PV parks of total capacity 2, 5 GW) at a rate of 5%.

Collection of a prepayment from the Greek State for electricity consumption of its entities for the year 2022

The collection of advance payment by the Greek State against energy consumption of its institutions for 2022 was carried out in accordance with the Decision of the Ministry of Finance 2/120354/ΔΛΤΠ(Α)/ 10.12.2021, (OG 5826 Β/ 14.12. 2021). On 15/12/2021 the amount of € 694.3 million was paid to the Parent Company by the Greek State as a prepayment for the year 2022, always based on the five-year agreement signed with the Greek State on June 14, 2018.

4. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

4.1. BASIS OF PREPARATION

Statement of compliance

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

Approval of financial statements

The Board of Directors of the Parent Company approved the accompanying financial statements for the year ended December 31st, 2021, on April 5th, 2022. These financial statements are subject to approval by the Parent Company's General Shareholders' Meeting.

Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, except for property, plant and equipment (excluding lakes and mining land) and financial assets valued at fair value through other comprehensive income that have been measured at fair value, assuming that PPC will continue as a going concern. The financial statements are presented in thousands of Euro and all values are rounded to the nearest thousand, unless otherwise stated. Management considers that the going concern principle is the appropriate basis for the preparation of the present financial information.

Basis of consolidation

The consolidated financial statements include the financial statements of the Parent Company and its subsidiaries, drawn up to December 31st each year. Subsidiaries (companies in which the Group directly or indirectly or through other subsidiaries has an interest of more than one half of the voting rights or otherwise has power to exercise control over their operations) have been consolidated. Subsidiaries are consolidated from the date on which effective control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Losses within a subsidiary are apportioned to the non-controlling interest even if that results in a deficit balance. A change in the ownership interest of a subsidiary (without any change in control) is accounted for as an equity transaction. All inter-company balances and transactions have been fully eliminated as well as unrealized intra – group gains and losses. Where necessary, the accounting policies of subsidiaries have been revised to ensure consistency with the accounting policies adopted by the Group.

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

Derecognized :

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

Recognized:

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

4.2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

A) New standards, amendments to standards and interpretations adopted

The accounting policies on the basis of which the annual separate and consolidated financial statements were prepared for the year ended December 31st, 2021 were consistent with those used in the preparation of the annual separate and consolidated financial statements for the year ended December 31st, 2020 with the exception of the following amendments and standards, which were adopted by the Group and the Parent Company on January 1st, 2021 and did not have a material impact on the annual separate and consolidated financial statements for the year ended December 31st, 2020. In addition, at the Extraordinary General Meeting of the shareholders of the Parent Company held on June 4, 2021, it was decided to provide additional incentive to reward the executives of PPC SA. and PPC Renewables SA for their contribution to the achievement of the medium-term goals of the Group in the form of 4 rolling cycles of a program of free distribution of shares (Note 7). Therefore, the Group and the Parent Company have now included in their basic accounting principles the following:

Equity settled benefits

The Group provides to the executives of PPC S.A. and PPC Renewables S.A. remuneration in the form of share based payments, whereby executives render their services as consideration equity instruments. The cost of equity- settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognized in the Payroll Cost of the Statement of Income, together with a corresponding increase in equity (other reserves), over the period in which the service is rendered (the vesting period). The cumulative expense recognized for equity- settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period.

Non- market conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. In the contrary, market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associate service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/ or performance conditions.

No expense is recognized for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

In each reporting date, the Group revises its estimates for the number of equity instruments that will ultimately vest. It recognizes the effect from the revision of its initial estimates, if it exists, in the Statement of Income with a corresponding adjustment of its equity.

Change in the accounting estimate of Expected Credit Losses for receivables of Low Voltage customers

The Group and the Parent Company apply the simplified approach provided in IFRS 9 for the calculation of expected credit losses for trade receivables from electricity sales. On June 30th, 2021, the assessment of the Group and of the Parent Company that the non-collection of receivables from Low Voltage Customers for more than 180 days constitutes a credit event was re-examined.

This review was conducted due to the implementation of securitization programs for overdue receivables from the sale of electricity to Low Voltage customers (for current receivables and overdue receivables of up to 60 days in November 2020 and for overdue receivables of more than 90 days in June 2021), which resulted in an increase of collections, mainly of overdue receivables, and the strengthening of the company's liquidity. Pursuant to the above modification of the calculation of default rates, now the Group and the Parent Company calculate a probability of default for all time zones of receivables aging from Low Voltage customers.

From the change of this accounting estimate, the estimation of expected credit losses for the total receivables from the sale of electricity amounts on December 31, 2021 to € 2,341 bil., If the new method of calculating default rates on Low Voltage customer receivables had not been applied, the estimation of the expected credit losses would have been increased by the amount of € 152.1 mil., an amount which is included in the «Provisions for doubtful receivables» in the Income Statement.

- **Interest Rate Benchmark Reform – Phase 2 – IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (Amendments)**

In August 2020, the IASB published Interest Rate Benchmark Reform – Phase 2, Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, completing its work in response to IBOR reform. The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). In particular, the amendments provide for a practical expedient when accounting for changes in the basis for determining the contractual cash flows of financial assets and liabilities, to require the effective interest rate to be adjusted, equivalent to a movement in a market rate of interest. Also, the amendments introduce reliefs from discontinuing hedge relationships including a temporary relief from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component. There are also amendments to IFRS 7 Financial Instruments: Disclosures to enable users of financial statements to understand the effect of interest rate benchmark reform on an entity's financial instruments and risk management strategy. While application is retrospective, an entity is not required to restate prior periods.

- **IFRS 16 Leases-Covid 19 Related Rent Concessions (Amendment)**

The amendment applies, retrospectively, to annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted, including in financial statements not yet authorized for issue at 28 May 2020. IASB amended the standard to provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the covid-19 pandemic. The amendment provides a practical expedient for the lessee to account for any change in lease payments resulting from the covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change was not a lease modification, only if all of the following conditions are met:

- The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change.
- Any reduction in lease payments affects only payments originally due on or before 30 June 2021.
- There is no substantive change to other terms and conditions of the lease.

- **Attributing Benefit to Periods of Service (IAS 19 Employee Benefits) – IFRS Interpretation Committee (IFRS IC or IFRIC) Agenda Decision issued May 2021**

The International Financial Reporting Standards Interpretations Committee issued a final agenda decision in May 2021, under the title «Attributing Benefits to Periods of Service» (IAS 19), which includes explanatory material regarding the attribution of benefits in periods of service regarding a specific defined benefit plan analogous to that defined in Article 8 of Greek Law 3198/1955 regarding provision of compensation due to retirement (the «Labor Law Defined Benefit Plan»). This explanatory information differentiates the way in which the basic principles and regulations of IAS 19 have been applied in Greece in the previous years, and therefore, according to what is defined in the "IASB Due Process Handbook (par 8.6)", entities that prepare their financial statements in accordance with IFRS are required to amend their Accounting Policy accordingly. Based on the above, the aforementioned decision is implemented in accordance with paragraphs 19-22 of IAS 8 as a change in accounting policy.

This Directive clarifies the handling of the provisions for compensation to employees, paid to them due to retirement, based on the provisions of Greek labor law (Law 3198/1955), which reaches its maximum point after 16 years of service in same employer.

According to the Committee opinion, in the case of a compensation policy which provides for the payment of benefits only at retirement age of the employees and the amount of the benefit increases with the years of service up to a maximum limit (eg up to 16 years), the corresponding employer's obligation is allocated at the last years of service before retirement, taking into account the maximum period beyond which the benefit is not further increased.

Based on a decision of the Board of Directors, the Parent Company provides compensation due to voluntary leave to its employees with more than 15 years of service regardless of the establishment of a pension right. Therefore, according to the instructions of the Technical Committee set up for the subject matter, as the compensation is not provided only at the retirement age, the employer's obligation continues to be allocated during the first 16 working years. Therefore there is no change in the method of calculating the staff benefit compensation provision due to the above decision of the Interpretation Committee and it has no effect

on the Parent Company. The Group's subsidiaries follow the same compensation policy, except for HEDNO and PPC Renewables, which provide compensation due to voluntary leave to their employees with more than 15 years of service if they have established a pension right. The effect of the decision of the Interpretations Committee at Group level amounted to € 2.3 million which was not considered material. Nevertheless, the Group has decided to proceed with a restatement (Notes 31, 44).

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

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

- **IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (Amendments)**

The Amendments are effective for annual periods beginning on or after January 1, 2023 with earlier application permitted. The amendments provide guidance on the application of materiality judgements to accounting policy disclosures. In particular, the amendments to IAS 1 replace the requirement to disclose 'significant' accounting policies with a requirement to disclose 'material' accounting policies. Also, guidance and illustrative examples are added in the Practice Statement to assist in the application of the materiality concept when making judgements about accounting policy disclosures. The Amendments have not yet been endorsed by the EU.

- **IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (Amendments)**

Amendments take effect for annual reference periods beginning on or after 1 January 2023 with earlier application permitted and applicable to changes in accounting policies and changes in accounting estimates made on or after the beginning of this period. The amendments introduce a new definition of accounting estimates, defined as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify what changes in accounting estimates are and how they differ from changes in accounting policies and error corrections. The Group is in the process of assessing the impact of the application of the amendments to its financial statements.

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

The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. In December 2015 the IASB postponed

the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. The amendments have not yet been endorsed by the EU. The Group is in the process of assessing the impact of the application of the amendments to its financial statements.

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

The amendments were initially effective for annual reporting periods beginning on or after January 1, 2022 with earlier application permitted. However, in response to the covid-19 pandemic, the Board has deferred the effective date by one year, i.e. 1 January 2023, to provide companies with more time to implement any classification changes resulting from the amendments. The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current or non-current.

The amendments affect the presentation of liabilities in the statement of financial position and do not change existing requirements around measurement or timing of recognition of any asset, liability, income or expenses, nor the information that entities disclose about those items. Also, the amendments clarify the classification requirements for debt which may be settled by the company issuing own equity instruments.

In November 2021, the Board issued an exposure draft (ED), which clarifies how to treat liabilities that are subject to covenants to be complied with, at a date subsequent to the reporting period. In particular, the Board proposes narrow scope amendments to IAS 1 which effectively reverse the 2020 amendments requiring entities to classify as current, liabilities subject to covenants that must only be complied with within the next twelve months after the reporting period, if those covenants are not met at the end of the reporting period. Instead, the proposals would require entities to present separately all non-current liabilities subject to covenants to be complied with only within twelve months after the reporting period. Furthermore, if entities do not comply with such future covenants at the end of the reporting period, additional disclosures will be required. The proposals will become effective for annual reporting periods beginning on or after 1 January 2024 and will need to be applied retrospectively in accordance with IAS 8, while early adoption is permitted. The Board has also proposed to delay the effective date of the 2020 amendments accordingly, such that entities will not be required to change current practice before the proposed amendments come into effect. These Amendments, including ED proposals, have not yet been endorsed by the EU. The Group is in the process of assessing the impact of the application of the amendments to its financial statements.

- **IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets as well as Annual Improvements 2018-2020 (Amendments)**

The amendments are effective for annual periods beginning on or after 1 January 2022 with earlier application permitted. The IASB has issued narrow-scope amendments to the IFRS Standards as follows:

- **IFRS 3 Business Combinations (Amendments)** update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.
- **IAS 16 Property, Plant and Equipment (Amendments)** prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.
- **IAS 37 Provisions, Contingent Liabilities and Contingent Assets (Amendments)** specify which costs a company includes in determining the cost of fulfilling a contract for the purpose of assessing whether a contract is onerous.
- **Annual Improvements 2018-2020** make minor amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture and the Illustrative Examples accompanying IFRS 16 Leases

The amendments have not yet been endorsed by the EU. The Group is in the process of assessing the effect of applying the amendments to its financial statements.

- **IFRS 16 Leases -Covid 19 Related Rent Concessions beyond 30 June 2021 (Amendment)**

The Amendment applies to annual reporting periods beginning on or after 1 April 2021, with earlier application permitted, including in financial statements not yet authorized for issue at the date the amendment is issued. In March 2021, the Board amended the conditions of the practical expedient in IFRS 16 that provides relief to lessees from applying the IFRS 16 guidance on lease modifications to rent concessions arising as a direct consequence of the covid-19 pandemic.

Following the amendment, the practical expedient now applies to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022, provided the other conditions for applying the practical expedient are met. The Group will assess the early adoption of this amendment to its financial statements, in case that any impact on leases exist due to COVID-19.

- **IAS 12 Income taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments)**

The amendments are effective for annual periods beginning on or after January 1, 2023 with earlier application permitted. In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12 and specify how companies should account for deferred tax on transactions such as leases and decommissioning obligations. Under the amendments, the initial recognition exception does not apply to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. It only applies if the recognition of a lease asset and lease liability (or decommissioning liability and decommissioning asset component) give rise to taxable and deductible temporary differences that are not equal. The Amendments have not yet been endorsed by the EU. The Group is in the process of assessing the effect of applying the amendments to its financial statements.

4.3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of financial statements requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may ultimately differ from those estimates. The principle judgments and estimates referring to events, the development of which could significantly affect the items of the financial statements during the forthcoming twelve month period are as follows:

Post-retirement benefits

- a) The Parent Company provides to Group's employees and pensioners supply of electricity at reduced tariffs. Such reduced tariffs to pensioners are considered to be retirement obligations and are calculated at the discounted value of the future retirement benefits deemed to have accrued at year-end based on the employees earning retirement benefit rights steadily throughout the working period. The relevant retirement obligations are calculated on the basis of financial and actuarial assumptions.
- b) According to Law 4533/2018 (OG A' 7527/4/2018) PPC and its subsidiaries pay an one-off allowance to the beneficiaries of pension (who are insured employees leaving PPC) in proportion to the years of actual service to PPC. This allowance cannot exceed the amount of €15,000 for insured employees which are retiring due to the termination of the employment contract, or due to the fact that insured employees reached the age limit or due to another reason for leaving, according to the provisions of the law. The above is a defined benefit plan in accordance with the provisions of IAS 19. The present value of the liability assumed by PPC and its subsidiaries, is calculated at the end of each year using actuarial methods and is a past service cost for service provided in previous periods.

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

Fair value and useful lives of property, plant and equipment

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

The last revaluation of property, plant and equipment was conducted on December 31st, 2019. In addition, within 2021 the valuation of the tangible fixed assets of the Distribution Network and the tangible fixed assets of the Lignite subsidiaries took place. The main estimates, assumptions and judgments made for the determination of their fair value are included in Note 15. For the remaining tangible fixed assets, Management of the Group, taking into account changes in the economic environment as well as developments within the year of the key assumptions used in the recent revaluation of property, plant and equipment, believes that any change in the fair value of property, plant and equipment will not have a significant impact on the accompanying separate and consolidated financial statements as of December 31st, 2021.

Furthermore, the management makes estimates regarding the total and the remaining useful lives of property, plant and equipment which are subject to periodic review. Useful lives as estimated are included in Note 4.4.

Impairment of property, plant and equipment

The Group assesses at each reporting date whether there is an indication that a long – term asset may be impaired. The determination of whether such indications exists, requires from Management to make estimates, assumptions and judgments with respect to external and internal factors that may affect the recoverability of assets, as well as assumptions on the determination of the cash flow generating units (Note 15). More specifically, external factors include the change in the institutional framework, inflation, interest rates. On the other hand, internal factors are related to the internal decisions and the business plan of the Group and the Company. Indicatively, the key assumptions for the impairment test are the weighted average borrowing costs and the future cash flows of the assets under consideration.

The Group and the Parent Company as lessee

The Management, in order to measure the right-of-use assets, determines the lease term as the non-cancellable term of the lease, together with any periods covered by a) an option to extend the lease if it is reasonably certain to be exercised, or b) an option to terminate the lease, if it is reasonably certain not to be exercised.

In determining the lease term, Management assesses all the facts and circumstances that create economic incentive in order to exercise the option of renewal or not exercise the option of termination.

After the commencement date of the lease, Management reassesses the lease term if there is a significant event or change in circumstances that is within their control and affects their ability to exercise (or not to exercise) the option to renew (for example a change in the Group's and the Parent Company's business strategy).

In addition, the Management in order to calculate the financial lease liability determined the incremental borrowing rate (IBR) at the lease commencement date as the interest rate implicit in the lease contract is not readily determinable. The IBR is the rate of interest that the Group and the Parent Company would have to pay, to borrow over a similar term and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset.

Decommissioning and removal costs of property, plant and equipment and mines' land restoration costs

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

The respective provision includes the land remediation cost, the cost of dismantling the existing equipment/machinery, the cost of demolition of buildings and collection of any

waste from power plants and mines. At the time of their dismantling and removal, the actual cost and the commencement and expiration date of the relevant works may differ from Management's estimate.

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

Regarding the remediation of the environment of the hydro power plants, the Group and the Parent Company estimate that the relevant cost in present values is not significant on December 31st, 2021 and therefore they have not established any provision. In the future the actual commencement date of the relevant works and the remediation cost may differ from Management's estimate.

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

Provisions for risks

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

Provisions for trade receivables

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

Provisions for income taxes and recognition of deferred tax receivables

Current provisions for income tax liabilities for current and prior years are calculated at the amounts expected to be paid to the tax authorities, using the prevailing tax rates at the balance sheet date. Provision for income tax includes current taxes reported in the respective income tax returns and potential additional taxes that may be imposed by the tax authorities upon settlement of the unaudited tax years on the basis of the findings of prior tax audits. Therefore, final settlement of the income taxes might differ from the income taxes that have been accounted for in the financial statements. From the fiscal year 2011 onwards, the Parent Company and several of its subsidiaries are audited for tax purposes by the Certified Auditors Accountants in accordance with the provisions of Income Tax Legislation. The audit for the fiscal year 2021 is ongoing and the relative tax conformity report will be issued after the publication of the financial statements for the year 2021. If, at the completion of the tax audit, additional tax

liabilities arise, the Management estimates that these will have no material effect on the financial statements. Deferred tax receivables are recognized on carried forward tax losses to the extent that it is probable that future taxable profits will occur to offset carried forward tax losses. Deferred tax receivables that are recognized, require Management to make assessments as to the time and level of realization of future taxable profits.

Revenue recognition from consumed and non-billed energy and Contract Assets with low voltage customers

Management considers that its customers consume the benefit of electricity over the period of the sale, while the Parent Company continues to fulfil its contractual liabilities. For this reason, revenue is recognized based on actual quantities of electricity consumed and based on an estimation of electricity consumed (unbilled revenue).

Especially for low voltage customers at each balance sheet date, unbilled revenue is recorded to account for electricity delivered and consumed by these customers but not yet billed. Unbilled revenue is estimated using certain assumptions with respect to quantities of electricity consumed, network losses and average electricity sale prices. The actual amounts that will be finally billed may differ from those provided for.

Recognition of revenue from customers' contributions

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

Accounting Treatment of the spin off of a branch to a subsidiary company

Management makes significant judgments regarding the more accurate presentation of the spin-off of a brand and contribution from the Parent Company to its fully owned subsidiary against shares, as the accounting treatment for similar transactions between companies under common control is not explicitly provided by IFRS. Additional details on the accounting treatment are included in note 5.

4.4. PRINCIPAL ACCOUNTING POLICIES

Foreign currency translation

The functional and reporting currency of all the Group entities is the Euro. Transactions involving other currencies are converted into Euro using the exchange rates, which were in effect at the time of the transactions. At the balance sheet date, assets and liabilities that are denominated in foreign currencies are adjusted to reflect the current exchange rates at the balance sheet date. Gains or losses resulting from foreign currency adjustments are reflected in foreign currency gains (losses), in the accompanying

statements of income. Non-monetary items in foreign currency which are valued at acquisition cost are converted using the exchange rate of the date of acquisition. The non-monetary items which are measured at fair value in foreign currency are converted using the exchange rate of the fair value's calculation date. The profit or loss from the conversion of non-monetary items is treated in the same way as the profit or loss from the conversion of fair value of these items.

Intangible assets

Intangible assets include software and CO₂ emission 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.

Emissions Allowances (CO₂)

The Parent Company acquires CO₂ emission allowances in order to meet its obligation arising from the actual CO₂ emissions of its electricity generation units. This liability is measured at fair value to the extent that Parent Company has the obligation to cover its emissions through purchases (after offsetting of any free CO₂ emission rights held). Emission rights purchased and held are recognized as intangible assets, at their acquisition cost less any accumulated impairment loss.

Property, plant and equipment

Property, plant and equipment are initially recognised at their acquisition cost which includes all direct attributable expenses for their acquisition or construction. Subsequent to their initial recognition, property, plant and equipment (with the exception of mines and lakes which are valued at their acquisition cost minus accumulated depreciation and impairment) are valued at fair value minus accumulated depreciation and impairment. Fair value estimates are performed periodically by independent appraisers (every three to five years) in order to ensure that fair value does not differ significantly from net value of the asset. At the date of revaluation, accumulated depreciation is offset against pre depreciation accounting values and net amounts are restated according to revalued amounts. Any increase in value is credited to the revaluation surplus in equity net of deferred taxes. However, an increase due to revaluation will be recognized in the Statement of Income, to the extent that it reverses a previous devaluation of the same asset, which had previously been recognized in the Income Statement.

Any decreases, first offset remaining revaluations surplus and then the remaining amounts burden the Statement of Income. Upon disposal of revalued property, plant and equipment, the relevant portion of the revaluation surplus is transferred from the revaluation surplus to the retained earnings.

Repairs and maintenance are recorded in expenses in the fiscal year in which they are incurred. Subsequent expenditure is capitalized if the criteria for recognizing them

as property, plant and equipment are met. For all assets withdrawn or sold, their acquisition cost and depreciation are written – off when sold or withdrawn. Any gain or loss resulting from the write – off is included in the Statement of Income.

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

Borrowing cost

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

Depreciation

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

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

Mining activities

The Group and the Parent Company own and operate lignite mines. Land acquisition (mainly through expropriation) and initial (pre-operational) development costs relating to mines are capitalized and amortized (upon commencement of the mines' commercial operation) to the shortest period between mine life and a twenty (20) year period. Exploration, evaluation and ongoing development costs are added to the lignite production cost of the fiscal year they incurred.

After the completion of the mines' restoration, the restored mining land is transferred from the category "Mines" to the category "Land", if the restored land has been expropriated in the name of the Company and not in favor of the Greek State.

Provision for the dismantling and removal of the infrastructure and the equipment of power plants and mines

The provision for the dismantling and removal of the infrastructure and the equipment of power plants is calculated taking into account the specificities of each unit (type of fuel, generating capacity, co-installation of units), calculating the present value of the land remediation cost, the cost of dismantling the existing equipment/machinery, the cost of demolition of infrastructure and collection of any waste by using a discount rate. The cost includes the direct cost of monitoring/managing the project of the withdrawal of units. The provision is reduced by actual costs (utilization of provision) and increases with the finance cost. In case the actual costs exceed the estimated ones, the difference is recorded directly in the Income Statement.

Moreover, the respective provision does not take into account any income from the sale of machinery, spare parts and materials of the decommissioned units or from the utilization of the land, as the relevant revenue will be recognized at the time it is considered certain.

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

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

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

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

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

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

Provision of mines' land restoration

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

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

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

Leases - IFRS 16

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

Group as a lessee

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

i) Right-of-use assets

The Group and the Parent Company recognize right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities.

The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group and the Parent Company are reasonably certain to obtain ownership of the leased asset at the end of the lease term, the Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Buildings: 2 to 59 years
- Other equipment: 1 to 2 years
- Transportation means: 1 to 2 years
- Vessels: 6 to 24 months

The right-of-use assets are also subject to impairment.

ii) Lease liabilities

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

In calculating the present value of lease payments, the Group and the Parent Company use its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. Those re-measurements are included in a separate line in the note Right of Use Assets "modifications/ re-measurements".

iii) Short-term leases and leases of low-value asset

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

Intermediate Lessor

The Group and the Parent Company enter into certain lease agreements with third parties and therefore act as intermediate lessors. The Group and the Parent Company, as intermediate lessors, classify the sublease as financial lease or operating lease as follows:

- (a) if the head lease is a short-term lease that the Group or the Parent Company, as a lessee, has accounted for applying paragraph 6 of the standard, the sublease shall be classified as an operating lease.
- (b) Otherwise, the sublease shall be classified by reference to the right-of-use asset arising from the head lease, rather than by reference to the underlying asset.

The Group and the Parent Company have evaluated all sublease contracts based on the above criteria and classified them as operational or financial. As at 31 December 2021, all leases where the Group and the Parent Company act as intermediate lessors were assessed and evaluated as operating.

Investments in subsidiaries

In separate financial statements, investments in subsidiaries are valued at cost less any accumulated impairment losses. The spin-off and contribution of a subsidiary from the Parent Company to its 100% subsidiary in exchange for shares is treated as a business combination between companies under joint control provided that both the subsidiary and the beneficial subsidiary can be considered "business" according to IFRS 3 criteria.

In the case of such transactions, the shares received in exchange for the contribution of the branch are recognized as an addition to the cost of the investment in the subsidiary at a value equal to the carrying amount of the net assets contributed at the date of the transaction, when the transaction does not have a significant impact to the future cash flows of the beneficial subsidiary, for example when it takes place for internal reorganization purposes of the Group. In cases where the future cash flows of the beneficiary change as a result of the branch contribution, the increase in the cost of investing in the subsidiary is recognized either at the fair value of the shares issued or at the fair value of the branch given up.

Investments in associates

These are entities in which the Group has significant influence and which are neither a subsidiary nor a joint venture of the Group. The Group's investments in associates are accounted for under the equity method. Investments in associates are carried on the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associate, less possible provisions for any impairment in value. In case that the Group's share in an associate's losses is equal, or exceeds its participation in the associate, the Group does not recognise the losses exceeding its participation.

The Statement of Income reflects separately the Group's share on the results of its associates, while amounts that are recorded by the associates directly to their equity are recognized directly to the Group's equity. Non-realised profit or loss resulting from the transactions of the Group with the said associates is eliminated to the extent of the interest in the associates. In the separate financial statements such investments are accounted for at cost less any accumulated impairment losses.

Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less cost to sell and its value in use and is determined for an individual asset unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. The fair value of sale (after the deduction of sales costs) is determined, in each case, according to the implementation of a revaluation model. Impairment losses of continuing operations are recognized to the Statement of Income, except if the particular asset is valued in fair values and then the impairment loss is recognised as a decrease of the already recognised surplus value. An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognized.

That increased amount resulting from the reversal of the impairment loss, cannot exceed the carrying amount that would have been determined (net of depreciation), if no impairment loss had been recognized for the asset in prior years. Such reversal is recognized in profit and loss unless the asset is carried at fair value amounts in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, to be divided equally to future time spans on a systematic basis over its remaining useful life.

Fair value measurement

The Group measures financial instruments such as derivatives, and fair value through other comprehensive income at each reporting date and non-financial assets such as property, periodically (every 3-5 years) at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair

value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group determines policies and procedures applied for both recurring measurements and assets held for distribution or for sale.

Assets of substantial value, as property, plant and equipment, as well as substantial value liabilities are evaluated by the Group and the Parent Company with the assistance of external appraisers. External appraisers involvement needs, are annually decided by the Group. The selection criteria include market knowledge and expertise, reputation, independence and observance of professional standards.

On each reporting date, the Group, according to its accounting policies, assesses if there is any change on the carrying values of assets and liabilities being subject to periodic reassessment and revaluation. For the above mentioned assessment, the management verifies considerable inputs applied to the last asset or liability evaluation, confirming data used for the evaluation against contracts and other relevant documents. For disclosing fair values, the Group's assets and liabilities are categorized according to their nature, characteristics, potential risks stemming from specific asset or liability categories, as well as fair value hierarchy described above.

Investments and financial assets

Financial assets that fall under and are governed by the provisions of IFRS 9 are classified on initial recognition as financial assets measured at amortized cost, financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss. The classification of financial assets at initial recognition depends on the contractual characteristics of cash flows of the financial asset and the Group's business model for the management of that financial asset.

With the exception of trade receivables and receivables from electricity customers that do not contain a significant financial component, the Group initially evaluates the financial assets at their fair value plus, in case of a financial asset that is not valued through profit or loss, transaction costs. Trade receivables that do not have a significant financial component and also receivables from electricity customers are valued at the transaction price determined in accordance with IFRS 15.

In order for a financial asset to be classified and measured at amortized cost or at fair value through other comprehensive income, the resulting cash flows should be "Solely for Payment of Principal and Interest (SPPI) "on the initial capital.

The Group's business model for managing financial assets refers to the way in which it manages its financial capabilities in order to generate cash flows. Business model determines whether cash flows arise from collection of contractual cash flows, sale of financial assets, or both.

Usual sales and purchases of financial assets are recognized on the transaction date (on which Group is committed to purchase the financial asset). Usual purchases or sales involve purchases or sales of financial assets that require physical receipt of items within the period and are also governed by a law or a purchase agreement.

Financial assets measured at amortized cost

Non-depreciated cost of a financial asset is defined as the amount at which the financial asset is measured at initial recognition less the capital repayments plus or minus the cumulative depreciation using the effective interest method of any difference between that initial amount and the amortized cost adjusted for any loss provision.

A financial asset is measured at amortized cost only if both of the following are met unless it is measured at fair value through profit or loss on initial recognition:

- i. The financial asset is held in a business model whose objective is to hold financial assets for the collection of contractual cash flows ("HTC") and,
- ii. The contractual terms of the financial asset result in specific dates in cash flows that are only capital and interest payments on the outstanding initial capital.

Consequently, the Group classifies financial assets at amortized cost when financial assets are held in the context of a business model with a view to being held to maturity mostly concentrating their contractual cash flows, and these financial data lead to cash flows consisting only of capital and interest payments. Financial assets that do not meet the above conditions are classified as financial assets at fair value through profit or loss, with the exception of investments in equity instruments that are not held for trading and for which is selected to be measured at financial assets fair value through other comprehensive income on initial recognition.

The Group, after initial recognition, measures financial assets of this category at amortized cost using effective interest rate. These financial assets are subject to impairment in accordance with IFRS 9. Profit and loss are recognized in Statement of Income when the asset is derecognized, modified or impaired.

Financial assets measured at fair value through other comprehensive income (equity instruments)

Upon initial recognition, the Group may choose to irrevocably classify its equity investments as equity instruments which are measured at fair value through other comprehensive income when they comply with the definition of equity as stated in "IAS 32 Financial Instruments: Presentation" and are not held for sale, but it has been chosen for them to be retained with a long-term perspective to serve strategic choices. Classification is determined by financial instrument.

Profit and loss from these financial assets remain in equity and are not reclassified to Statement of Income after the recognition has ceased. Dividends are recognized as other income in the Statement of Income when payment right has been established, unless the Group benefits from such revenue by recovering part of the cost of the financial asset, in which case profit is recognized in Statement of Comprehensive Income. Equity instruments that are measured at fair value through other comprehensive income are not subject to impairment.

Financial assets measured at fair value through profit or loss

A financial asset is measured at fair value through profit or loss, unless it is measured at amortized cost or at fair value through other comprehensive income.

Any financial asset whose contractual terms do not result in specific cash flow dates that are only capital and interest payments on the outstanding initial capital are classified by the Group at fair value through profit or loss (unless it is an investment in an equity instrument that is classified at fair value through other comprehensive income).

Since the option to determine a financial asset at fair value at its initial recognition is irrevocable, if a financial asset is designated as at fair value through profit or loss on initial recognition, the Group does not reclassify it as measured at amortized cost or fair value through other comprehensive income in case the business model changes.

Financial assets measured at fair value through profit or loss are transferred to the statement of financial position at their fair value, and changes in fair value between reporting dates are recorded in the Statement of Income. Financial assets measured at fair value through profit or loss are not subject to impairment.

Impairment of Financial Assets

Group assesses at each reporting date whether the value of a financial asset or group of financial assets has been impaired in accordance with provisions of IFRS 9.

The Group has adopted the expected credit losses model for each of the abovementioned asset categories.

- Trade Receivables from the sale of electricity to customers
- Trade Receivables from intercompany transactions
- Other financial assets measured at amortized cost.
- Contract assets

De-recognition of financial assets

Financial receivables (or, where applicable a part of a financial receivable or part of a group of similar financial receivables) are derecognized when: (1) the rights to receive cash flows from the asset have expired, (2) The Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement and (3) The Group has transferred the right to receive cash from that asset while either: (a) has transferred substantially all the risks and rewards of the assets, or (b) has not transferred substantially all the risks and rewards but has transferred control of that asset. Where the Group has transferred the rights to receive cash inflows from that asset but has not transferred substantially all the risks and rewards or control of that asset, then the asset is recognized to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the initial carrying amount of the asset and the maximum amount of consideration that the Group could be required to pay. Where continuing involvement takes the form of a written and/or purchase option (including a cash-settled option) on the transferred asset, the extent of the Group's continuing involvement is the amount of the transferred asset that the Group may repurchase, except in the case of a written put option on an asset measured at fair value, where the extent of the Parent Company's/Group's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

In the event that the evaluation refers to securitization transactions, the Company applying the aforementioned derecognition criteria, takes into account the structure of the transaction including its exposure to the subordinated bonds issued, allowances to the special purpose vehicles, as well as the terms and conditions of the securitization agreements, under which the Company could retain control over the securitized receivables.

Trade Receivables from the sale of electricity to customers

The Group and the Parent Company apply the simplified approach of IFRS 9 for the calculation of expected credit losses, according to which the provision for impairment is always measured at the amount of the expected credit losses over the lifetime of trade receivables.

More specifically:

- Regarding the receivables of High Voltage (HV) customers from the sale of energy, the Group and the Parent Company (due to the individual characteristics of each client and its credit behavior) evaluate the expected credit loss from each customer individually.
- Regarding the receivables from Medium Voltage (MV) and Low Voltage (LV) customers from the sale of energy, the Group and the Parent Company, considering these contracts as sharing similar characteristics, classified them into two distinct portfolios (Medium and Low Voltage). The Group and the Parent Company In order to estimate the expected credit losses, use credit loss provision tables based on the maturity of their balances, following the historical data of the Group and the Parent Company for credit losses and adjusting appropriately for future events and the economic environment.

In addition, the Group and the Parent Company consider that the non-collection of receivables constitutes a credit event as follows:

- For Low Voltage customers for more than 180 days
- For Medium and High Voltage customers for more than 90 days
- For state-owned entities and wider public sector companies for more than 365 days

On June 30, 2021, the Group and the Parent Company re-examined the assessment of the non-collection of receivables from Low Voltage customers for more than 180 days constitutes a credit event.

This review was conducted due to the implementation of securitization programs for overdue receivables from the sale of electricity to Low Voltage customers (for current receivables and overdue receivables of up to 60 days in November 2020 and for overdue receivables of more than 90 days in June 2021), which resulted in an increase of collections, mainly of overdue receivables, and the strengthening of the company's liquidity. Pursuant to the above modification of the calculation of default rates, now the Group and the Parent Company calculate a probability of default for all time zones of receivables aging from Low Voltage customers.

Customers' contributions

Consumers or producers connected to the distribution network are required to participate in the initial cost of connecting to the network (meters, lines, substations, etc.) or other types of infrastructure by paying institutionally fixed amounts of money or by contributing property, plant and equipment (extremely rare cases). It is noted, that according to law, all the facilities that are constructed are under the exclusive ownership and possession of the Parent Company (until November 30, 2021 date on which those fixed assets were contributed from the Parent Company to HEDNO, please see note 5), while in the event that a customer leaves a facility and a new customer enters, then the new customer is not obliged to pay for a new contribution.

Customer's contributions refer to the initial and continuous connection to the distribution network which is a separate service from the sale of electricity. The promised service is the only one undertaken by HEDNO and this transaction is considered a separate contractual obligation. Therefore, revenue from customers' contributions is recognized during the transfer of the service to the customer. As the contract with the customer is not of a specific duration, income is recognized on the basis of the remaining useful life of distribution network's property, plant and equipment (35 years). Customers' contributions are classified as "Long - term contract liabilities".

Payments in advance against electricity consumption paid by customers at the time of signing the electricity supply contract.

By signing the electricity supply contract, the customer is required to pay an advance - a guarantee against future electricity consumption. This amount is not refunded to the customer but is offset by the amount of the last clearing bill following the request for suspension of electricity supply to the customer. Considering that these amounts are settled in a period over 12 months, the Group and Parent Company classified them as "Long - term Contract Liabilities".

An advance payment of 3% or 5% on the value of the electricity provided through NOME-type auctions, which are paid by the participants in the NOME-type auctions to the Parent Company.

During the NOME-type auctions for forward products, which are conducted every three months and concern the Parent Company's forward sale of electricity on the wholesale market for a period of 12 months, the electricity suppliers pay in advance 3% or 5% of the value of electricity, awarded to them. These prepayments are classified as "Short - term contract liabilities" as they are settled in less than 12 months. Revenue is recognized on an equal basis per month according to the quantities delivered to alternative electricity suppliers.

Prepayments paid by customers against future consumption of electricity

The Parent Company gives the opportunity to Medium & Low Voltage customers (for High Voltage customers this possibility is included in their contract) to pre-pay the annual electricity consumption against a discount on the price of electricity. The received amounts are classified as "Short - term Contract Liabilities " as they are settled within 12 months, whereas revenue recognition is based on the pricing of the consumed or estimated Electricity.

Other financial assets measured at amortized cost

For the other financial assets of the Group and the Parent Company, measured at amortized cost, the general approach is used. These financial assets are considered as having low credit risk and any provision for loss is limited to the expected credit losses of the next 12 months from the respective reporting date.

Inventories

Inventories include materials and consumables, spare parts, lignite and liquid fuel. Provision for slow moving or obsolete materials and consumables is established if necessary.

- **Materials and consumables**

Materials and consumables are stated at the lower of cost or net realizable value, which takes under consideration the net realizable value of the finished product in which they are incorporated. The cost is determined using the weighted average method. These materials are recorded in inventory when purchased and then are expensed or capitalized upon use.

- **Lignite (self-produced and purchased)**

The cost of lignite inventories which have been excavated / purchased but not yet consumed at the balance sheet date is stated at the balance sheet. Lignite inventories are stated at the lower of production cost / purchase cost and net realizable value, which takes under consideration the net realizable value of the finished product in which they are incorporated with the cost being determined by using the weighted average production / purchase cost method. Production / purchase cost mainly consists of expenses incurred in order for lignite inventories to be used for electricity generation.

- **Liquid fuel**

Liquid fuel is stated at the lower of cost and net realisable value which takes under consideration the net realisable value of the finished product in which it is incorporated. The cost of liquid fuel reflects purchase price plus any taxes (excluding

VAT), levies and any other type of expense for the fuel to be stored in the Group warehouses and determined using the weighted average method. Liquid fuels are expensed on consumption and appear separately in the Statement of Income.

Cash and cash equivalents

The Group considers time deposits and other highly liquid investments with original maturity of three months or less, to be cash equivalents.

Share capital

Share capital reflects the value of the Parent Company's shares that are fully issued and in circulation. Any proceeds in excess of par value are recorded in share premium in equity. Expenses related directly to new shares issuance are recognized directly to Equity net of proceeds.

Equity settled benefits

The Group provides to the executives of PPC S.A. and PPC Renewables S.A. remuneration in the form of share based payments, whereby executives render their services as consideration equity instruments. The cost of equity- settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognized in the Payroll Cost of the Statement of Income, together with a corresponding increase in equity (other reserves), over the period in which the service is rendered (the vesting period). The cumulative expense recognized for equity- settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest.

The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period.

Non- market conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. In the contrary, market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associate service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/ or performance conditions.

No expense is recognized for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

In each reporting date, the Group revises its estimates for the number of equity instruments that will ultimately vest. It recognizes the effect from the revision of its initial estimates, if it exists, in the Statement of Income with a corresponding adjustment of its equity.

De-recognition of financial liabilities

Financial liabilities are derecognized when the obligation under the liability is discontinued, cancelled or expires. In the event that an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the income statement.

Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount is presented in the balance sheet only when the Group has the legally enforceable right to set off the recognized amounts and intends to either settle such asset and liability on a net basis or claim the asset and settle the liability at the same time.

Interest bearing loans and borrowings

All loans and borrowings are initially recognized at cost, which reflects the fair value of the amount received less the cost of borrowing. After initial recognition, they are subsequently measured at amortized cost using the effective interest rate method. For the calculation of amortized cost, all types of borrowing and issue costs are taken into account.

Provisions for Risks and Expenses, Contingent Liabilities and Contingent Claims

Provisions are recognised when the Group has present legal, contractual or constructive obligations as a result of past events and it is probable that they will be cleared through outflows of resources and the estimate of the exact amount of the liability can be reliably made. Provisions are reviewed at each balance sheet date and adjusted to reflect the present value of the expense expected to be required to settle the liability. Contingent liabilities are not recognised in the financial statements but are disclosed unless the possibility of an outflow of resources embodying economic benefits is minimal.

Contingent claims are not recognised in the financial statements but are disclosed when the inflow of economic benefits is probable.

Post-retirement benefits

- a) The Parent Company provides to employees and pensioners of the Group electricity at a reduced tariff. The reduced invoice to pensioners is recognized as a liability and is calculated as the present value of future retirement benefits deemed accrued by the end of the year on the basis of the rights of employees accumulated during their service and are calculated on the basis of economic and actuarial models on the basis of economic and actuarial assumptions.
- b) PPC and its subsidiaries pay, in accordance with Law 4533/2018 (OG A' 7527/4/2018), a severance payment, which may not exceed € 15 (fifteen thousand Euro) to insured persons who leave due to termination of the employment contract, or because the insured employees reached the age limit or due to another reason for leaving according to the provisions of the law.

Net expense for the period is included in payroll cost in the Statement of Income and consists of the present value of the benefits earned in the year. The post-retirement benefit liability is not funded. Actuarial gains or losses are directly recognized in other comprehensive income.

Subsidies for property, plant and equipment

The Group receives grants from the Greek State and the European Union (through the public investment program of the Greek State) in order to finance specific projects that are executed within certain time periods. Subsidies are accounted for when they are collected and are shown in the balance sheet as deferred income. Amortization is recognized based on the remaining useful life of the related assets and is included in depreciation in the Statement of Income.

Derivative financial instruments and hedging

1.1 Derivative financial instruments

Derivative financial instruments are as Financial Receivables or Financial Liabilities and are valued at their fair value both at the date of the contract and subsequently regardless of the purpose of the transaction. Gains or losses arising on the valuation of derivative financial instruments are recognized in the income statement in "(Gains) / Financial derivative losses", other than those designated as hedges and other than those held for non-compliance purposes. energy in the derivative futures market) as follows, which are recognized in the Income Statement in the "Electricity Markets" together with changes in the fair value of any derivative financial instruments that hedge the specific items.

Derivative financial instruments are recognised as assets or liabilities and measured at fair value, both at the date of the contract and subsequently regardless of the purpose of the transaction. Gains or losses arising on the valuation of derivative financial instruments are recognized in the income statement in "Other (income)/expense, net", other than those designated as hedges and other than those held for compliance purposes (energy short positions in the derivative energy market) as follows, which are recognized in the Income Statement in "Energy Purchases" together with changes in the fair value of any derivative financial instruments that hedge the specific items.

As at 31 December 2021, the Group and the Parent Company had entered into derivative financial contracts for: a) cash flow hedging from fluctuations in electricity prices and fuel prices b) conducting for-trading purposes transactions in the context of Parent Company's business activity as a Special Trader (Market Maker) in the Derivatives Market of the Hellenic Stock Exchange c) compliance with the antitrust rules of the European Union due to PPC's exclusive access to lignite power generation (Note 13). The fair value of derivatives is obtained from stock market prices, if available, or based on valuation techniques.

1.2 Hedge Accounting

The Group and the Parent Company apply hedge accounting if the following criteria are met:

- the hedging relationship includes only eligible hedging instruments and eligible hedged items
- at the commencement of the hedging relationship there is a formal identification and documentation of the hedging relationship and the objective of the entity's risk management and its hedging strategy
- the hedging ratio meets all of the following effectiveness requirements:
 - (i) there is an economic relationship between the hedged item and the hedging instrument
 - (ii) the effect of credit risk does not outweigh the changes in value resulting from that economic relationship; and
 - (iii) the hedging ratio of the hedging relationship is the same as the amount of the hedged item actually offset by the entity and the amount of the hedging instrument that the entity actually uses to offset that amount of the hedged item.

For the purpose of hedge accounting, hedges are classified either as fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or as cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability.

Fair value hedging

In fair value hedging transactions that meet the criteria for hedge accounting, gains or losses arising from the valuation of the hedging instrument at its fair value are recorded in the income statement. The gain or loss on valuation arising from the hedged item adjusts the carrying amount of the hedged item and is recognized in profit or loss.

Cash flow hedges

The Group and the Parent Company use derivative financial instruments (futures contracts and swaps) in order to hedge the risks arising from fluctuations in electricity and gas prices. To hedge the fluctuations of cash flows related to future transactions (purchases / sales of electricity and gas) and have been recognized as hedged items, the Management of the Group and the Parent Company evaluates and documents that they represent highly probable transactions and reflect the net exposure of the Group and the Parent Company in changes in their cash flows and affect their results during the period in which they will take place.

Gains or losses relating to the effective part of the hedging arising from changes in the fair value of the derivative financial instrument are recognized in Equity in a reserve, while the ineffective part of the hedging is recorded directly in the Income Statement as either profit or loss from Financial commodities derivatives. The (gains) / losses from hedging operations are transferred from the reserve to the Income Statement on "Electricity Purchases" and "Natural Gas" during the period when the hedged item affects the profits or losses of the Group and the Parent Company.

In cases of hedging of probable future transactions, which result in the recognition of a non-monetary item (eg, stock) or liability, gains or losses recognized in Equity are transferred to the acquisition cost of the resulting non-financial asset.

The total fair value of a derivative instrument designated as a hedging instrument is classified as non-current asset or long-term liability if the remaining period of the maturity of the hedged item is longer than 12 months and as current assets or current liabilities if the remaining period of the maturity of the hedged item is less than 12 months.

Effectiveness test

The Group and the Parent Company evaluate at the inception of the transaction, on a continuous basis and definitely during the preparation of the interim and annual financial statements, whether the hedging instruments are effective in order to hedge the changes in the cash flows of the hedged items.

Management of the Group and the Parent Company evaluates the effectiveness of the hedge accounting based on the existence of a financial correlation between the hedged item and the hedging instrument, the effect of credit risk on price changes and the hedging ratio as well as through quantitative and qualitative criteria depending on the characteristics of the hedging instrument and the hedged item.

Hedge accounting discontinuation

The Group and the Parent Company terminate the hedge accounting only when the hedging relationship ceases to meet the application criteria, taking into account any balancing actions (change in the amount of the hedged instrument or change in the amount of the hedged item).

When a hedging instrument expires or is sold, or when a hedging relationship no longer meets the accounting hedging criteria, accumulated gains or losses remain as a reserve and are carried in the Income Statement at the time the hedged item affects gain or losses.

In the event of hedging a possible future transaction that is no longer expected to occur, the gains or losses accumulated in Equity are transferred directly to the Income Statement.

Income taxes (current and deferred)

Current Income Taxes

Current income tax expense consists of income taxes for the current year based on the Parent Company's profits and the profits of the other companies of the Group as adjusted in their tax returns and, provisions for additional income taxes and increments arising from unaudited tax years, and is calculated by using the enacted or substantively enacted tax rates at the balance sheet date.

Deferred Income Taxes

Deferred income tax is calculated, using the liability method, on all temporary differences at the balance sheet date between the tax base and the book value of assets and liabilities. Deferred income tax liabilities are recognized for all taxable temporary differences, except where the deferred income tax liability arises from initial recognition of goodwill or of an asset or of a liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss. Deferred tax assets are recognized for all deductible temporary differences carried forward as well as unused tax credits and unused tax losses, to the extent that it is possible that taxable profit will be available against the deductible temporary differences and the carried forward of unused tax credits and unused tax losses can be utilized. No deferred income tax asset relating to the deductible temporary differences is recognized when it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are reassessed at each balance sheet date and are reduced at the time where it is not considered possible that enough taxable profits will appear against which, a part or the total of assets can be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to be in force in the year when the asset is recovered or the liability is settled, based on tax rates (and tax laws) that are in force or substantively enacted at the balance sheet date.

Income tax relating to items recognized directly in other comprehensive income is recorded in other comprehensive income and not in the Statement of Income.

Defined contribution plans

The Parent Company and the Group recognize as an expense the contribution for the employees' services payable to EFKA (Greek Single Social Security Institution) (ex IKA - ETAM /TAP DEH, ETEA, TAYTEKO) (defined contribution plans) and as a liability the amount that has not been paid yet.

Revenue recognition

Revenue from the sale of electricity to customers

The Group and the Parent Company are active in the supply of electricity to high, medium and low voltage customers through the Operations electricity Supply Sector and in the provision of electricity distribution services. Given the particular characteristics of electricity, the Group and the Parent Company consider that when their customers buy electricity simultaneously receive and use the benefits on an ongoing basis resulting from the sale of electricity as the Parent Company fulfills its contractual obligations.

For this reason, revenue recognition (as long as the collection of the total amounts is considered probable) is based on metering data or on estimation of electricity consumed.

The Group and the Parent Company also assess whether they have the role of principal or agent in any relevant agreement. The Group's and the Parent Company's assessment is that they have the role of principal in all of its sales transactions, excluding transaction that involve municipality taxes and taxes that are acting as agents.

If the price agreed under the contract also includes a variable portion, this amount is recognized as revenue to the extent that it is unlikely to be reversed in the future.

Contract Assets

At each reporting date and taking into account that the invoicing based on the measurement data of the last month of the period is issued during the first days of the following month, as far as High and Medium Voltage customers are concerned, the total value of electricity provided that month is recognized as accrued revenue for the period, and is reversed in the following month, after billing has already been recorded in books. These accruals at the end of each reporting period are classified as "Contract Assets".

Additionally, at each reporting date, the Parent Company estimates the value of the energy consumed but not yet billed from Low Voltage customers, since it has developed an estimation method especially for doing so. The estimated values are recorded as income receivable for periods ending on the reporting date and are reversed during the following month. Those accruals are also classified as "Contract Assets" at the end of each reporting period.

Contract Liabilities

If the customer pays a fee, or the Group reserves an unconditional right to a sum of money, before the Group transfers the goods or services to the customer, it classified the contract as a contract liability to the customer, either when the payment is made or when it becomes chargeable (whichever comes first).

For the Group and the Parent Company, contract liabilities come mainly from:

- Customers' 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-type auctions, which are paid by the participants in the NOME-type auctions to the Parent Company.
- Prepayments paid by customers against future consumption of electricity.

Revenue from NOME quantities

Revenue from forward products (NOME) is recognized at the time of delivery of those forward products' quantities. The difference from the quantities of electricity delivered by the Company for fulfilling its liability in forward products (NOME) is recognized at the time of delivery and not before that (for the total time of each auction), because this difference cannot be measured reliably before delivery time.

The Parent Company considers the "NOME mechanism" as an onerous contract, in accordance with IAS 37, but as the unavoidable costs of fulfilling its commitments by this mechanism cannot be determined reliably, no relevant provision has been recognized on the financial statements.

Interest income

Interest income is recognized on an accrual basis.

Dividend income

Dividend income is recognized when it has been approved by the relevant authority of the company that distributes it.

Income from rentals

Leases, where the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases and the rentals are recognized as revenue in the statement of income on a straight line basis over the lease term.

Electricity

Electricity costs are expensed as purchased and presented separately in the Statement of Income.

Earnings/ (Losses) per share

The basic and diluted earnings per share are calculated by dividing net profit with the weighted average number of shares issued during the relevant year. The weighted average number of shares is derived by adding the existing shares, in which the share capital is divided, with the rights that the Parent Company owns and potentially could exercise.

Subsequent events

Subsequent events that provide additional information about events or circumstances that existed at the balance sheet date and meet their recognition criteria, are reflected in the financial statements. Otherwise, they are disclosed in the notes of the financial statements.

Non-current Assets Held for Sale and Discontinued Operations

The Group classifies a non-current asset (or a group of assets and liabilities) as held for sale, if its carrying amount will be recovered principally through a sale transaction and not through its use. In sale transactions, all exchanges of non-current assets for other non-current assets are included, if the transaction has a commercial substance.

The basic requirements for a non-current asset (or a group of assets and liabilities) to be classified as held for sale are that the asset or the group must be available for immediate sale in its present condition while the completion of the sale must depend only on conditions that are usual and customary for sales of such assets / groups and its sale must be highly probable and within the next 12 months from their classification.

Immediately, before the original classification of an asset or the group of assets and liabilities as held for sale, the asset or the group of assets and liabilities are evaluated according to the adopted IFRSs at the date of classification. Non-current assets (or a group of assets and liabilities) classified as held for sale are measured (after the initial classification as above) at the lower of its carrying amount and fair value less the expenses to sell and any possible resulting impairment losses will be recognized in the Statement of Income. Any subsequent increase in fair value will be recognized in the Statement of Income, but not in excess of the cumulative impairment loss which was previously recognized.

No depreciation or amortization is recognized on a non-current asset (or non-current assets that are included in a group of assets and liabilities) from the date that is classified as held for sale.

When the Group and the Parent Company have classified a non-current asset (or a group of assets and liabilities) as held for sale, while the classification criteria are no longer met, the Group and the Parent Company will cease to classify the non-current asset (or a group of assets and liabilities) as held for sale. The Group and the Parent Company will measure the non-current asset (or a group of assets and liabilities) that cease to be classified as held for sale at the lower of: a) its carrying amount before the asset (or disposal group) was classified as held for sale or for distribution, adjusted for any depreciation, amortization or revaluations that would have been recognized had the asset (or disposal group) not been so classified; and b) its recoverable amount at the date of the subsequent decision not to sell.

The Group and the Parent Company will include any required adjustment of the carrying amount of a non-current asset that ceases to be classified as held for sale to the income statement in the income from continuing operations from the point of time when the classification criteria cease to be met.

Operating Segment

According to L. 4001/2011 the Group, as a vertically integrated undertaking, is obliged to prepare and integrate in its financial statements, accounting unbundled financial statements for each segment. These include the Parent Company's activities in the Sectors of Mines, Generation, Distribution and Energy Supply and gas Supply and are compatible with the information provided to the Executive Committee, which consists of the Chairman of the Board of Directors and CEO, the Deputy CEOs and the General Managers.

The Executive Committee monitors internal financial reports to evaluate the performance of the Company and the Group and to make decisions on the allocation of the Group's resources and on Group's strategic movements.

As a result, information disclosures by operational segment as well as the principles of segment as presented in IFRS 8 "Operating Segment" are stated in Appendix I. The Group's activities, which do not meet the criteria and quantitative limits of IFRS 8 to be a distinct operating segment, are combined and presented under the description "Other Group Companies".

5. DISCONTINUED OPERATIONS (Distribution Network)

On December 15th 2020, PPC's Board of Directors decided the approval and publication of Invitation to submit an Expression of Interest (EoI) for the sale of a minority stake of PPC's participation in HEDNO, and thus proceeded to an Invitation announcement in its website, according to which investors should express their interest until January 29th, 2021, which date was extended to February 19th, 2021.

On September 3, 2021, after the completion of the tender process for the sale of 49% of the share capital of HEDNO SA, 4 binding offers were submitted. The inspection of the technical files of the submitted bids by the competent services of PPC SA was completed on September 10, 2021. Spear WTE Investments Sarl, a member of Macquarie Infrastructure and Real Assets Group ("MIRA"), was the investor that submitted the highest bid, with an offer of € 1,312 million for the acquisition of 49% of the share capital of HEDNO SA.

On October 19, 2021, the Extraordinary General Meeting of PPC's Shareholders approved the sale of 49% of its participation in HEDNO to Macquarie Asset Management and on October 20, 2021 reached on an agreement with it.

On November 30, 2021 ("spin-off date") the decision (2538559AP 30/11/2021) of the General Secretariat of Commerce & Consumer Protection was registered in the General Commercial Register (G.C.R.) which approved the spin-off of the Distribution Network branch of PPC and its contribution to the 100% subsidiary of HEDNO SA in exchange of shares based on the provisions of Law 1297/1972 on Provisions of tax incentive for business on merge and alteration, to corporate Law 4548/2018 of société anonymes and to Law 4601/2019 on Corporate Restructure.

Specific matters for this Hive Down are regulated by article 129 (Corporate transformation of PPC SA - Addition of article 123A and amendment of articles 122 and 124 of law 4001/2011) of Law 4819/2021 (GO A ' 129 / 23-07-2021).

This spin-off was a prerequisite to complete the sale of 49% of HEDNO's share capital. An additional requirement for the completion of the sale transaction was the approval of the new terms of the existing loan agreements contributed to HEDNO, which was achieved until February 28, 2022, the date when the sale of 49% of PPC's shareholding in HEDNO was completed to Macquarie Asset Management.

Specifically, on the above date PPC received € 1,320 million for the acquisition of the aforementioned percentage by Macquarie Asset Management through MSCIF DYNAMI BIDCO Soleshareholder SA. The offer price has been adjusted to reflect the estimated change in the Net Asset Value of HEDNO until 28.2.2022, in accordance with the terms of the Share Purchase Agreement and will become final in the future and especially after the completion of the review of the actual Net Asset Value of HEDNO with a reference date 28.02.2022.

The transfer to Macquarie Asset Management of 49% of PPC's shareholding in HEDNO with minority shareholder rights does not affect PPC's control over its subsidiary under IFRS 10. The effect of the sale of 49% of PPC's participation in HEDNO will be recognized in the financial statements of the Group and the Parent Company on February 28, 2022, the date when the conditions for the sale of the participation are met.

For the accounting periods after the date of completion of the sale, the consolidated Income Statement will present 49% of the profits after taxes of HEDNO attributable to non-controlling interests. Respectively, it will present in the consolidated Statement of Financial Position 49% of the net assets of HEDNO attributed to the non-controlling interests.

Distribution network branch means all the activities of the autonomous operation of the Hellenic Electricity Distribution Network (HEDN) of PPC, which include the ownership of HEDN, including of the real estate and other assets of the Distribution Network and the Network of the Interconnected Islands, of the related liabilities and other liabilities, with the exception of the High Voltage Network of Crete.

On December 31, 2020, the Management of the Group and the Parent Company had classified the value of the contributed assets and liabilities of the Distribution Network as Assets Held for Sale (Discontinued Operations) only in its separate financial statements, as on Group level the value of the distributed net Assets and the net assets of the 100% subsidiary HEDNO, is expected to be recovered through their continuing use by the Group rather than through the sale transaction proceeds of the 49% on HEDNO's shareholding.

The date of the spin-off for the distribution network branch was set on March 31, 2021, the date on which the valuation of the Net Assets of the distribution network was carried out. The merger is considered to be completed on the date on which the relevant approval decision was made public in G.C.R. As mentioned in the draft Demerger Deed with absorption, all deeds and transactions carried out from the reference date 31/03/2021 until the date of spin-off 30/11/2021 benefit and are borne exclusively PPC. Therefore, the results of the interim period of the distribution network branch are included in the Income Statement as "Discontinued Operation" as of December 31, 2021 and concern the period from January 1, 2021 until November 30, 2021. Until November 30, 2021 for the contributed property, plant and equipment and the contributed subsidies not depreciation was charged in the separate financial statements of PPC in accordance with the provisions of IFRS 5. If the Parent Company had accounted for depreciation and amortization, those would amount to Euro 242,445,269 for property, plant and equipment and to euro (1,867,623) for the subsidies. In addition, the valuation carried out on 31.03.2021 of the property, plant and equipment of the distribution network branch at fair value, was recognized in the financial statements of the PPC Group on 30.11.2021 (Note 15), while it was recognized in

the subsidiary HEDNO upon the completion of the spin-off. At Parent Company level, paragraph 15 of IFRS 5 was applicable and as the carrying amount of property, plant and equipment was lower than their recoverable amount, no adjustment was made. On November 30, 2021, the share capital of HEDNO as a result of the spin-off and contribution of the above branch increased by the amount of euros 953,662,960 as determined from the June 29, 2021 Valuation Report of the Assets and Liabilities of the Distribution Network dated 31, March 2021.

The spin-off and contribution of the branch was treated in the financial statements of the Parent Company as a transaction between companies under common control with a commercial substance (note 4.4). The shares received were recognized as an addition to the cost of the investment in the subsidiary on 30 November 2021 at a value equal to the fair value of the net assets contributed to HEDNO which amounted to € 1,016,218,899 (Note 17), while the carrying value of the assets and liabilities transferred to the subsidiary on the spin-off date November 30, 2021 were as follows:

| Assets | 30.11.2021 |
|--|-------------------|
| Non- Current Assets | |
| Property, plant and equipment, net | 4,726,965 |
| Intangible assets, net | – |
| | 4,726,965 |
| Current Assets | |
| Trade Receivables | 52,853 |
| Other Receivables | 31,417 |
| | 84,270 |
| Total Assets | 4,811,236 |
| Non - Current Liabilities : | |
| Long - term borrowings | 1,269,712 |
| Deferred tax liabilities | 424,958 |
| Contract liabilities | 1,894,425 |
| Subsidies of Property, plant and equipment | 36,741 |
| | 3,625,836 |
| Current Liabilities : | |
| Trade and other payables | 69,574 |
| Accrued and other current liabilities | 5,317 |
| Current portion of long - term borrowings | 146,591 |
| Current Liabilities : | 221,482 |
| Total Liabilities | 3,847,318 |
| Net Assets | 963,918 |

On November 30, 2021, the Parent Company recognized in the Income Statement "income from the spin-off of the distribution network" amounting to € 52.3 million and resulted as follows:

| | Balances at 30.11.2021 |
|---|-------------------------------|
| | Amount in €: |
| Fair value of net assets contributed | 1,016,218,899 |
| Minus: carrying value of transfered assets | (963,917,808) |
| income from the spin-off of the Distribution Network | 52,301,091 |

The fair value of the distribution network branch differs from its carrying value, as it has taken into account the valuation at fair value of property, plant and equipment on the reference date net of depreciation, the subsidies of property, plant and equipment net of depreciation and the effect of these differences on deferred tax.

Cash flow of Assets Held for Sale is presented in the following table:

| | 01.01.2021 - 30.11.2021 |
|--|-------------------------|
| Profit before tax from discontinued operations | 290,038 |
| Working capital Adjustments | (18,822) |
| Cash flow from from operational activities | 271,217 |
| Cash flow from investing activities | (15,599) |
| Cash flow from financing activities | (154,630) |
| Total | 100,987 |

6. REVENUES

The revenues for the year 2021 and 2020 are analyzed in the following tables:

| | GROUP | | COMPANY | |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| | 01.01.2021 - 31.12.2021 | 01.01.2020 - 31.12.2020 | 01.01.2021 - 31.12.2021 | 01.01.2020 - 31.12.2020 |
| Revenues to Consumers: | | | | |
| – High voltage | 452,353 | 361,826 | 441,649 | 338,257 |
| – Medium voltage | 608,523 | 472,857 | 611,327 | 475,204 |
| – Low voltage | 3,934,021 | 3,096,762 | 3,934,132 | 3,096,901 |
| – Renewable Energy Sources | 20,771 | 15,882 | – | – |
| – Revenues from natural gas sales | 1,161 | 472 | 1,161 | 472 |
| | 5,016,829 | 3,947,799 | 4,988,269 | 3,910,834 |
| Other Revenues: | | | | |
| – Customers' contributions | 91,852 | 88,520 | 248 | 248 |
| – Public Service Obligations | (21,060) | 150,661 | (21,060) | 150,860 |
| – Distribution Network Revenues | 277,745 | 215,578 | – | – |
| – Income from electricity sales from NII thermal units | 283,859 | 192,760 | 283,859 | 192,760 |
| – Other | 57,166 | 54,126 | 57,123 | 45,481 |
| | 689,562 | 701,645 | 320,170 | 389,349 |
| Total Continuing Operations | 5,706,391 | 4,649,444 | 5,308,439 | 4,300,183 |
| Discontinued Operations | – | – | 91,036 | 95,646 |
| Total | 5,706,391 | 4,649,444 | 5,399,475 | 4,395,829 |

The analysis of Group's revenues by geographical region for the years 2021 and 2020 is presented in the following tables:

| | 2021 | | | Total |
|--|-----------------------|----------------------------|---------------|------------------|
| | Greece | | Abroad | |
| | Interconnected system | Non-interconnected islands | | |
| Energy sales | 4,429,665 | 569,420 | 16,583 | 5,015,668 |
| Natural gas sales | 1,161 | – | – | 1,161 |
| Public Service Obligations | – | (21,060) | – | (21,060) |
| Customers' Contributions | 79,178 | 12,674 | – | 91,852 |
| Income from the sale of electricity from NII thermal units | – | 283,859 | – | 283,859 |
| Distribution Network Revenues | 247,784 | 29,961 | – | 277,745 |
| Other | 42,267 | 14,899 | – | 57,166 |
| Grand total | 4,800,055 | 889,753 | 16,583 | 5,706,391 |

| | 2020 | | | Total |
|--|-----------------------|----------------------------|---------------|------------------|
| | Greece | | Abroad | |
| | Interconnected system | Non-interconnected islands | | |
| Energy sales | 3,480,989 | 439,245 | 27,094 | 3,947,328 |
| Natural gas sales | 472 | – | – | 472 |
| Public Service Obligations | – | 150,661 | – | 150,661 |
| Customers' Contributions | 75,105 | 13,414 | – | 88,519 |
| Income from the sale of electricity from NII thermal units | – | 192,760 | – | 192,760 |
| Distribution Network Revenues | 196,157 | 19,421 | – | 215,578 |
| Other | 46,749 | 7,377 | – | 54,126 |
| Grand total | 3,799,472 | 822,878 | 27,094 | 4,649,444 |

7. PAYROLL COST

| | GROUP | | COMPANY | |
|--|----------------|----------------|----------------|----------------|
| | 2021 | 2020 | 2021 | 2020 |
| Payroll cost | 598,467 | 581,569 | 312,314 | 317,013 |
| Employer social contributions | 145,524 | 153,278 | 80,442 | 86,455 |
| Provision for personnel's severance payment (note 31) | 16,075 | 35,830 | 13,591 | 22,576 |
| Provision for supply of electricity at reduced tariffs (note 31) | (3,148) | (2,539) | (2,046) | (1,713) |
| Retrospective recovery of special benefits due to new CLA | 34,555 | – | 22,074 | – |
| Capitalized payroll cost | (56,242) | (54,529) | (9,421) | (13,057) |
| Utilization of the provision for restoration of mines | (4,860) | – | (4,860) | – |
| Total | 730,371 | 713,609 | 412,094 | 411,274 |

New Remuneration Policy

On June 4, 2021, the Extraordinary General Meeting of the shareholders of the Parent Company approved the new Remuneration Policy of PPC SA. where the new remunerations of the members of the Board of Directors and its Committees as well as the remuneration of the executives of the Company were determined. In addition, the maximum level of the additional incentive (bonus) was set for the Chief Executive Officer, the Deputy CEOs, the Chief Officers and the Directors of PPC S.A. and PPC Renewables S.A. as a percentage of their annual gross fixed salary, depending on short-term targets (financial targets, strategic/operational targets and environmental and sustainable development targets), as well as the framework for granting them.

The amount of the additional incentive for 2020 and 2021 amounted to €1 million and € 2.7 million respectively and is included in payroll cost of the Group and the Parent Company in the Income Statement for the year ended 31 December 2021.

Furthermore, the provision of an additional incentive reward has been decided for the period 2020-2025 for the senior executives and executives of PPC S.A. and PPC Renewables S.A. for their contribution to the achievement of Group's medium-term targets with the form of 4 rolling cycles of free of charge shares plan (equity settled stock awards) and the framework for their granting was set, based on the provisions of article 49 of Law 4548/ 2018. While, the Board of Directors has been authorized to determine the Key Performance Indicators, that will be linked with market conditions for each cycle of free of charge shares plan.

The 4 cycles are the following: 1st cycle 01/01/2020 to 31.12.2021 with distributing shares in 2022, 2nd cycle 01.01.2021 to 31.12.2022 with distributing shares in 2023, 3rd cycle 01.01.2022 to 31.12.2023 with distributing shares in 2024 and the 4th cycle 01.01.2023 to 31.12.2024 with distributing shares on December 31, 2025, the date of the conclusion of the plan. The remuneration policy is in effect for 4 years from its approval by the Extraordinary General Meeting.

By Decision of the Board of Directors, the objectives of the Program are set for the cycles that have already commenced on 01.01.2020 and 01.01.2021 (grant date of the free shares) of the first two cycles. The vesting date of each cycle was set as the last day of the cycle. As the Key Performance Indicators have not been defined up to date, at present it is not possible to determine the fair value of the free of charge share-based Rights. The accounting policy that was adopted by the Group and the Parent Company is presented in note 4.4.

In the context of the above programs for free of charge distribution of shares, the Group and the Parent Company proceed with the purchase of own shares based on the provisions of article 49 of Law 4548/2018. Specifically, the Parent Company within February 2022 acquired through the Athens Stock Exchange 706,238 own treasury shares with a weighted average purchase price of € 8,541 per share, with a total value of € 6 million, corresponding to 0.1849% of the total shares of the Company.

Collective Labor Agreement

At the meeting of the Board of Directors of the Parent Company on March 23rd, 2021, a new three-year Collective Labor Agreement ("CLA") was approved and signed on March 24th, 2021 with the representatives of GENOP/ PPC-KHE and the First-level Unions for the period 2021-2024. The CLA includes institutional and wage arrangements and mainly defines the conditions of employment through work at home. In addition, the Collective Labor Agreement provide for a retroactive charge for special allowances to employees, for which the Group and the Parent Company recognized additional payroll cost of € 34.5 mil. and € 22.1 mil. as of December 31, 2021 respectively.

8. ENERGY PURCHASES AND RELATED FEES

| | GROUP | | COMPANY | |
|---|------------------|------------------|------------------|------------------|
| | 2021 | 2020 | 2021 | 2020 |
| DAS & deviations' Settlement | 1,226,980 | 622,169 | 1,431,850 | 712,249 |
| Energy imports from abroad | 4,398 | 79,495 | 21,315 | 120,260 |
| Other domestic energy purchases | 82,549 | 91,227 | 98,477 | 105,738 |
| Transitional flexibility Compensation Mechanism | 25 | 1,895 | – | 1,862 |
| Purchase rights | 3,126 | 9,189 | 3,216 | 9,359 |
| Net charge to ensure sufficient capacity | (110) | (20,932) | (104) | (7,731) |
| Charge of electricity suppliers for RES account | – | 72,863 | – | 72,863 |
| Arrangement of losses | (97) | 45,857 | (97) | 45,767 |
| Weighted variable cost of thermal units | 301 | 104,316 | 244 | 104,154 |
| Net charge for ancillary services | (108) | 17,867 | (108) | 20,341 |
| (Gain)/Loss from the sale of NOME- type auctions | – | (11,510) | – | (11,510) |
| Incremental accounts | (5) | 4 | (6) | – |
| Hedging transactions (Note 43) | (92,285) | – | (92,285) | – |
| Losses from short positions due to lignite production | 15,131 | – | 15,131 | – |
| Periodic clearance of alternative suppliers | (10,739) | – | (10,739) | – |
| Other purchases | 57,556 | 105,423 | 20,683 | 41,978 |
| Total | 1,286,722 | 1,117,863 | 1,487,577 | 1,215,330 |

Other purchases of the Group include purchases of electricity of foreign subsidiaries.

Extraordinary charge of cargo representatives-2020

With article 157 of Law 4759/2020 (OG A'245 / 09.12.2020), a one-off special contribution was imposed on electricity producers from Renewable Energy Sources stations and High Efficiency Co-generation of Electricity - Heat (S.I.T.H.Y.A.), which have been put into normal or test operation until December 31, 2015. The special contribution was calculated as a percentage of the pre-VAT sale price of electricity, which is injected by the producer into the system or the interconnected network or the electrical systems of the Non-Interconnected Islands (MDN), for the sales of electricity that took place during the period from 1.1.2020 to 31.12.2020 or were invoiced in the monthly clearances of the year 2020 and amounts to 6% for all categories of producers.

On December 31, 2020, the Group and the Parent Company formed a provision for this extraordinary charge of € 74.3 million and € 72.9 million respectively, which burdened the results of the year ended December 31, 2020 and in particular the Energy Purchases in the amount of € 72.9 million for the Group and the Parent Company and Other (Revenue) / Expenses of the Group in the amount of € 1.4 million. An equal liability was included on December 31, 2020 in Accrued and Other Liabilities of the separate and consolidated Financial Statements.

Weighted variable cost of thermal units -2020

According to Law 4759/2020 (OG A' 245 / 09.12.2020), the additional charge to suppliers was abolished from 01.01.2021 to cover the average variable cost of thermal conventional power plants (MMCSS) which for the year 2020 amounted to € 104 million.

Compliance with European Union antitrust rules due to PPC's exclusive access to lignite power generation

From September 1, 2021, PPC undertook the obligation (article 44 of L4348 / 2021- Note 2) to create a short positions in quarterly futures contracts corresponding to 50% of the lignite electricity generation of the respective calendar quarter of the previous calendar year and up to the third quarter of the year 2022 and 40% of the lignite electricity generation of the corresponding calendar quarter of the previous calendar year, in the following quarters, by 31 December 2024 at the latest.

In this context, PPC received in 2021 short positions in futures contracts for electricity to cover this obligation that expired within the fourth quarter of 2021 and mature from January 1, 2022 to December 31, 2022, recording a loss of € 15.1 million, including changes in the fair value of long positions in futures contracts that PPC took to cover its exposure to this obligation.

9. DEPRECIATION AND AMORTISATION

| | GROUP | | COMPANY | |
|---|----------------|----------------|----------------|----------------|
| | 2021 | 2020 | 2021 | 2020 |
| Depreciation / Amortisation | | | | |
| – Property, plant and equipment (Note 15) | 656,456 | 735,817 | 339,324 | 415,548 |
| – Intangible assets (Note 16) | 5,817 | 5,224 | 3,668 | 3,434 |
| – Right-of-use assets (Note 42) | 20,147 | 21,861 | 13,827 | 15,385 |
| – Transfer from subsidiaries (Note 33) | (16,172) | (18,857) | (9,896) | (12,443) |
| Total Continuing Operations | 666,248 | 744,045 | 346,923 | 421,924 |
| Discontinued Operations | | | | |
| – Property, plant and equipment (Note 15) | – | – | – | 259,734 |
| – Transfer from subsidiaries (Note 33) | – | – | – | (2,098) |
| Total Discontinued Operations | – | – | – | 257,636 |
| Total | 666,248 | 744,045 | 346,923 | 679,560 |

10. EMISSION ALLOWANCES (CO₂)

In October and November 2020, the new greenhouse gas emission permits were issued for the 4th phase of the European Emissions Trading Scheme (EU ETS), ie from 1 January 2021 to 31 December 2030. Licenses were issued for 29 installations (including subsidiaries). No new license was issued for the Amyntaio HPP, due to its final shutdown on September 01, 2020.

On 31.03.2021, the verifications of the CO₂ emission reports of the year 2020 were completed by accredited control bodies for the 30 obligatory facilities of the PPC group, which were submitted on time to the Competent Authority in accordance with the current legislation. Total CO₂ emissions in 2020 amounted to 15.48 million tonnes, including subsidiary facilities.

According to the current European and National legislation, during the 3rd and 4th phase of implementation of the EU-ETS (period 2013-2020 and 2021-2030), PPC SA. is not entitled to free distribution of allowances for the CO₂ emissions of its liable production stations, with the exception of part of the emissions corresponding to the supply of thermal energy for district heating. In the year 2021, approximately 23 thousand allowances were granted free of charge for the emissions corresponding to the supply of thermal energy for district heating.

During 2020, approximately 34 thousand rights were granted free of charge for the Company's emissions, which correspond to the supply of thermal energy for district heating.

Based on the provisional reports for the fourth quarter of 2021, the total volume of CO₂ emissions of the Group's liable facilities during the period 01.01.2021-31.12.2021 amounts to approximately 15.80 million tons. It is pointed out that the CO₂ emissions of the year 2021 will be considered final only in April 2022, when the verifications of the CO₂ emission reports for 2021 will be completed by accredited control bodies.

In the Income Statement "emission allowances" amounted of € 699,164 thousand concerns consumption of purchased EUAS of € 699,149 thousand (Note 16) as well as their managing costs. Also in note 17 the movement of intangible emission allowances is presented.

Emission allowances (CO₂) are presented in the following table:

| | GROUP | | COMPANY | |
|--|----------------|----------------|----------------|----------------|
| | 2021 | 2020 | 2021 | 2020 |
| Cover of emissions from purchased EUAS | 699,149 | 393,464 | 573,778 | 327,839 |
| Cover of prior year deficit | – | – | – | – |
| Managing costs | 15 | 22 | 15 | 22 |
| Total | 699,164 | 393,486 | 573,793 | 327,861 |

11. FINANCIAL EXPENSES

| | GROUP | | COMPANY | |
|--|----------------|----------------|----------------|----------------|
| | 2021 | 2020 | 2021 | 2020 |
| Interest Expenses | 125,729 | 134,395 | 95,001 | 99,986 |
| Bank charges | 5,934 | 3,631 | 3,872 | 1,535 |
| Amortization of loans' issuance costs | 7,133 | 3,212 | 7,133 | 3,212 |
| Finance cost on right-of-use assets (Note 42) | 3,702 | 2,888 | 2,413 | 1,827 |
| Commissions on letter of guarantee | 24,880 | 25,207 | 5,992 | 6,438 |
| Financial costs for the provision of decommissioning and removal of Power Plants', Mines' and Wind Parks' facilities and mines' land restoration (Note 32) | 27,795 | 26,648 | 27,795 | 26,606 |
| Securitization interest expenses and other costs (Note 45) | 64,369 | 2,252 | 64,369 | 2,252 |
| Total Continuing Operations | 259,541 | 198,233 | 206,575 | 141,856 |
| Discontinued Operations | – | – | 45,388 | 52,755 |
| Total | 259,541 | 198,233 | 251,963 | 194,611 |

12. FINANCIAL INCOME

| | GROUP | | COMPANY | |
|--|---------------|---------------|---------------|---------------|
| | 2021 | 2020 | 2021 | 2020 |
| Interest from outstanding energy bills | 46,195 | 52,042 | 46,195 | 52,042 |
| Interest on bank and time deposits (Note 25) | 709 | 2,724 | 121 | 1,407 |
| Gain from modification of loan agreement terms (Note 30) | 11,477 | – | 11,477 | – |
| Subsidiaries' dividends | – | – | 6,766 | 23,277 |
| DEPA interests | – | 3,875 | – | 3,875 |
| Other | 913 | 1,467 | 663 | 1,223 |
| Total | 59,294 | 60,108 | 65,222 | 81,824 |

13. OTHER (INCOME) / EXPENSE, NET

| | GROUP | | COMPANY | |
|---|----------------|----------------|---------------|----------------|
| | 2021 | 2020 | 2021 | 2020 |
| OTHER EXPENSES | | | | |
| Transportation and travel expenses | 18,032 | 14,418 | 7,730 | 5,745 |
| Taxes and duties | 30,519 | 26,549 | 22,179 | 19,553 |
| (Gain)/Losses on dismantling of property, plant and equipment | 3,393 | 4,010 | (540) | 879 |
| Consumables | 7,367 | 12,013 | 4,488 | 5,574 |
| Additional costs from settlements with third parties | – | 17,909 | – | 17,909 |
| Other Expenses | 63,960 | 72,819 | 43,976 | 57,572 |
| Total | 123,271 | 147,718 | 77,833 | 107,232 |

| | GROUP | | COMPANY | |
|---|-----------------|-----------------|-----------------|-----------------|
| | 2021 | 2020 | 2021 | 2020 |
| OTHER INCOME | | | | |
| Penalties to suppliers/ contractors | (4,370) | (1,737) | (249) | (254) |
| Subsidies to expenses | (1,547) | (1,069) | (1,509) | (1,069) |
| Income from leases | (1,325) | (1,376) | (1,607) | (1,387) |
| Income from PSOs | – | (5,651) | – | (5,651) |
| Income from issuance/distribution of electricity bills | – | (8,162) | – | (8,162) |
| Income from retrospective gas supply price revision | – | (44,773) | – | (44,773) |
| Income from transactions of commodity derivatives (Note 43.2) | (46,024) | – | (46,024) | – |
| Other income | (16,896) | (16,943) | (15,427) | (15,710) |
| Total | (70,162) | (79,711) | (64,816) | (77,006) |
| Total expense | 53,109 | 68,007 | 13,017 | 30,226 |
| Discontinued Operations | – | – | (5,685) | (6,838) |
| Total | 53,109 | 68,007 | 7,332 | 23,388 |

Other expenses mainly consists of costs made as part of corporate social responsibility through donations, sponsorships.

Retrospective revision of natural gas supply prices

In April 2020, DEPA refunded to PPC a net amount of € 44.8 mil, plus interest of € 3.8 mil. due to a retrospective revision by DEPA, of the contractual natural gas supply prices to PPC for the years 2012-2019. This revision was made following a decision by the International Court of Arbitration for the contract between BOTAS-DEPA and for which, as the Company was informed, BOTAS has filed an appeal. The above amounts are included in other (Income)/Expenses in the Income Statement for the year ended on December 31st 2020.

Ernst & Young's fees for the Group amount to Euro 2.3 mil., (including fees for the issuance of Bonds and the Share Capital increase) of which €96 thousand relates to permitted non-audit services whose compliance (in accordance with Regulation (EU) 537/2014) was confirmed by the Audit Committee during the fiscal year 2021.

14. INCOME TAXES (CURRENT AND DEFERRED)

| | GROUP | | COMPANY | |
|--|------------------|-----------------------|------------------|-----------------------|
| | 31.12.2021 | 31.12.2020 (Restated) | 31.12.2021 | 31.12.2020 (Restated) |
| Current income taxes | 10,930 | 9,580 | – | – |
| Income taxes refund from previous years | (103,153) | – | (103,153) | – |
| Deferred income tax | (39,229) | 17,217 | 82,324 | 28,729 |
| Total income tax-Continued Operations | (131,452) | 26,797 | (20,829) | 28,729 |
| Discontinued Operations | – | – | (118,962) | 2,495 |
| Total income tax | (131,452) | 26,797 | (139,791) | 31,224 |

According to the last amendment of the Income Tax Code (L.4172/2013), as amended by Law 4799/2021 (OG A' 78/18-05-2021), the income tax rate for the legal entities residing in Greece for the income of the fiscal year 2021 and onwards is set at 22% instead of 24%. Moreover, income tax prepayment for the following year is set to 80% instead of 100%.

As a result, the deferred income tax and current income tax as of December 31st, 2021 were measured with the income tax rate 22% for the Greek Companies of the Group.

Tax returns for companies residing in Greece are filed annually but profits or losses declared remain provisional, until the tax authorities audit the Company's returns and records and a final tax audit report is issued. A corresponding obligation exists for foreign subsidiaries in accordance with local provisions.

The Group establishes a provision, if deemed necessary, per company and on a case by case basis, against any possible additional taxes being imposed by the tax authorities.

Based on the applicable Income Tax Code, from the fiscal year 2011, for the Group's companies residing in Greece the Statutory Auditors issue an "Annual Tax Compliance Report" after conducting an audit at the same time with the financial audit ("tax certificate").

The audit is conducted on particular tax areas, specified by an audit program, according to the provisions of the tax law. Audit matters which are not covered by the above-mentioned decision are dealt with in accordance to the ISAE 3000 "Assurance Engagements other than Audits or Reviews of Historical Financial Information".

From January 1st, 2016 and onwards, pursuant to Law 4410/2016, the issuance of the tax certificate became optional, however, the Group applies the procedure for its issuance by the Statutory Auditors for subsidiaries residing in Greece.

The tax certificate of the Parent Company for the year 2020 was issued on 27.10.2021 from its statutory auditors "in compliance" with the applicable tax provisions.

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 | 2016 |
| PPC Renewables S.A. | Greece | 2016 |
| HEDNO S.A. | Greece | 2016 |
| Arkadikos Ilios 1 S.A. | Greece | 2016 |
| Arkadikos Ilios 2 S.A. | Greece | 2016 |
| Iliako Velos 1 S.A. | Greece | 2016 |
| Amalthia Energiaki S.A. | Greece | 2016 |
| SOLARLAB S.A. | Greece | 2016 |
| Iliaka Parka Ditikis Makedonias 1 S.A. | Greece | 2016 |
| Iliaka Parka Ditikis Makedonias 2 S.A. | Greece | 2016 |
| PPC FINANCE PLC | United Kingdom | 2009 |
| PPC BULGARIA JSCo | Bulgaria | 2014 |
| PPC Elektrik Tedarik ve Ticaret A.S. | Turkey | 2014 |
| PPC ALBANIA | Albania | 2017 |
| PHOIBE ENERGIAXH S.A. | Greece | 2016 |

| Company | Country | Unaudited years since |
|---|-----------------------------|-----------------------|
| Geothermikos Stochos SOLE SHAREHOLDER S.A. | Greece | 2017 |
| WINDARROW MOUZAKI ENERGY S.A. | Greece | 2018 |
| AMYNTAIO PV PARK ONE SOLE SHAREHOLDER SA* | Greece | 2021 |
| AMYNTAIO PV PARK TWO SOLE SHAREHOLDER SA* | Greece | 2021 |
| AMYNTAIO PV PARK THREE SOLE SHAREHOLDER SA* | Greece | 2021 |
| AMYNTAIO PV PARK FOUR SOLE SHAREHOLDER SA* | Greece | 2021 |
| AMYNTAIO PV PARK FIVE SOLE SHAREHOLDER SA* | Greece | 2021 |
| AMYNTAIO PV PARK SIX SOLE SHAREHOLDER SA* | Greece | 2021 |
| AMYNTAIO PV PARK SEVEN SOLE SHAREHOLDER SA* | Greece | 2021 |
| AMYNTAIO PV PARK EIGHT SOLE SHAREHOLDER SA* | Greece | 2021 |
| AMYNTAIO PV PARK NINE SOLE SHAREHOLDER SA* | Greece | 2021 |
| EDS AD Skopje | Republic of North Macedonia | 2012 |
| EDS DOO Belgrade | Serbia | 2016 |
| EDS International SK SRO | Slovakia | 2012 |
| EDS International KS LLC | Kosovo | 2016 |
| LIGNITIKI MELITIS S.A. | Greece | 2018 |
| LIGNITIKI MEGALOPOLIS S.A. | Greece | 2018 |

* On the 2nd of August 2021, the above 100% subsidiaries of PPC Renewables SA were established

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 | |
|---|-----------------|-----------------|-----------------|-----------------|
| | 2021 | 2020 (Restated) | 2021 | 2020 (Restated) |
| Gain/(Loss) before tax | (149,822) | 46,278 | 166,354 | 95,473 |
| Nominal tax rate | 22% | 24% | 22% | 24% |
| Income tax calculated at nominal tax rate | (32,961) | 11,107 | 36,598 | 22,913 |
| Tax from share capital increase expenses | (14,504) | – | (14,504) | – |
| Non-deductible/Exempted revenues | (7,625) | 740 | (10,278) | 740 |
| Subsidiaries' dividends | – | – | (1,488) | (5,587) |
| Effect of change in tax rates | 180,815 | – | 176,971 | – |
| Tax losses for which deferred tax asset has not been recognized | 10,401 | – | – | – |
| Items for which no deferred tax has been recognized | (42,049) | – | (45,134) | – |
| Other | (122,376) | 14,950 | (178,803) | 13,158 |
| Income tax | (28,299) | 26,797 | (36,638) | 31,224 |

The movement of the deferred income tax account is presented below:

| | GROUP | | COMPANY | |
|--|----------------|--------------------|----------------|--------------------|
| | 2021 | 2020 (Restated) | 2021 | 2020 (Restated) |
| Balance, January 1st | 202,113 | 221,098 | 761,055 | 204,584 |
| Transfers to Liabilities Held for Sale | – | – | (111) | 587,550 |
| (Debit)/Credit at profit and loss statement | 39,229 | (17,217) | (82,324) | (31,224) |
| Other | 605 | 508 | – | – |
| (Debit) /Credit directly in other comprehensive income | 140,540 | (2,276) | 53,221 | 145 |
| Balance, December 31st | 382,487 | 202,113 | 731,841 | 761,055 |

Deferred income tax receivables and liabilities are disclosed in the accompanying balance sheets as follows:

| | GROUP | | COMPANY | |
|------------------------------|----------------|--------------------|----------------|--------------------|
| | 2021 | 2020 (Restated) | 2021 | 2020 (Restated) |
| Deferred income taxes | | | | |
| – Receivables | 1,340,332 | 1,236,905 | 887,878 | 1,101,326 |
| – Liabilities | (957,845) | (1,034,792) | (156,037) | (340,271) |
| Total | 382,487 | 202,113 | 731,841 | 761,055 |

| | GROUP | | COMPANY | |
|--|---------|--------------------|---------|--------------------|
| | 2021 | 2020 (Restated) | 2021 | 2020 (Restated) |
| Deferred tax receivables | | | | |
| – Inventories | 69,354 | 69,617 | 65,221 | 65,325 |
| – Trade receivables | 293,977 | 347,444 | 271,270 | 323,268 |
| – Provision for risks and expenses | 126,073 | 115,269 | 89,161 | 73,464 |
| – Subsidies | 18,026 | 21,568 | 10,337 | 21,230 |
| – Customers' contributions | 324,998 | 167,670 | 1,130 | 168,009 |
| – Property, plant and equipment | 27,850 | 28,462 | 25,630 | 23,411 |
| – Financial Assets measured at fair value through comprehensive income | 3,120 | 3,327 | 3,120 | 3,327 |
| – Subsidiaries and associates | 86,439 | 75,650 | 86,439 | 75,650 |
| – Post retirement benefits | 82,889 | 90,202 | 26,317 | 31,049 |
| – Other | 41,642 | 45,257 | 43,127 | 43,993 |
| – Provision of Decommissioning and removal of Power Plants', Mines' and Wind Parks' facilities and mines' land restoration | 96,525 | 91,260 | 96,687 | 91,422 |

| | GROUP | | COMPANY | |
|---|------------------|--------------------|------------------|--------------------|
| | 2021 | 2020 (Restated) | 2021 | 2020 (Restated) |
| – Sundry provisions | 885 | 5,199 | 884 | 5,198 |
| – Tax losses | 168,555 | 175,980 | 168,555 | 175,980 |
| Deferred tax receivables | 1,340,332 | 1,236,905 | 887,878 | 1,101,326 |
| Deferred tax liabilities | | | | |
| – Long-term loans' issuance fees and expenses | (15,450) | (18,929) | (15,450) | (18,929) |
| – Depreciation and revaluation of property, plant and equipment | (924,556) | (1,010,695) | (124,193) | (905,169) |
| – Foreign currency (gains) | (52) | (56) | (52) | (56) |
| – Derivative financial instruments | (16,920) | (1,153) | (16,920) | (1,153) |
| – IFRS 16 Right-of-use assets | (867) | (3,959) | 578 | (2,513) |
| – Transfer to Liabilities Held for Sale | – | – | – | 587,549 |
| Deferred tax liabilities | (957,845) | (1,034,792) | (156,037) | (340,271) |
| Deferred Tax receivables net | 382,487 | 202,113 | 731,841 | 761,055 |

The movement of deferred taxes in income statement is analyzed below:

| | GROUP | | COMPANY | |
|--|----------|--------------------|----------|--------------------|
| | 2021 | 2020 (Restated) | 2021 | 2020 (Restated) |
| – Inventories | (264) | 17,071 | (104) | 16,681 |
| – Trade receivables | (53,468) | (64) | (51,998) | 316 |
| – Provision for risks and accruals | 10,804 | (7,358) | 15,697 | (7,651) |
| – Subsidies & Customer Contributions | 153,786 | 3,078 | 153,756 | 3,078 |
| – Property, plant and equipment | 2,219 | 5,051 | 2,219 | 5,051 |
| – IFRS 16 Right-of-use assets | 3,092 | 319 | 3,092 | 319 |
| – Long-term loans' issuance fees and expenses | 3,479 | 3,275 | 3,479 | 3,274 |
| – Subsidiaries and associates | 10,789 | 31,036 | 10,789 | 31,036 |
| – Depreciation - Revaluation of property, plant and equipment | (84,162) | (31,619) | (92,606) | (37,945) |
| – Foreign exchange (gains) | 5 | – | 5 | – |
| – Financial assets measured at fair value through comprehensive income | (206) | 56 | (206) | 56 |
| – Tax losses | (7,425) | (34,682) | (7,425) | (34,682) |
| – Post retirement benefits | 1,167 | (19,253) | 1,169 | (13,701) |
| – Other | (6,491) | 10,819 | (7,130) | (2,110) |

| | GROUP | | COMPANY | |
|---|---------------|--------------------|---------------|--------------------|
| | 2021 | 2020 (Restated) | 2021 | 2020 (Restated) |
| – Provision of Decommissioning and removal of Power Plants, Mines' and Wind Parks' facilities and mines' land Restoration | 10,215 | 10,823 | 10,215 | 10,823 |
| – Sundry provisions | (4,314) | (5,769) | (4,314) | (5,769) |
| (Debit)/ Credit in income statement | 39,226 | (17,217) | 36,638 | (31,224) |

Deferred income tax charged in the statement of comprehensive income is attributable to the following items:

| | GROUP | | COMPANY | |
|---|----------------|----------------|---------------|------------|
| | 2021 | 2020 | 2021 | 2020 |
| – Actuarial gains/ (losses) | (9,043) | (9,733) | (5,901) | (6,678) |
| – Provision of Decommissioning and removal of Power Plants, Mines' and Wind Parks' facilities | (4,951) | (780) | (4,951) | (780) |
| – Derivative financial instruments | (15,767) | (1,153) | (15,767) | (1,153) |
| – Revaluation/ impairments of property, plant and equipment | 170,301 | 9,390 | 123,354 | 8,756 |
| Debit/ (Credit) in the statement of comprehensive income | 140,540 | (2,276) | 96,736 | 145 |

Following the completion of the spin-off of the distribution network from PPC to HEDNO in accordance with the provisions of Law 1297/1972 on the provision of tax incentives for the merger or conversion of companies, the tax base of the contributed fixed assets increased by goodwill arising on the valuation of these assets, in proportion to their depreciable value in relation to their acquisition value. The decrease of the deferred liability due to the revision of the tax base of the fixed assets of the distribution sector was recognized in the revaluation surplus of the Group and amounted to € 62.5 million.

Income Tax Refund for the years 2015, 2016 within 2021

During the process of the preparation and audit of the annual financial statements for the year 2017, PPC SA determined that the method followed for the calculation of unbilled energy to low voltage customers for the years 2015 and 2016 was not appropriate under its circumstances, which led to an overstatement of the revenues of the respective years.

Specifically, the aforementioned overstatement formed additional accrued revenues from energy sales of € 91.3 million for 2016 and € 251.4 million for 2015, which consequently increased the profits of these years.

After the determination of the overstatement of revenues of the respective years, the results of the Financial Statements of the Company, but also of PPC's Group were restated, in accordance with the provisions of IAS 8, in order to be compatible with the actual data. The specific restatement was included in the Financial Statements of 2017 which were approved by the 18th General Meeting of June 7, 2018.

In parallel with the accounting restatement of the results, amending tax returns were submitted for the specific years 2015 and 2016, with which the Company essentially requested the recovery of tax that had been additionally paid due to the overstatement of revenues amounting to € 76.6 million for the year 2015, and € 26.4 million for the year 2016.

With the submission of the amending tax returns, a corresponding audit was carried out by the State Tax Office and in combination with the E2228 / 2021 circular order of AADE regarding the possibility of submitting a return and repaying the credit balance, as a consequence of correcting an error, according to the provisions of article 28 of Law 4308/ 2014 or IAS 8, the refund of the requested amount of amendments totaling to € 103 million was approved.

The Parent Company received from the State Tax Office on December 27, 2021 an amount of € 99.5 million, while it offsetted the remaining amount of € 3.7 million with its liabilities.

15. PROPERTY, PLANT AND EQUIPMENT, NET

| GROUP | | Land | Mines | Lakes | Buildings and Technical Works | Machinery & Equipment | Transportation Assets | Fixtures and Furniture | Construction in progress | Total |
|---|--------------------------|----------------|------------------|-----------------|-------------------------------|-----------------------|-----------------------|------------------------|--------------------------|--------------------|
| Carrying amount | December 31, 2019 | 431,287 | 856,221 | 40,250 | 1,464,159 | 7,182,851 | 34,073 | 68,603 | 1,237,219 | 11,314,664 |
| – Impairments of mines' and lignite Units' property, plant and equipment and provision for mines' land restoration | | (130) | (29,549) | – | (18,179) | (44,841) | – | (2,527) | (46,863) | (142,089) |
| – Partial reversal of impairment loss of assets under construction | | – | – | – | – | – | – | – | 209,856 | 209,856 |
| – Revaluation surplus / (Devaluation) of property, plant and equipment | | 31 | – | – | 1,584 | (1,859) | – | – | (302) | (546) |
| – Additions- decommissioning and removal costs of Power Plants', and Mining facilities and mines' land restoration | | – | (1,893) | – | – | 143 | – | – | – | (1,750) |
| – Additions | | 26 | – | – | 2,095 | 155,662 | 90 | 6,227 | 214,182 | 378,282 |
| – Disposals | | – | – | – | (598) | (4,208) | (71) | (687) | – | (5,563) |
| – Transfers from CIP | | 13 | 21,796 | – | 8,858 | 46,664 | – | 66 | (77,507) | (110) |
| – Transfers | | – | – | – | – | (5,988) | – | – | (1,787) | (7,775) |
| – Other movements | | 9,109 | (9,326) | – | – | 11 | – | – | (256) | (462) |
| | December 31, 2020 | 440,336 | 837,249 | 40,250 | 1,457,919 | 7,328,435 | 34,093 | 71,683 | 1,534,542 | 11,744,507 |
| Accumulated Depreciation | | | | | | | | | | |
| | December 31, 2019 | – | (699,597) | (18,041) | (4,637) | (5,332) | (138) | (14,205) | – | (741,950) |
| – Depreciation charge | | (577) | (41,018) | (788) | (103,885) | (568,868) | (11,969) | (8,712) | – | (735,817) |
| – Accumulated depreciation of disposals / sales | | – | – | – | 16 | 950 | 34 | 555 | – | 1,554 |
| – Transfers to intangible assets | | – | – | – | – | 1,593 | – | – | – | 1,593 |
| | December 31, 2020 | (577) | (740,615) | (18,829) | (108,506) | (571,658) | (12,073) | (22,362) | – | (1,474,620) |
| Net carrying amount | | 439,759 | 96,634 | 21,421 | 1,349,413 | 6,756,777 | 22,020 | 49,320 | 1,534,542 | 10,269,887 |
| Carrying amount | December 31, 2020 | 440,336 | 837,249 | 40,250 | 1,457,919 | 7,328,435 | 34,093 | 71,683 | 1,534,542 | 11,744,507 |
| – Impairments of mines' and Lignite Units' property, plant and equipment and provision of mines' land restoration | | – | (75,184) | – | – | – | – | – | (55,225) | (130,408) |
| – Revaluation surplus / (Devaluation) of property, plant and equipment | | 6,272 | – | – | 1,971 | 298,151 | (1,001) | (918) | – | 304,475 |
| – Additions -decommissioning and removal costs of Power Plants', and Mining facilities and mines' land restoration additional costs | | – | 87,981 | – | – | 71 | – | – | – | 88,052 |
| – Additions | | – | – | – | 2,481 | 189,981 | 1,096 | 8,989 | 232,654 | 435,200 |
| – Disposals/Sales | | (2,960) | (129,980) | – | (1,543) | (30,182) | (1,225) | (1,191) | (7,508) | (174,589) |
| – Transfers from CIP | | 1,923 | 6,860 | – | 6,955 | 43,874 | – | 1,145 | (60,757) | – |
| – Transfers to intangible assets | | – | – | – | – | – | – | (5) | (7,748) | (7,753) |
| – Other Movements | | (1,666) | 1,977 | (433) | – | 55 | (56) | (100) | (224) | (427) |
| – Offsetting accumulated depreciation at cost due to revaluation of fixed assets | | – | – | – | (39,810) | (543,363) | (809) | (1,152) | – | (585,133) |
| | December 31, 2021 | 443,906 | 728,923 | 39,817 | 1,427,974 | 7,287,022 | 32,097 | 78,452 | 1,635,734 | 11,673,924 |
| Accumulated depreciation | | | | | | | | | | |
| | December 31, 2020 | (577) | (740,615) | (18,829) | (108,506) | (571,658) | (12,073) | (22,362) | – | (1,474,620) |
| – Depreciation charge | | (577) | (35,159) | (764) | (91,514) | (513,910) | (5,462) | (9,069) | – | (656,456) |
| – Accumulated depreciation of disposals / sales | | – | 129,980 | – | 823 | 4,862 | 1,067 | 1,020 | – | 137,752 |
| – Other movements | | – | – | – | – | 25 | (4) | (8) | – | 13 |
| – Offsetting accumulated depreciation at cost due to revaluation of fixed assets | | – | – | – | 39,810 | 543,363 | 809 | 1,152 | – | 585,133 |
| | December 31, 2021 | (1,154) | (645,794) | (19,593) | (159,387) | (537,319) | (15,663) | (29,266) | – | (1,408,177) |
| Net carrying amount | | 444,752 | 83,129 | 20,224 | 1,268,586 | 6,749,703 | 16,434 | 49,185 | 1,635,734 | 10,265,746 |

| PARENT COMPANY | | Land | Mines | Lakes | Buildings and Technical Works | Machinery & Equipment | Transportation Assets | Fixtures and Furniture | Construction in progress | Total |
|---|----------------------------|----------------|------------------|-----------------|-------------------------------|-----------------------|-----------------------|------------------------|--------------------------|--------------------|
| Carrying amount | December 31, 2019 | 422,351 | 856,219 | 39,817 | 1,387,605 | 6,988,706 | 15,728 | 42,353 | 1,148,077 | 10,900,856 |
| – Impairments of mines' and lignite Units' property, plant and equipment and provision for mines' land restoration | | – | (29,550) | – | (15,093) | (43,424) | – | (2,527) | (45,772) | (136,366) |
| – Partial reversal of impairment loss of assets under construction | | – | – | – | – | – | – | – | 209,856 | 209,856 |
| – Revaluation surplus / (Devaluation) of property, plant and equipment | | 31 | – | – | 1,584 | 480 | – | – | – | 2,095 |
| – Additions/ decreases of decommissioning and removal costs of Power Plants', and Mining facilities and mines' land restoration | | – | (1,893) | – | – | – | – | – | – | (1,893) |
| – Additions | | – | – | – | 930 | 155,345 | 90 | 3,886 | 184,382 | 344,633 |
| – Disposals / Sales | | – | – | – | (598) | (4,209) | (67) | (140) | – | (5,013) |
| – Transfers from CIP | | 3 | 21,796 | – | 5,916 | 29,227 | – | 5 | (57,028) | (81) |
| – Other Movements | | 9,109 | (9,326) | – | – | – | – | – | (275) | (492) |
| – Assets held for sale | | (193,160) | – | – | (150,733) | (4,477,071) | – | (43) | (5,482) | (4,826,489) |
| | December 31, 2020 | 238,334 | 837,246 | 39,817 | 1,229,611 | 2,649,054 | 15,751 | 43,534 | 1,433,758 | 6,487,106 |
| Accumulated Depreciation | | | | | | | | | | |
| | December 31, 2019 | – | (699,597) | (18,041) | (4,629) | (1,965) | – | – | – | (724,232) |
| – Depreciation charge | | (577) | (41,017) | (788) | (95,334) | (524,296) | (7,005) | (6,265) | – | (675,282) |
| – Accumulated depreciation of disposals / sales | | – | – | – | 16 | 950 | 31 | 20 | – | 1,016 |
| – Assets held for sale | | – | – | – | 16,913 | 247,175 | – | 4 | – | 264,092 |
| | December 31, 2020 | (577) | (740,614) | (18,829) | (83,034) | (278,136) | (6,974) | (6,242) | – | (1,134,406) |
| | Net carrying amount | 237,757 | 96,632 | 20,988 | 1,146,577 | 2,370,918 | 8,777 | 37,293 | 1,433,758 | 5,352,700 |
| Carrying amount | December 31, 2020 | 238,334 | 837,246 | 39,817 | 1,229,611 | 2,649,054 | 15,751 | 43,534 | 1,433,758 | 6,487,106 |
| – Impairments of mines' and lignite Units' property, plant and equipment and provision for mines' land restoration | | – | (75,184) | – | – | – | – | – | (52,336) | (127,520) |
| – Additions- decommissioning and removal costs of Power Plants', and Mining facilities and mines' land restoration | | – | 87,981 | – | – | – | – | – | – | 87,981 |
| – Additions | | – | – | – | 60 | – | 37 | 3,705 | 179,525 | 183,327 |
| – Disposals / Sales | | (2,960) | (129,980) | – | (1,310) | (26,505) | (912) | (177) | (7,487) | (169,330) |
| – Transfers from CIP | | 1,846 | 6,860 | – | 3,575 | 26,592 | – | 1,142 | (40,014) | – |
| – Transfers to intangible assets | | – | – | – | – | – | – | – | (7,141) | (7,141) |
| – Other Movements | | (1,977) | 1,997 | – | – | 46 | – | – | 1 | 67 |
| – Transfers from / (to) assets held for sale | | (8) | – | – | (90) | – | – | – | 2,431 | 2,333 |
| | December 31, 2021 | 235,235 | 728,920 | 39,817 | 1,231,846 | 2,649,188 | 14,876 | 48,205 | 1,508,738 | 6,456,848 |
| Accumulated depreciation | | | | | | | | | | |
| | December 31, 2020 | (577) | (740,614) | (18,829) | (83,034) | (278,136) | (6,974) | (6,242) | – | (1,134,406) |
| – Depreciation charge | | (577) | (35,159) | (764) | (71,292) | (223,361) | (1,660) | (6,511) | – | (339,324) |
| – Accumulated depreciation of disposals / sales | | – | 129,980 | – | 779 | 4,085 | 912 | 65 | – | 135,821 |
| | December 31, 2021 | (1,154) | (645,793) | (19,593) | (153,547) | (497,412) | (7,722) | (12,688) | – | (1,337,910) |
| | Net carrying amount | 234,081 | 83,127 | 20,224 | 1,078,299 | 2,151,776 | 7,154 | 35,517 | 1,508,738 | 5,118,915 |

Revaluation of Tangible Fixed Assets of the Distribution Network on March 31, 2021

On March 31, 2021 the Group proceeded with the valuation of the operating tangible fixed assets of the branch of the PPC distribution network due to the separation of this branch from PPC and its contribution to the 100% subsidiary HEDNO SA with the exchange of shares based on the provisions of Law 1297/1972 on the provision of tax incentives for the merger or conversion of companies, of Corporate Law 4548 / 2018 of societe anonyme companies and of Law 4601/2019 on Corporate Transformations (Note 5). This valuation was carried out in accordance with IAS 16 by an independent valuation firm and its results were recognized in the financial statements of the Group on November 30, 2021 (fair value 31.03.2021 less depreciation until 30.11.2021, plus additions and reductions). As the fair value of the tangible fixed assets of the sector was recognized in the subsidiary HEDNO upon the completion of the spin-off, ie on 30.11.2021, the same date it was recognized on the Group. At Parent Company level, paragraph 15 of IFRS 5 was applicable and as the carrying amount of the fixed assets was lower than their recoverable amount, no adjustment was made.

The new estimated fair value of the assets of the distribution network branch was influenced, inter alia, by the methodology established for the calculation of the Allowed and Required Revenue of the Operator of the Hellenic Electricity Distribution Network (RAE Decision 1431/2020), RAE Decision 1566/ 2020 (OG B' 1389/ 08.04.2021) which determined the return on the Regulated Asset Base for the Regulatory Distribution Period 2021 - 2024, equal to 6.7%, and the Network Development Plan for the period 2021-2025.

The method and significant assumptions applied by the independent appraising firm were as follows:

- (a) For the calculation of the fair value of the assets, the appraisers took into account the Group's Business Plan
- (b) The total of the real estate assets was considered to be wholly owned by the Group (except those that are jointly-owned with IPTO S.A.), while, properties for which the Group notified the independent firm of appraisers that are burdened by commitments or during the appraisals it was found that are burdened by commitments, were not taken into account for the appraisal.
- (c) The appraisers assumed that the Group for all its property, has the title deeds, building permits and other similar approvals, or has arranged to settle any outstanding issues, as required by Greek Legislation.
- (d) The majority of the properties that were assessed were considered to be privately used by the Group, and that the same use is expected throughout their remaining useful lives.
- (e) The Market Approach (market-based evidence) was applied to determine the Fair Value of land, buildings, fixtures & furniture and transportation assets. The appraiser, in order to calculate the fair value of the property, carried out a market research and relied on these market research data as well as on data collected by professionals who are active in each examined region of the relevant properties and lands, adjusting the market data according to the conditions of each region and the physical characteristics of the Group's properties and lands (size, condition and exact location). In the case of land and buildings where sufficient comparative data were not identified, the Utilization Approach / Residual method was applied. In special purpose buildings, machinery and technical works (specialized fixed assets), the determination of the fair value was made on the basis of the Cost Approach, and in particular with the method of amortized replacement costs, in the content of which adjustments were made, as needed to reflect their physical, functional, technological and economic obsolescence. For all electromechanical equipment the appraiser took into account the date of acquisition, the degree of use, maintenance and marketability.

- (f) The economic obsolescence was determined by the appraiser applying the income approach and in particular the discounted cash flows method after testing the profitability (Profitability testing) of the Distribution Network branch. The discount rate used was calculated on the basis of WACC (Weighted Average Cost of Capital) and amounted to 4.6%.

The revalued amounts, from appraisers' work (fair value as of 31.03.2021 less depreciation until 30.11.2021), compared to Net Book Value of the fixed assets, resulted to net surplus for the Group amounting to approximately € 330,3 mil., which was credited directly in the Revaluation Surplus in Comprehensive Income (€378,1 mil. net of Deferred Taxes for the Group). Also, an amount of € 22.7 mil. for the Group which was not offset by previous years' Revaluation Surplus was charged in the Statement of Income for the year ended December 31st, 2021 (€ 17,7 mil. net of deferred tax for the Group).

Revaluation of Tangible Fixed Assets of lignite subsidiaries on November 30, 2021

On November 30, 2021 the subsidiaries "Lignitiki Megalopolis soleshareholder SA" and "Lignitiki Melitis soleshareholder SA" proceeded to the valuation of their operating tangible fixed assets in the context of their absorption by PPC within 2022 (Note 2), in accordance with the provisions of articles 48-49 of Law 4843/2021 in combination with Law 4601/2019 and the tax provisions of article 54 of Law 4172/2013 with reference date of the Merger Accounts on November 30, 2021. This valuation was carried out in accordance with IAS 16 by an independent valuation firm and its results were recognized in the Group's financial statements on November 30, 2021.

The independent valuation firm used the cost approach to evaluate the fair value of specialized assets. Based on its methodology, functional and physical obsolescence was given to these fixed assets, while no economic obsolescence test was conducted as mentioned in more detail in its Report.

The comparison of the values resulting from the work of the appraisers with the depreciable value of the assets of November 30, 2021 resulted in net goodwill whose amount for the Group amounts to € 880 thousands which was recorded directly in credit of the situation total income. Also, an amount of € 4 million for the Group, which was not covered by goodwill of previous adjustments, was borne by the results of the year ended December 31, 2021.

The revalued amounts on 30 November 2021, from appraisers' work compared to the Net Book Value of the fixed assets, resulted to net surplus for the Group amounting to approximately € 880 thousands which was credited directly in the Revaluation Surplus in Comprehensive Income. Also, an amount of € 4 mil. for the Group which was not offset by previous years' Revaluation Surplus was charged in the Statement of Income for the year ended December 31st, 2021.

Revaluation reserve for fixed assets

The following is a table showing the overall effect of the revaluation of the fixed assets of the distribution network branch and of lignite subsidiaries on the statements of comprehensive income and profit or loss, as well as the movement of the revaluation surplus:

| | Group 31.12.2021 |
|---|---------------------|
| Revaluation Surplus | 375,925 |
| (Devaluation) | (44,735) |
| Total revaluation of fixed assets recognized directly in the statement of comprehensive income | 331,190 |
| Devaluation of fixed assets in the income statement | (26,715) |
| Total revaluation effect 2021 | 304,475 |
| Revaluation Surplus | 375,925 |
| Deferred tax on revaluation | 38,618 |
| Devaluation | (44,735) |
| Deferred tax on revaluation | 8,329 |
| Total revaluation of fixed assets directly in the statement of comprehensive income, net of deferred taxes | 378,136 |
| Devaluation of fixed assets in the income statement | (26,715) |
| Deferred tax on revaluation | 4,995 |
| Total revaluation of fixed assets net of deferred taxes | (21,720) |
| Overall Impact of the revaluation 2021, net of deferred taxes | 356,416 |

The following is a table showing the aggregate movement of the revaluation surplus value after taxes:

| | 31.12.2021 | | 31.12.2020 | |
|---|------------------|------------------|------------------|------------------|
| | Group | Company | Group | Company |
| Balance 01.01 | 4,686,388 | 4,594,433 | 4,753,454 | 4,658,997 |
| Impairment of Mine's Property, plant and equipment | | | (29,322) | (29,322) |
| Change in future outflows of decommissioning and removal costs of Power Plants, Mining facilities and mines' land restoration (Note 32) | 8,709 | 8,709 | 2,471 | 2,471 |
| Revaluation surplus 2021 | 378,136 | – | – | – |
| Revaluation surplus of 2019, recognized in 2020 | – | – | (416) | 1,592 |
| Deferred taxes on fixed assets due to change in tax rate | 123,354 | 123,354 | – | – |
| Deferred taxes on recovery provision due to change in tax rate | (2,494) | (2,494) | | |
| Distribution network reserves transferred to retained earnings | – | (1,696,476) | – | – |
| Fixed asset disposals | (30,179) | (26,929) | (26,060) | (25,566) |
| Other movements to retained earnings (not relevant to revaluation) | – | – | (13,739) | (13,739) |
| Balance 31.12 | 5,163,915 | 3,000,597 | 4,686,388 | 4,594,433 |

Impairment test of the investment in the New Unit, power 660 MW in Ptolemaida V

The construction of the new unit 660 MW in Ptolemaida is in progress. PPC S.A. 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 05.04.2017, following the relevant decision of the Board of Directors of the Company, the Supplement No 1 of the Convention 11 09 5052 of Thermal Projects Engineering – Construction Department was issued. With this Supplement, the Conventional Table of Materials and Prices was replaced with a new Table of Materials and Prices which includes a further analysis of the prices in accordance with a relevant conventional term.

Additionally, for the needs of testing the equipment of the Project (commissioning), PPC S.A. and the Contractor signed on 04.07.2019 the Supplement No 2 of the Convention, according to which the Contractor undertakes the construction and the commissioning of a Temporary Interconnection of the 150 kV transmission line with the Backup Unit Auxiliary Transformer. On December 31st, 2021, the total expenditure for the Project amounts to Euro 1.538 bil. (31.12.2020: Euro 1.456 bil.).

On December 31st, 2019, the Parent Company proceeded to an impairment test of the total cost of the project, as the plan to withdraw the lignite units was an indication of impairment. From this test, an impairment in the carrying amount of the project was recorded by € 589 mil. On December 31st, 2020, and with the new fact that the additional investment for the conversion of the Lignite Unit into a Natural Gas Unit will amount to Euro 230 mil., increasing the capacity of the Unit from 660 MW to 1150 MW, while the start of its operation as a Natural Gas Unit is now scheduled to 2025 instead of 2028 according to the initial lignite phase-out plan, the indicators of impairment that existed on December 31st, 2019, no longer exist. Specifically, the recoverable amount determined by the method of Value in Use concluded to be higher than the cost of the investment (reduced by the impairment of Euro 589 mil. as of December 31st, 2019) by Euro 210 mil. Following these, the Parent Company proceeded to a partial reversal of the impairment loss by Euro 210 mil. in favor of the Income Statement.

The Value in Use method was based on the future cash flows of the investment discounted using a discount rate (Weighted Average Cost of Capital - "WACC") 5.6% (31.12.2019: 5.4%). The main assumptions made concern the future costs for the operation of the Unit (fuel costs, emission allowances cost, etc), the expected future revenues as well as the additional capex required for the change of fuel mix from 2025.

Other impairments for the year ended December 31, 2021

On December 31, 2021, capitalized costs in the Parent Company's Construction in Progress account were impaired totaling of € 55.2 million, of which € 19.3 million concern investments that are implemented gradually, in order for Units I, II, III and V of SES Agios Dimitrios to adapt to the environmental requirements of Directive 2010/75/EU and to comply with the objectives of Transitional National Emissions Reduction Plan (TNERP). On December 31st, 2019, the Parent Company recognized a provision for losses based on IAS 37 (onerous contracts) amounting to Euro 45.7 mil. for the aforementioned investments that cannot be avoided and derive from the specific environmental obligation. Therefore, this impairment of the capitalized costs by Euro 19.3 mil., reduced equally the relevant provision recognized on December 31st, 2019 and did not charge the income statement of the year. The remaining part of the impairment Euro 31.3 mil. concerns mainly additions made to the Mines and the specific amount was charged the income statement of the year ended December 31st, 2021.

Respectively, on December 31st, 2020, capitalized costs in Parent Company's Construction in Progress were impaired totaling Euro 45.1 mil. out of which Euro 24 mil. concern investments that are implemented gradually, in order for Units I, II, III and V of SES Agios Dimitrios to adapt to the environmental requirements of Directive 2010/75/EU and to comply with the objectives of Transitional National Emissions Reduction Plan (TNERP). On December 31st, 2019, the Parent Company recognized a provision for losses based on IAS 37 (onerous contracts) amounting to Euro 45.7 mil. for the aforementioned investments that cannot be avoided and derive from the specific environmental obligation. Therefore, this impairment of the capitalized costs by Euro 24 mil., reduced equally the relevant provision recognized on December 31st, 2019 and did not charge the income statement of the year. The remaining part of the impairment Euro 19,2 mil. concerns mainly additions made to the Mines and the specific amount was charged the income statement of the year ended December 31st, 2020.

Transfer of High Voltage tangible assets of Crete from PPC SA to IPTO SA.

After the completion of the first phase of the Interconnection of Crete with the Peloponnese, with the provisions of articles 106-108 of Law 4821/2021 (OG A' 134 / 31.07.2021) articles 108B to 108D are added to Law 4001/2011 regulating the operation of the electricity market of Crete until the 2nd Phase of the Interconnection with the System of the mainland.

From August 1st 2021, all tangible high voltage assets of the electricity system of Crete, owned by the Parent Company and managed by HEDNO SA are automatically transferred, from PPC SA to IPTO SA, in full ownership, use and possession, within Hellenic Electricity Transmission System (HETS) and at the Regulatory Fixed Assets Registry of HETS and are under the management of IPTO SA for a price, which is calculated and paid in accordance with the provisions of article 108 of Law 4821/2021.

For the purpose of the transfer, the undepreciated value of the assets is calculated based on the date of the automatic transfer, as determined under the rules of Regulatory Authority for Energy (RAE), in the context of the approval of the Distribution Network Revenue and of Transmission System Revenue and is certified by an Auditor.

In addition, within three months from the determination of the transferred assets' market value by an independent specialized appraiser and with the mutual acceptance from IPTO SA and PPC SA, an additional amount will be paid by IPTO SA to PPC SA, for the assets' transfer, equal to any positive difference between the regulatory value dated 01.08.2021 and the market value of the tangible assets. This valuation is in progress.

On August 1, 2021, all the fixed assets of the high voltage of the electrical system of Crete were derecognised from the "Tangible Assets" of the Statement of Financial Position of the Group and the Parent Company as their automatic transition to the IPTO has taken place. The Group and the Parent Company recognized accrued income of € 40.6 million equal to their net regulatory carrying value and gains from the sale of fixed assets of € 7.4 million. On November 26, 2021, IPTO paid the initial price of € 40.6 million to PPC.

Impairment of Mines due to the acceleration of the conversion of the new under construction unit "Ptolemaida V" from Lignite to Natural Gas Unit on December 31, 2020

The under-construction Unit "Ptolemaida V" was initially planned to operate from 2022 as lignite unit and be converted to Natural Gas Unit until 2028 at the latest. After new facts (note below), the conversion and operation of the said Unit to Natural Gas Unit is scheduled to 2025. As such, the mines (in operation today) that would supply the new Unit with lignite, will be ceased earlier and specifically at the end of 2024, instead of year 2028 that was planned as of 31.12.2019. Following this change in the lignite phase-out plan, in the financial statements of the year ended December 31st, 2020, an impairment loss was recorded on the value of property, plant and equipment of the relevant Mines, as a result of the reduction in the number of years in use by the Group and the Parent Company.

Property, plant and equipment that an impairment loss was recorded mainly include land for the extraction of lignite, buildings, mechanical and other mining equipment. Management proceeded with an assessment of their recoverable value, based on the ratio of definitive years of their utilization to their total useful life as estimated as of 31.12.2019. Moreover, the Group and the Parent Company impaired proportionally and the decommissioning assets of mines. As of December 31st, 2020, the Group and the Parent Company recognized impairment for mines property, plant and equipment and decommissioning assets amounting to Euro 91.2 mil. out of which Euro 52.5 mil. was charged in the Statement of Income (Euro 39.9 mil. net of deferred tax for the Group and the Parent Company respectively), while an amount of Euro 38.5 mil. was charged in the Statement of Comprehensive Income (Euro 29.3 mil. net of deferred tax for the Group and the Parent Company respectively).

Capitalization of Borrowing cost:

The Group and the Parent Company capitalized borrowing costs for ongoing projects totaling € 21.7 million for the year ended December 31, 2021 (2020: € 23.5 million).

Encumbrances on property, plant and equipment:

Encumbrances on the Group's Property, plant and equipment are presented in Note 30, while claims from third parties are presented in Note 40.

16. INTANGIBLE ASSETS, NET

| Group | 31.12.2021 | | | | 31.12.2020 | | | |
|--|--------------|-------------------------|---------------------|------------------|---------------|-------------------------|---------------------|------------------|
| | Software | Other Intangible Assets | Emission Allowances | Total | Software | Other Intangible Assets | Emission Allowances | Total |
| Net book value, January 1 | 6,919 | 23,668 | 81,529 | 112,116 | 24,617 | – | 56,306 | 80,923 |
| Additions | 2,654 | 158 | 941,446 | 944,258 | 1,269 | 1,439 | 418,745 | 421,453 |
| Consumption | – | – | (699,149) | (699,149) | – | – | (393,522) | (393,522) |
| Depreciation (Note 9) | (3,434) | (2,383) | – | (5,817) | (4,529) | (695) | – | (5,224) |
| Disposals | (13) | – | – | (13) | – | – | – | – |
| Transfers from property, plant and equipment | 134 | 7,620 | – | 7,753 | 109 | 6,182 | – | 6,291 |
| Impairments | – | (154) | – | (154) | – | – | – | – |
| Other movements | 36 | 959 | – | 995 | (14,547) | 16,742 | – | 2,195 |
| December 31 | 6,296 | 29,867 | 323,826 | 359,989 | 6,919 | 23,668 | 81,529 | 112,116 |
| Company | Software | Other Intangible Assets | Emission Allowances | Total | Software | Other Intangible Assets | Emission Allowances | Total |
| Net book value, January 1 | 4,816 | 1,256 | 81,529 | 87,601 | 8,748 | – | 56,306 | 65,054 |
| Additions | 431 | 14 | 941,446 | 941,891 | 327 | 351 | 418,745 | 419,423 |
| Consumption | – | – | (699,149) | (699,149) | – | – | (393,522) | (393,522) |
| Depreciation (Note 9) | (2,317) | (1,350) | – | (3,668) | 3,434 | – | – | (3,434) |
| Disposals | (13) | – | – | (13) | (1) | – | – | (1) |
| Transfers from property, plant and equipment | 129 | 7,012 | – | 7,141 | 81 | – | – | 81 |
| Transfers / Other | – | (20) | – | (20) | (905) | 905 | – | – |
| December 31 | 3,045 | 6,912 | 323,826 | 333,783 | 4,816 | 1,256 | 81,529 | 87,601 |

The net carrying amount of software and other intangible assets is further analyzed as follows:

| | Group | | Company | |
|-----------------------------|--------------|-------------------------|--------------|-------------------------|
| | Software | Other Intangible Assets | Software | Other Intangible Assets |
| At December 31, 2020 | | | | |
| Gross carrying amount | 87.816 | 33.541 | 77.174 | 7.163 |
| Accumulated amortization | (80.897) | (9.873) | (72.358) | (5.907) |
| Net carrying amount | 6.919 | 23.668 | 4.816 | 1.256 |
| At December 31, 2021 | | | | |
| Gross carrying amount | 90.232 | 40.036 | 77.361 | 13.033 |
| Accumulated amortization | (83.935) | (10.169) | (74.316) | (6.121) |
| Net carrying amount | 6.296 | 29.867 | 3.045 | 6.913 |

17. INVESTMENTS IN SUBSIDIARIES

The direct subsidiaries of the Parent Company and the value of the investment are as follows:

| | Company | Company | |
|------------------------------------|---------|------------------|----------------|
| | | 31,12,2021 | 31,12,2020 |
| HEDNO S.A. | Note 5 | 1,073,201 | 56,982 |
| PPC Renewables S.A. | | 155,608 | 155,608 |
| PPC FINANCE PLC | | 59 | 59 |
| PPC BULGARIA JSCo | | 522 | 522 |
| PPC ELEKTRIK TEDARIK VE TICARET AS | | 1,350 | 1,350 |
| PPC ALBANIA | | 490 | 490 |
| EDS DOO Skopje | | 10,300 | 6,600 |
| LIGNITIKI MELITIS S.A. | | – | – |
| LIGNITIKI MEGALOPOLIS S.A. | | – | – |
| | | 1,241,530 | 221,611 |

The consolidated financial statements include the financial statements of PPC and its subsidiaries (full consolidation method).

Due to the fact that the tender process for the sale of the lignite subsidiaries "Lignitiki Melitis S.A." and "Lignitiki Megalopolis S.A." within 2019 was declared barren, their operational profitability (EBITDA) within 2019, 2020 and the first half of 2021 was negative, no dividend is expected to be received in the future and also taking into account the fact that the Parent Company decided in 2020 and 2021 to capitalize its trade receivables from these subsidiaries, the Parent Company fully impaired the value of its shareholding in the Lignite Subsidiaries since 2019.

In December 2020, the Parent Company's Board of Directors decided the increase of the share capital of its 100% subsidiary under the name "Lignitiki Megalopolis S.A." through the offset of its existing and future debt towards PPC of €55.0 mil., an increase of its share capital through cash amounting to €40.0 mil. (€95.0 mil. in total) and a reduction of its share capital by offsetting it with losses of €230.0 mil.

The amount of the share capital increase through cash, was paid in installments, by an amount of €10.0 mil. in December 2020 and an amount of €30.0 in the first two months of 2021.

The increase in the shareholding of Lignitiki Megalopolis S.A. by €85.0 mil. incurred in the first half of 2021, is fully impaired by the Parent Company and is included in "Impairment loss on Lignite Subsidiaries" in the Income Statement of the Parent Company.

In February 2021, the Parent Company's Board of Directors decided the increase of the share capital of its 100% subsidiary under the name "Lignitiki Melitis S.A." through the offset of its existing and future debt towards PPC of €33.0 mil., as well as the reduction of the share capital through offsetting losses amounting to €90.0 mil. The increase in the shareholding of Lignitiki Melitis S.A. by €33.0 mil. incurred in 2021, is fully impaired by the Parent Company and is included in "Impairment loss on Lignite Subsidiaries" in the Income Statement of the Parent Company.

On December 31, 2021 the shareholding in "Lignitiki Melitis S.A." and in "Lignitiki Megalopolis S.A." before impairments amounts to €199.8 mil. (31.12.2020: €166.8 mil.) and €196.6 mil. (31.12.2020: €111.6 mil.) respectively.

Moreover, as of December 31st, 2020 the Parent Company had established a provision for additional losses from legal commitments for Lignitiki Megalopolis S.A. amounting to €30.0 mil., which was reversed in 2021. The income from the derecognition is included in "Impairment loss on Lignite Subsidiaries" in the Income Statement of the Parent Company.

Alongside, as of December 31st, 2021 and December 31st, 2020 the Parent Company recorded a provision for expected credit losses for the trade receivables included in its records by the lignite subsidiaries.

In particular, the Parent Company recorded a provision for expected credit losses amounting to €20.9 mil. and € 30.0 mil. as of December 31st, 2021 and December 31st, 2020 respectively for trade receivables by Lignitiki Melitis S.A.

In addition, the Parent Company recorded a provision for expected credit losses amounting to €25.2 mil. and € 51.2 mil. as of December 31st, 2021 and December 31st, 2020 respectively for trade receivables by Lignitiki Megalopolis S.A.

The reduction of the provision for expected credit losses for the trade receivables by the lignite subsidiaries is due to the share capital increase with the offset of trade receivables of the Parent Company, as noted above.

As a result, the provision for bad debts in the Statement of Income of the Parent Company for the year ended on December 31st, 2021 are reduced (income) by €35.1 mil. Finally, on March 19, 2021 the Parent Company signed a loan agreement with the 100% subsidiary Energy Deliver Solutions (AD) JSK Skopje amounting to € 3.7 million, with an interest rate of 3.8% and an expiration date of June 30, 2021, which was obtained by the subsidiary on the same date. On August 12, 2021, the share capital of the subsidiary was increased by offsetting the above obligation.

The subsidiaries of the Group is as follows:

| Subsidiaries | Ownership Interest | | Country and Year of Incorporation | Principal Activities |
|--|--------------------|------------|-----------------------------------|----------------------|
| | 31.12.2021 | 31.12.2020 | | |
| PPC Renewables S.A. | 100% | 100% | Greece, 1998 | RES |
| HEDNO S.A. | 100% | 100% | Greece, 1999 | HEDN |
| Arkadikos Ilios 1 S.A. | 100% | 100% | Greece, 2007 | RES |
| Arkadikos Ilios 2 S.A. | 100% | 100% | Greece, 2007 | RES |
| Iliako Velos 1 S.A. | 100% | 100% | Greece, 2007 | RES |
| Amalthia Energiaki S.A. | 100% | 100% | Greece, 2007 | RES |
| SOLARLAB S.A. | 100% | 100% | Greece, 2007 | RES |
| Iliaka Parka Ditikis Makedonias 1 S.A. | 100% | 100% | Greece, 2007 | RES |
| Iliaka Parka Ditikis Makedonias 2 S.A. | 100% | 100% | Greece, 2007 | RES |
| PPC FINANCE PLC | 100% | 100% | UK, 2009 | Financing Services |
| PPC Bulgaria JSCo | 85% | 85% | Bulgaria, 2014 | Supply of power |
| PPC Elektrik Tedarik Ve Ticaret A.S. | 100% | 100% | Turkey, 2014 | Supply of power |
| PHOIBE ENERGIAKI S.A | 100% | 100% | Greece, 2007 | RES |
| PPC ALBANIA | 100% | 100% | Albania, 2017 | Supply of power |
| GEOtherMIKOS StOCHOS SOLE SHAREHOLDER COMPANY S.A. | 100% | 100% | Greece, 2017 | RES |
| WINDARROW MOUZAKI ENERGY S.A. | 100% | 100% | Greece, 2018 | RES |

| Subsidiaries | Ownership Interest | | Country and Year of Incorporation | Principal Activities |
|---|--------------------|------------|-----------------------------------|----------------------|
| | 31.12.2021 | 31.12.2020 | | |
| EDS AD Skopje | 100% | 100% | Republic of North Macedonia, 2012 | Supply of power |
| EDS DOO Belgrade | 100% | 100% | Serbia, 2016 | Supply of power |
| EDS International SK SRO | 100% | 100% | Slovakia, 2012 | Supply of power |
| EDS International KS LLC | 100% | 100% | Kosovo, 2016 | Supply of power |
| LIGNITIKI MELITIS S.A. | 100% | 100% | Greece, 2018 | Generation of power |
| LIGNITIKI MEGALOPOLIS S.A | 100% | 100% | Greece, 2018 | Generation of power |
| AMYNTAIO PV PARK ONE SOLE SHAREHOLDER SA* | 100% | 100% | Greece, 2018 | Generation of power |
| AMYNTAIO PV PARK TWO SOLE SHAREHOLDER SA* | 100% | 100% | Greece, 2021 | RES |
| AMYNTAIO PV PARK THREE SOLE SHAREHOLDER SA* | 100% | 100% | Greece, 2021 | RES |
| AMYNTAIO PV PARK FOUR SOLE SHAREHOLDER SA* | 100% | 100% | Greece, 2021 | RES |
| AMYNTAIO PV PARK FIVE SOLE SHAREHOLDER SA* | 100% | 100% | Greece, 2021 | RES |
| AMYNTAIO PV PARK SIX SOLE SHAREHOLDER SA* | 100% | 100% | Greece, 2021 | RES |
| AMYNTAIO PV PARK SEVEN SOLE SHAREHOLDER SA* | 100% | 100% | Greece, 2021 | RES |
| AMYNTAIO PV PARK EIGHT SOLE SHAREHOLDER SA* | 100% | 100% | Greece, 2021 | RES |
| AMYNTAIO PV PARK NINE SOLE SHAREHOLDER SA* | 100% | 100% | Greece, 2021 | RES |

* On the 2nd of August 2021, the above 100% subsidiaries of PPC Renewables SA were established.

18. INVESTMENTS IN ASSOCIATES

The Group's and the Parent Company's associates as of December 31st, 2021 and December 31st, 2020 are as follows (equity method):

| | GROUP | | COMPANY | |
|--|------------|------------|------------|------------|
| | 31.12.2021 | 31.12.2020 | 31.12.2021 | 31.12.2020 |
| PPC Renewables ROKAS S.A. | 2,483 | 2,238 | – | – |
| PPC Renewables TERNA Energiaki S.A. | 2,351 | 2,601 | – | – |
| PPC Renewables NANKO Energy - MYHE Gitani S.A. | 2,335 | 1,888 | – | – |
| PPC Renewables MEK Energiaki S.A. | 648 | 625 | – | – |
| PPC Renewables ELTEV AIFOROS S.A | 2,730 | 2,468 | – | – |
| PPC Renewables EDF EN GREECE S.A. | 7,967 | 7,256 | – | – |
| Aioliko Parko LOYKO S.A. | 4 | 7 | – | – |

| | GROUP | | COMPANY | |
|--|---------------|---------------|------------|------------|
| | 31.12.2021 | 31.12.2020 | 31.12.2021 | 31.12.2020 |
| Aioliko Parko MBAMBO VIGLIES S.A. | 3 | 6 | – | – |
| Aioliko Parko KILIZA S.A. | 9 | 12 | – | – |
| Aioliko Parko LEFKIVARI S.A. | 6 | 9 | – | – |
| Aioliko Parko AGIOS ONOUFRIOS S.A. | 11 | 16 | – | – |
| OROS ENERGIAKI LT.D. | 295 | 224 | – | – |
| ATTICA GREENESCO S.A | 354 | – | – | – |
| VOLTERRA LYKOVOUNI SOLE SHAREHOLDER COMPANY S.A. | 9,618 | 8,575 | – | – |
| VOLTERRA K-R SOLE SHAREHOLDER COMPANY S.A. | 7,542 | 8,112 | – | – |
| WASTE CYCLO S.A. | 21 | 26 | 37 | 37 |
| GEOTHERMIKOS STOCHOS II | 16 | – | – | – |
| BALIAGA IKE | 754 | – | – | – |
| TICHIO IKE | 792 | – | – | – |
| PIVOT SOLAR | 883 | – | – | – |
| | 38,822 | 34,063 | 37 | 37 |

The full list of the Group's and the Parent Company's associates are presented below:

| Associates | Note | Ownership Interest | | Country and year of Incorporation | Principal Activities |
|--|------|--------------------|------------|-----------------------------------|----------------------|
| | | 31.12.2021 | 31.12.2020 | | |
| 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 | 46.55% | 46.55% | Greece, 2007 | RES |
| Aioliko Parko LOYKO S.A. | | 49.00% | 49.00% | Greece, 2008 | RES |
| Aioliko Parko BAMBO VIGLIES S.A. | | 49.00% | 49.00% | Greece, 2008 | RES |
| Aioliko Parko KILIZA S.A. | | 49.00% | 49.00% | Greece, 2008 | RES |
| Aioliko Parko LEFKIVARI S.A. | | 49.00% | 49.00% | Greece, 2008 | RES |
| Aioliko Parko AGIOS ONOUFRIOS S.A. | | 49.00% | 49.00% | Greece, 2008 | RES |
| Waste Syclo S.A. | | 49.00% | 49.00% | Greece, 2011 | Waste Management |
| PPC Solar Solutions S.A. | | – | 49.00% | Greece, 2014 | RES |
| OROS ENERGIAKI S.A. | | 49.00% | 49.00% | Greece, 2017 | RES |
| GREENESCO ENERGIAKI S.A. | 2 | 49.00% | 49.00% | Greece, 2017 | En. Serv. |
| VOLTERRA LYKOVOUNI SOLE SHAREHOLDER COMPANY S.A. | | 45.00% | 45.00% | Greece, 2017 | RES |
| VOLTERRA K-R SOLE SHAREHOLDER COMPANY S.A. | | 45.00% | 45.00% | Greece, 2014 | RES |

| Associates | Note | Ownership Interest | | Country and year of Incorporation | Principal Activities |
|-------------------------|------|--------------------|------------|-----------------------------------|----------------------|
| | | 31.12.2021 | 31.12.2020 | | |
| BALIAGA | 3 | 49.00% | – | Greece, 2020 | RES |
| TEICHIO | 3 | 49.00% | – | Greece, 2020 | RES |
| PIVOT SOLAR | 3 | 49.00% | – | Greece, 2021 | RES |
| GEOTHERMIKOS STOCHOS II | 4 | 49.00% | – | Greece, 2020 | RES |
| METON ENERGIAKI S.A. | 5 | 49.00% | – | Greece, 2021 | RES |

1. It is consolidated from the associate company PPC Renewables EDF EN GREECE S.A., as it participates by 95% in its share capital.
2. Amalthia Energiaki S.A., PPC Renewable's subsidiary, acquired 49% of this entity.
3. The participation of PPC Renewables SA in the above companies started to exist from 7/5/2021 under a contract.
4. Geothermikos Stochos II was, until 4/11/2021 was a subsidiary of PPC Renewables SA and on 5/11/2021 51% was sold and remained as a subsidiary of PPC Renewables SA
5. Establishment of the company METON ENERGIAKI SA on 22/12/2021

The following tables present PPC's share (directly or indirectly) of its associates' financial figures as of 31.12.2021 and 31.12.2020 respectively:

| | December 31, 2021 | | |
|--|-------------------|---------------|---------------|
| | Assets | Liabilities | Equity |
| PPC Renewables ROKAS S.A. | 3,298 | 817 | 2,482 |
| PPC Renewables TERNA Energiaki S.A. | 8,464 | 6,114 | 2,351 |
| PPC Renewables NANKO Energy - MYHE Gitani S.A. | 2,849 | 514 | 2,335 |
| PPC Renewables MEK Energiaki S.A. | 1,382 | 734 | 648 |
| PPC Renewables ELTEV S.A.- SMIXIOTIKO | 3,827 | 1,098 | 2,730 |
| PPC Renewables EDF EN GREECE SA | 16,736 | 8,777 | 7,958 |
| Aioliko Parko LOYKO S.A. | 7 | 3 | 4 |
| Aioliko Parko MBAMBO VIGLIES S.A. | 9 | 6 | 3 |
| Aioliko Parko KILIZA S.A. | 20 | 11 | 9 |
| Aioliko Parko LEFKIVARI A.E. | 8 | 2 | 6 |
| Aioliko Parko AGIOS ONOUFRIOS S.A. | 14 | 3 | 11 |
| Oros Energiaki S.A. | 1,023 | 844 | 179 |
| GREENESCO Energiaki S.A. | 499 | 151 | 348 |
| VOLTERRA LYKOVOUNI SOLE SHAREHOLDER COMPANY S.A. | 30,017 | 21,338 | 8,678 |
| VOLTERRA K-R SOLE SHAREHOLDER COMPANY S.A. | 12,501 | 7,533 | 4,968 |
| BALIAGA | 1,895 | 1,542 | 353 |
| TEICHIO | 1,761 | 1,388 | 373 |
| PIVOT SOLAR | 3,245 | 2,846 | 399 |
| GEOTHERMIKOS STOCHOS II | 26 | 11 | 15 |
| Σύνολο | 87,581 | 53,732 | 33,849 |

| | December 31, 2020 | | |
|--|-------------------|---------------|---------------|
| | Assets | Liabilities | Equity |
| PPC Renewables ROKAS S.A. | 3,065 | 827 | 2,238 |
| PPC Renewables TERNA Energiaki S.A. | 9,149 | 6,548 | 2,601 |
| PPC Renewables NANKO Energy – MYHE Gitani S.A. | 2,834 | 946 | 1,888 |
| PPC Renewables MEK Energiaki S.A. | 1,716 | 1,091 | 625 |
| PPC Renewables ELTEV S.A.- SMIXIOTIKO | 3,563 | 1,096 | 2,468 |
| PPC Renewables EDF EN GREECE SA | 17,567 | 10,312 | 7,256 |
| Aioliko Parko LOYKO S.A. | 8 | 2 | 7 |
| Aioliko Parko MBAMBO VIGLIES S.A. | 12 | 6 | 6 |
| Aioliko Parko KILIZA S.A. | 23 | 11 | 12 |
| Aioliko Parko LEFKIVARI A.E. | 10 | 1 | 9 |
| Aioliko Parko AGIOS ONOUFRIOS S.A. | 19 | 3 | 16 |
| Oros Energiaki S.A. | 942 | 815 | 127 |
| GREENESCO Energiaki S.A. | 205 | 170 | (35) |
| VOLTERRA LYKOVOUNI SOLE SHAREHOLDER COMPANY S.A. | 25,399 | 17,766 | 7,633 |
| VOLTERRA K-R SOLE SHAREHOLDER COMPANY S.A. | 12,927 | 7,401 | 5,527 |
| Total | 77,439 | 46,995 | 30,378 |

The following table presents PPC's share of its associates' revenues and results:

| | December 31, 2021 | | December 31, 2020 | |
|--|-------------------|---------------|-------------------|---------------|
| | Revenues | Profit/(Loss) | Revenues | Profit/(Loss) |
| PPC Renewables ROKAS S.A. | 853 | 519 | 718 | 503 |
| PPC Renewables TERNA Energiaki S.A. | 1,073 | 282 | 1,093 | 333 |
| PPC Renewables NANKO Energy – MYHE Gitani S.A. | 460 | 130 | 333 | 37 |
| PPC Renewables MEK Energiaki S.A. | 1,087 | 570 | 1,113 | 523 |
| PPC Renewables ELTEV S.A.SMIXIOTIKO | 532 | 280 | 295 | 83 |
| PPC Renewables EDF EN GREECE S.A | 2,557 | 822 | 2,563 | 680 |
| Aioliko Parko LOYKO S.A. | – | (2) | – | (6) |
| Aioliko Parko MBAMBO VIGLIES S.A. | – | (2) | – | (7) |
| Aioliko Parko KILIZA S.A. | – | (3) | – | (7) |
| Aioliko Parko LEFKIVARI A.E. | – | (2) | – | (8) |
| Aioliko Parko AGIOS ONOUFRIOS S.A. | – | (4) | – | (4) |
| Oros Energiaki S.A. | 254 | 69 | 127 | 19 |
| GREENESCO Energiaki S.A. | 699 | 56 | 307 | (38) |
| VOLTERRA LYKOVOUNI SOLE SHAREHOLDER COMPANY S.A. | 3,638 | 1,049 | 10 | (127) |
| VOLTERRA K-R SOLE SHAREHOLDER COMPANY S.A. | 1,680 | 451 | 1,605 | 312 |
| BALIAGA | – | (38) | – | – |
| TEICHIO | – | (34) | – | – |
| PIVOT SOLAR | – | (70) | – | – |
| GEOTHERMIKOS STOCHOS II | – | (4) | – | – |
| Total | 12,833 | 4,069 | 8,164 | 2,293 |

19. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

PPC balances with its subsidiaries as of December 31st, 2021 and December 31st, 2020 are as follows:

| Subsidiaries | December 31, 2021 | | December 31, 2020 | |
|------------------------------|-------------------|------------------|-------------------|------------------|
| | Receivables | (Payables) | Receivables | (Payables) |
| PPC Renewables S.A. | 1,814 | (399) | 1,275 | – |
| HEDNO S.A. | 221,202 | (380,849) | 496,022 | (681,929) |
| LIGNITIKI MEGALOPOLIS S.A. | 25,885 | (684) | 51,957 | (709) |
| LIGNITIKI MELITIS S.A. | 20,999 | – | 30,002 | – |
| ILIAKA PARKA ENA S.A | 13 | – | – | – |
| ILIAKA PARKA DIO S.A | 4 | – | – | – |
| ILIAKO VELOS ENA S.A | 143 | – | – | – |
| ARKADIKOS ILIOS ENA S.A | 11 | – | – | – |
| ARKADIKOS ILIOS DIO S.A | 3 | – | – | – |
| AMYNTAIO PV PARK ENA S.A | 2 | – | – | – |
| AMYNTAIO PV PARK DIO S.A | 2 | – | – | – |
| AMYNTAIO PV PARK TRIA S.A | 2 | – | – | – |
| AMYNTAIO PV PARK TESSERA S.A | 2 | – | – | – |
| AMYNTAIO PV PARK PENTE S.A | 2 | – | – | – |
| AMYNTAIO PV PARK EKSI S.A | 2 | – | – | – |
| AMYNTAIO PV PARK EPTA S.A | 2 | – | – | – |
| AMYNTAIO PV PARK OKTO S.A | 2 | – | – | – |
| AMYNTAIO PV PARK ENNEA S.A | 2 | – | – | – |
| PPC Finance Plc. | – | (71) | – | (37) |
| PPC Elektrik | 110 | – | 649 | – |
| PPC Bulgaria JSCO | 9 | (374) | – | (1,537) |
| PPC Albania | 40 | – | – | – |
| EDS AD Skopje | 20,026 | – | 395 | (142) |
| Total | 290,277 | (382,377) | 580,300 | (684,354) |

The company has an additional claim from the subsidiary HEDNO SA amounting to € 43.4 million due to repayment of loans on behalf of the subsidiary, which were contributed to it due to the spin-off of the Distribution Network to HEDNO SA.

Within the first half of 2021, a dividend of € 6.7 million was approved by the subsidiary HEDNO SA. from profits for the year ended December 31, 2020, which was paid to the Parent Company on September 6, 2021. Respectively, within the first half of 2020 the Parent Company received a dividend of € 23.0 million from the subsidiary HEDNO SA from Profits for the year ended December 31, 2019.

The above mentioned balances with the subsidiary PPC Finance Plc relate to its management expenses, which are ultimately borne by the Parent Company.

On December 31, 2021, the Parent Company recognized a provision of expected credit loss on receivables and other accrued income for the subsidiary "Lignitiki Megalopolis SA". and "Lignitiki Melitis SA". amounting to € 25.2 million (31.12.2020: € 51.2 million) and € 21 million (31.12.2020: € 30.0 million) respectively.

On March 19, 2021, the Parent Company signed a loan agreement with the 100% subsidiary Energy Delivery Solutions (AD) JSK Skopje amounting to € 3.7 million, with an interest rate of 3.8% and an expiration date of June 30, 2021, which was drawn by the subsidiary on the same date. On August 3, 2021, this loan obligation to the Parent Company was converted into share capital of the subsidiary.

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

The Transactions of the Parent Company with subsidiaries for the year ended December 31, 2021 and December 31, 2020 are as follows:

| Subsidiaries | December 31, 2021 | | December 31, 2020 | |
|------------------------------|-------------------|------------------|-------------------|--------------------|
| | Invoiced to | Invoiced from | Invoiced to | Invoiced from |
| PPC Renewables S.A. | 2,998 | (380) | 2,313 | – |
| HEDNO S.A. | 1,567,808 | (1,653,766) | 1,673,252 | (1,791,851) |
| LIGNITIKI MEGALOPOLIS S.A. | 98,775 | (928) | 47,909 | (993) |
| LIGNITIKI MELITIS S.A. | 42,176 | – | 28,901 | – |
| ILIAKA PARKA ENA S.A | 49 | – | – | – |
| ILIAKA PARKA DIO S.A | 47 | – | – | – |
| ILIAKO VELOS ENA S.A | 138 | – | – | – |
| ARKADIKOS ILIOS ENA S.A | 11 | – | – | – |
| ARKADIKOS ILIOS DIO S.A | 3 | – | – | – |
| AMYNTAIO PV PARK ENA S.A | 2 | – | – | – |
| AMYNTAIO PV PARK DIO S.A | 2 | – | – | – |
| AMYNTAIO PV PARK TRIA S.A | 2 | – | – | – |
| AMYNTAIO PV PARK TESSERA S.A | 2 | – | – | – |
| AMYNTAIO PV PARK PENTE S.A | 2 | – | – | – |
| AMYNTAIO PV PARK EKSI S.A | 2 | – | – | – |
| AMYNTAIO PV PARK EPTA S.A | 2 | – | – | – |
| AMYNTAIO PV PARK OKTO S.A | 2 | – | – | – |
| AMYNTAIO PV PARK ENNEA S.A | 2 | – | – | – |
| PPC Finance Plc. | – | (62) | – | (38) |
| PPC Elektrik | 8 | (3,097) | 289 | (6,333) |
| PPC Bulgaria JSCO | 115 | (19,262) | – | (34,056) |
| PPC Albania | – | – | – | – |
| EDS AD Skopje | 12,751 | (350) | 76 | (547) |
| Total | 1,724,897 | 1,677,845 | 1,752,740 | (1,833,818) |

Guarantee in favour of the subsidiaries

As of December 31st, 2021, the Parent Company has provided a guarantee to its subsidiary PPC Renewables S.A. for a total credit line of up to Euro 8 mil., through overdraft facilities, out of which PPC Renewables S.A. has used an amount of Euro 418 thousands relating to letters of guarantee.

As of December 31st, 2021, the Parent Company has provided a guarantee to its

subsidiary Energy Delivery Solutions AD (EDS) of Euro 14.1 mil., for loans concerning working capital needs. EDS Group drew an amount of Euro 10.7 mil.

On February 21, 2022, bank deposits of the Parent Company were pledged on behalf of the loan of the subsidiary EDS.

As at 31.12.2021 the Parent Company provided a corporate guarantee to EDS for the electricity supplier Energy Financing Team AG - St Gallen amounting of up to € 3.5 million and for the electricity supplier Alpiq Energija amounting of up to € 1.5 million

In addition, on 31.12.2021 the Parent Company provided a corporate guarantee to PPC Bulgaria for the suppliers of Alpiq Energy and CEZ of up to € 2.2 million and up to € 371 thousands, respectively.

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

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

| | 01.01.2021 – 31.12.2021 | | 01.01.2020 – 31.12.2020 | |
|-----------------|-------------------------|---------------|-------------------------|---------------|
| | Invoiced to | Invoiced from | Invoiced to | Invoiced from |
| ELPE | 25,572 | (98,978) | 40,832 | (80,213) |
| DEPA | 61 | (672,967) | 357 | (219,790) |
| DAPEEP S.A. | 254,107 | (359,949) | 242,434 | (550,891) |
| HEnEx S.A. | – | (3,384) | 589,785 | (1,230,316) |
| IPTO S.A | 43,624 | (128,795) | 196,593 | (399,050) |
| ENEX CLEAR S.A. | 3,179,247 | (4,610,117) | 348,398 | (435,712) |
| LARCO S.A. | 26,951 | – | 33,833 | (3,146) |
| | December 31, 2021 | | December 31, 2020 | |
| | Receivables | (Payables) | Receivables | (Payables) |
| ELPE | – | (18,064) | 23,382 | (21,499) |
| DEPA | – | (91,447) | – | (30,108) |
| DAPEEP S.A. | 31,704 | (68,889) | 111,873 | (430,562) |
| HEnEx S.A. | – | (8) | 5 | (8) |
| IPTO S.A. | 4,754 | – | 154,375 | (269,000) |
| ENEXCLEAR S.A. | 34,111 | (40,178) | 8,552 | (9,594) |
| LARCO S.A. | 369,093 | – | 362,986 | – |

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

In addition to the above mentioned, PPC enters into commercial transactions with many state-owned entities, both profit and non for profit, within its normal course of business (sale of electricity, services received, etc.). All transactions with state-owned entities are performed at arm's length terms and are not disclosed, with the exception of transactions that the Group and the Parent Company enter into with the Hellenic

Corporation of Assets and Participations S.A. (HCAP S.A.) and the companies in which HCAP S.A. participates. The balances and transactions for the years 2021-2020 with HCAP S.A. and the companies, in which HCAP S.A. participates, are presented below:

| | GROUP | | PARENT COMPANY | |
|--------------------------------------|-------------------|----------------|-------------------|----------------|
| | December 31, 2021 | | December 31, 2021 | |
| | Receivables | (Payables) | Receivables | (Payables) |
| HCAP S.A. | – | (1) | – | (1) |
| ATHENS INTERNATIONAL AIRPORT S.A. | 632 | (12) | 591 | (12) |
| ELTA S.A. | 1,486 | (6,888) | – | (6,809) |
| ELTA COURIER S.A. | 1 | (98) | – | (72) |
| EYDAP S.A. | 5,756 | (30) | 5,756 | (19) |
| ETVA INDUSTRIAL PARKS S.A. | 232 | (21) | 232 | (16) |
| THESSALONIKI INTERNATIONAL FAIR S.A. | 138 | – | 138 | – |
| ODIKES SYNGKOINONIES S.A. | 11,616 | – | 11,616 | – |
| PUBLIC PROPERTIES COMPANY S.A. | 5,207 | – | 5,207 | – |
| URBAN RAIL TRANSPORT S.A. | 34,963 | – | 34,963 | – |
| C.M.F.O. S.A. | 190 | – | 190 | – |
| O.A.S.A. S.A. | 6 | – | 6 | – |
| E.Y.A.TH. S.A. | 3,988 | (1) | 3,987 | (1) |
| GEA OSE S.A. | – | (1) | – | (1) |
| MANAGEMENT INDUSTR.PARK KASTORIA | – | (1) | – | (1) |
| AEDIK | 1 | – | 1 | – |
| MARINA ZEAS | 1 | – | 1 | – |
| HELLENIC SALTWORKS S.A. | – | (11) | – | (11) |
| TOTAL | 64,217 | (7,064) | 62,688 | (6,943) |
| | GROUP | | PARENT COMPANY | |
| | December 31, 2020 | | December 31, 2020 | |
| | Receivables | (Payables) | Receivables | (Payables) |
| ATHENS INTERNATIONAL AIRPORT S.A. | 976 | (22) | 951 | (22) |
| ELTA S.A. | 5,004 | (3,829) | – | (3,533) |
| ELTA COURIER S.A. | 1 | (91) | – | (52) |
| EYDAP S.A. | 3,337 | (42) | 3,337 | (2) |
| ETVA INDUSTRIAL PARKS S.A. | 198 | (24) | 198 | (19) |
| THESSALONIKI INTERNATIONAL FAIR S.A. | 7 | – | 7 | – |
| ODIKES SYNGKOINONIES S.A. | 6,546 | (2) | 6,546 | – |
| PUBLIC PROPERTIES COMPANY S.A. | 4,758 | – | 4,758 | – |
| URBAN RAIL TRANSPORT S.A. | 42,025 | – | 42,025 | – |
| C.M.F.O. S.A. | 10 | – | 10 | – |
| O.A.S.A. S.A. | 1 | – | 1 | – |
| E.Y.A.TH. S.A. | 2,193 | – | 2,192 | – |
| MANAGEMENT INDUSTR.PARK KASTORIA | 1 | – | 1 | – |
| AEDIK | 2 | – | 2 | – |
| EYDAP NISON | 5 | – | 5 | – |
| MARINA ZEAS | 1 | – | 1 | – |
| HELLENIC SALTWORKS S.A. | 2 | – | 2 | – |
| TOTAL | 65,067 | (4,010) | 60,036 | (3,628) |

The transactions made by the Group and the Parent company with HCAP S.A. and the companies in which participates for the years ended December 31st 2021 and December 31st 2020 are as follows:

| | GROUP | | PARENT COMPANY | |
|---|-------------------------|-----------------|-------------------------|-----------------|
| | 01.01.2021 – 31.12.2021 | | 01.01.2021 – 31.12.2021 | |
| | Invoiced to | Invoiced from | Invoiced to | Invoiced from |
| HCAP S.A. | 20 | – | 20 | – |
| ATHENS INTERNATIONAL AIRPORT S.A. | 4,494 | (102) | 4,258 | (102) |
| ELTA S.A. | 17,256 | (17,207) | 4 | (12,588) |
| ELTA COURIER S.A. | 7 | (236) | 7 | (181) |
| EYDAP S.A. | 20,999 | (163) | 20,886 | (127) |
| ETVA INDUSTRIAL PARKS S.A. | 1,186 | (44) | 1,185 | (38) |
| THESSALONIKI INTERNATIONAL FAIR S.A. | 902 | (71) | 902 | (70) |
| ODIKES SYNGKOINONIES S.A. | 3,536 | (8) | 3,536 | – |
| PUBLIC PROPERTIES COMPANY S.A. | 1,783 | (28) | 1,704 | (2) |
| URBAN RAIL TRANSPORT S.A. | 22,328 | (1) | 22,328 | – |
| C.M.F.O. S.A. | 1,272 | – | 1,272 | – |
| O.A.S.A. S.A. | 49 | – | 49 | – |
| E.Y.A.TH. S.A. | 14,220 | (7) | 14,214 | (1) |
| HELLENIC SALTWORKS S.A. | 263 | – | 263 | – |
| MANAGEMENT OF INDUSTRIAL PARK OF KASTORIA | 4 | – | 4 | – |
| GAIA- OSE S.A. | 16 | – | 16 | – |
| A.E.D.I.K | 17 | – | 17 | – |
| TOTAL | 88,352 | (17,867) | 70,665 | (13,109) |
| | GROUP | | PARENT COMPANY | |
| | 01.01.2020 – 31.12.2020 | | 01.01.2020 – 31.12.2020 | |
| | Invoiced to | Invoiced from | Invoiced to | Invoiced from |
| HCAP S.A. | 16 | – | 16 | – |
| ATHENS INTERNATIONAL AIRPORT S.A. | 4,311 | (113) | 4,095 | (113) |
| ELTA S.A. | 18,068 | (20,114) | 23 | (15,030) |
| ELTA COURIER S.A. | 7 | (181) | 6 | (90) |
| EYDAP S.A. | 17,272 | (167) | 17,157 | (126) |
| ETVA INDUSTRIAL PARKS S.A. | 941 | (34) | 940 | (31) |
| THESSALONIKI INTERNATIONAL FAIR S.A. | 582 | (22) | 582 | (20) |
| ODIKES SYNGKOINONIES S.A. | 2,861 | (14) | 2,861 | – |
| PUBLIC PROPERTIES COMPANY S.A. | 1,687 | (1) | 1,687 | (1) |
| URBAN RAIL TRANSPORT S.A. | 17,501 | (1) | 17,501 | – |
| C.M.F.O. S.A. | 1,038 | – | 1,038 | – |
| O.A.S.A. S.A. | 36 | – | 36 | – |
| CENTRAL MARKET OF THESSALONIKI S.A. | 91 | – | 91 | – |
| E.Y.A.TH. S.A. | 11,681 | (4) | 11,666 | – |
| HELLENIC SALTWORKS S.A. | 217 | – | 217 | – |
| MANAGEMENT OF INDUSTRIAL PARK OF KASTORIA | 6 | – | 6 | – |
| GAIA- OSE S.A. | 6 | – | 6 | – |
| A.E.D.I.K | 17 | – | 17 | – |
| SOCIAL FEEDING PROGRAM | – | (3) | – | (3) |
| TOTAL | 76,338 | (20,654) | 57,945 | (15,414) |

Management remuneration

Management Members remuneration (Board of Directors and General Managers) for the year ended December 31st, 2021 and December 31st, 2020 is as follows:

| | GROUP | | COMPANY | |
|--|--------------|--------------|--------------|--------------|
| | 2021 | 2020 | 2021 | 2020 |
| Remuneration of the Board of Directors' members | | | | |
| – Remuneration of executive members | 1,254 | 821 | 677 | 438 |
| – Remuneration of non-executive members | 326 | 294 | – | – |
| – Compensation / Extraordinary fees and other benefits | 375 | 280 | 211 | 155 |
| – Employer's Social Contributions | 238 | 249 | 83 | 80 |
| | 2,193 | 1,644 | 971 | 673 |
| Remuneration of the Deputy Chief Executive Officers and General Managers | | | | |
| – Regular remuneration | 2,175 | 1,375 | 1,468 | 1,049 |
| – Employer's Social Contributions | 346 | 296 | 254 | 196 |
| – Compensation / Extraordinary fees | 1,001 | 141 | 573 | – |
| | 3,522 | 1,812 | 2,295 | 1,245 |
| Total | 5,715 | 3,456 | 3,266 | 1,918 |

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

The remuneration of the members of the Board of Directors and the General Managers of December 31, 2021 includes the additional incentive for 2020 and 2021 amounting to € 1 million and € 2.7 million respectively based on the new remuneration policy approved by the Extraordinary General Meeting of shareholders on June 4, 2021. It was also approved to provide additional incentive in the form of equity settled stock awards. As to date the key Efficiency Ratios for this benefit have not been defined, it is not possible at present to determine the fair value of the Free Sharing Rights. The accounting principle which is endorsed by the Group and the Parent Company is presented in note 4.2.

20. INVENTORIES

| | GROUP | | COMPANY | |
|---|------------------|------------------|----------------|----------------|
| | 2021 | 2020 | 2021 | 2020 |
| Lignite | 35,786 | 59,364 | 24,232 | 48,454 |
| Liquid fuel | 218,844 | 190,030 | 215,994 | 187,089 |
| Materials and consumables | 785,322 | 785,249 | 536,754 | 542,206 |
| Purchased materials in transit | 7,441 | 7,439 | 7,333 | 7,331 |
| | 1,047,393 | 1,042,082 | 784,313 | 785,080 |
| Provision for impairment of inventories | (437,491) | (411,718) | (354,177) | (329,906) |
| Total | 609,902 | 630,364 | 430,136 | 455,174 |

Within 2021 the Group and the Parent Company made additional provision of slowly moving materials and spare parts amounting € 14,787 and € 13,607 respectively (2020: € 50,030 and € 26,149 respectively).

The Parent Company recorded on December 31, 2021 an additional impairment provision of € 10,664 (2020: € 36,306) on the value of specific used spare parts of the Gas Units as their book value was higher than their net realizable value.

Due to the acceleration of the conversion of the new unit under construction "Ptolemaida 5" from Lignite to Natural Gas Unit in year 2025, the mine of Ptolemaida that would supply the new Unit with lignite, will be ceased at the end of 2024, instead of year 2028 that was planned as of 31.12.2019. Following this change, an additional impairment provision was established of Euro 7,048 as those inventories located in the warehouse of the mine, are not expected to be used in the production procedure.

The inventories of the Group and the Parent Company are held free of encumbrance.

21. TRADE RECEIVABLES, NET

| | GROUP | | COMPANY | |
|---|--------------------|--------------------|--------------------|--------------------|
| | 2021 | 2020 | 2021 | 2020 |
| High voltage | 580,379 | 630,869 | 585,147 | 624,022 |
| Medium and Low voltage | 2,599,854 | 2,479,965 | 2,592,335 | 2,456,427 |
| Customers' contributions | 2,741 | 2,765 | 2,741 | 2,765 |
| Other energy suppliers | 339,920 | 241,695 | – | – |
| Natural gas receivables | 220 | 169 | 220 | 169 |
| | 3,523,114 | 3,355,463 | 3,180,443 | 3,083,383 |
| Provision for expected credit losses High voltage | (518,146) | (527,498) | (518,146) | (527,498) |
| Provision for expected credit losses Medium and Low voltage | (1,786,388) | (2,001,266) | (1,786,388) | (2,001,266) |
| Provision for expected credit losses Other energy suppliers | (117,955) | (118,020) | – | – |
| | (2,422,489) | (2,646,784) | (2,304,534) | (2,528,764) |
| Total | 1,100,625 | 708,679 | 875,909 | 554,619 |

The provision for expected credit losses is stated as follows:

| | GROUP | | COMPANY | |
|-----------------------------------|------------------|------------------|------------------|------------------|
| | 2021 | 2020 | 2021 | 2020 |
| Balance, as at January 1 | 2,646,784 | 2,654,925 | 2,528,764 | 2,536,927 |
| – (Decrease) in provision | (224,295) | (8,141) | (224,230) | (8,163) |
| Balance, as at December 31 | 2,422,489 | 2,646,784 | 2,304,534 | 2,528,764 |

In December 2021, the Parent Company proceeded to write offs of overdue trade receivables, derived from electricity sales to Low Voltage customers, amounting to Euro 49,870 (31.12.2020 : Euro 71,521) for which an equal expected credit loss provision was recorded in previous years.

High voltage customer balances relate to (a) receivables from sales of energy to 57 companies with 90 installations (power supplies), including large industrial companies,

which are invoiced at the end of each calendar month, based on individual agreements and actual monthly metering that is sent from IPTO and (b) receivables from exports to customers abroad.

Medium voltage customers are mainly industrial and commercial companies. Billing is made on a monthly basis and it is based on actual meter readings send by HEDNO. Low voltage customers are mainly residential and small commercial companies.

The majority of low voltage customers are billed every four months based on actual meter readings, while interim bills are issued every two months based mainly on the energy consumed during the corresponding prior period. There are different types of tariffs for both Medium and Low Voltage customers based on different types of energy use (commercial, residential, etc).

The provision for expected credit losses for the high voltage customers is established by making a personalized assessment of the expected credit loss per customer.

For the determination of expected credit losses regarding the receivables from Medium and Low voltage customers, the Group and the Parent Company use credit loss provision tables based on the ageing of the balances and the historical data of the Group and the Parent Company for credit losses, adjusted for future factors with respect to debtors and the economic environment.

As at 31 December 2021 and 31 December 2020, the maturity of the invoiced commercial receivables and the expected credit loss on them is as follows:

Ageing analysis of the trade receivables balances (Group)

| 31.12.2021 | Non past due balance | <30 days | 30 - 60 days | 60 - 90 days | 90 - 180 days | 180 - 365 days | >365 days | Total |
|----------------------|----------------------|----------|--------------|--------------|---------------|----------------|-----------|-----------|
| Expected credit loss | 6.26% | 9.21% | 20.26% | 21.02% | 37.07% | 56.45% | 94.06% | 68.76% |
| Total receivables | 462,748 | 178,102 | 131,412 | 78,406 | 191,368 | 188,003 | 2,293,074 | 3,523,114 |
| Expected credit loss | 28,964 | 16,407 | 26,618 | 16,483 | 70,931 | 106,132 | 2,156,954 | 2,422,489 |

| 31.12.2020 | Non past due balance | <30 days | 30 - 60 days | 60 - 90 days | 90 - 180 days | 180 - 365 days | >365 days | Total |
|----------------------|----------------------|----------|--------------|--------------|---------------|----------------|-----------|-----------|
| Expected credit loss | 7.47% | 16.54% | 28.27% | 37.07% | 50.60% | 81.33% | 99.04% | 79.90% |
| Total receivables | 328,596 | 129,852 | 117,242 | 80,742 | 181,015 | 264,123 | 2,253,893 | 3,355,463 |
| Expected credit loss | 24,545 | 21,475 | 33,150 | 29,930 | 91,602 | 214,813 | 2,231,269 | 2,646,784 |

Ageing analysis of the trade receivables balances (Parent Company)

| 31.12.2021 | Non past due balance | <30 days | 30 - 60 days | 60 - 90 days | 90 - 180 days | 180 - 365 days | >365 days | Total |
|----------------------|----------------------|----------|--------------|--------------|---------------|----------------|-----------|-----------|
| Expected credit loss | 7.21% | 10.99% | 25.58% | 32.28% | 52.76% | 62.90% | 93.62% | 72.46% |
| Total receivables | 401,751 | 149,355 | 104,058 | 51,059 | 134,440 | 168,736 | 2,171,044 | 3,180,443 |
| Expected credit loss | 28,964 | 16,407 | 26,618 | 16,483 | 70,931 | 106,132 | 2,038,999 | 2,304,534 |

| 31.12.2020 | Non past due balance | <30 days | 30 - 60 days | 60 - 90 days | 90 - 180 days | 180 - 365 days | >365 days | Total |
|----------------------|----------------------|----------|--------------|--------------|---------------|----------------|-----------|-----------|
| Expected credit loss | 9.39% | 19.35% | 31.23% | 42.87% | 58.48% | 81.73% | 99.89% | 82.01% |
| Total receivables | 261,445 | 110,957 | 106,147 | 69,816 | 156,602 | 262,840 | 2,115,576 | 3,083,383 |
| Expected credit loss | 24,545 | 21,475 | 33,150 | 29,930 | 91,586 | 214,813 | 2,113,265 | 2,528,764 |

22. CONTRACT ASSETS

| | Group | | Company | |
|--------------------------------------|----------------|----------------|----------------|----------------|
| | 2021 | 2020 | 2021 | 2020 |
| Unbilled revenue | 768,511 | 420,576 | 768,511 | 420,576 |
| Provision for expected credit losses | (108,166) | (48,101) | (108,166) | (48,101) |
| Total | 660,345 | 372,475 | 660,345 | 372,475 |

Revenues from the supply of power to High, Medium and Low voltage customers during the interval from the last measurement or billing until the reporting date are accounted for as energy consumed but not yet billed (unbilled revenue). At each reporting date and taking into account that the billing which is based on measurement data of the last month of the period, is carried out in the first days of the next month with respect to High and Medium Voltage customers, the total value of energy of that month is recognized as accrued income for the period, which is reversed in the following month, after billing has already been accounted for.

Additionally, at each reporting date, the Parent Company estimates the unbilled revenue from Low Voltage customers, having developed a specific estimation method. The resulting amounts are accounted for as accrued income for the periods ending until the reporting date and reversed in the next month. All accrued income from the energy consumed but not yet billed is impaired at each reporting date with provision for expected credit losses. This provision is calculated on the basis of the possibility of default for non-past due trade receivables, arising from the expected credit loss provision table.

On December 31, 2021 the consumed and un-billed energy is increased by € 347,935 compared to December 31, 2020 due to the un-billed supply charge adjustment clause that was incorporated in the clearing energy bills from August 5, 2021 (Note 3- Commercial policy).

The analysis of the provision for expected credit losses on the value of the unbilled revenue is as follows:

| | Group | | Company | |
|------------------------------------|---------|---------|---------|---------|
| | 2021 | 2020 | 2021 | 2020 |
| Balance as at January 1 | 48,101 | 54,830 | 48,101 | 54,830 |
| – Increase/(Decrease) in provision | 60,065 | (6,729) | 60,065 | (6,729) |
| Balance as at December 31 | 108,166 | 48,101 | 108,166 | 48,101 |

23. OTHER RECEIVABLES, NET

| | Group | | Company | |
|--|------------------|----------------|------------------|----------------|
| | 2021 | 2020 | 2021 | 2020 |
| Value Added Tax | 57,187 | 70,908 | 49,841 | 66,452 |
| Assessed taxes and penalties | 2,125 | 34,239 | 1,371 | 33,664 |
| Social security funds | | | | |
| – in dispute | 18,059 | 18,059 | 18,059 | 18,059 |
| – current | 4,446 | 3,195 | 4,426 | 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 | 5,788 | 5,955 | 3,215 | 3,273 |
| Receivables from contractors | 5,144 | 4,047 | 5,116 | 4,048 |
| Receivables from PPCR | – | – | 1,007 | 1,121 |
| Receivables from Lignite subsidiaries (Note 19) | – | – | 31,409 | 79,938 |
| Advances and prepayments | 40,075 | 25,580 | 33,845 | 20,383 |
| Accrued income | 140,121 | 107,114 | 67,302 | 25,156 |
| Receivables from third parties from hedge accounting transactions through derivative financial instruments | 51,728 | – | 51,728 | – |
| Receivables of subsidiaries from third parties | 21,817 | 49,113 | – | – |
| Electricity and CO ₂ insurance Margin | 907,700 | 103,732 | 907,700 | 103,732 |
| Other | 134,033 | 104,554 | 129,669 | 98,489 |
| | 1,395,031 | 533,304 | 1,311,496 | 464,318 |
| Provision for expected credit losses | (152,491) | (139,588) | (191,508) | (249,595) |
| Total | 1,242,540 | 393,716 | 1,119,988 | 214,723 |

VAT refunds

For the year 2021, due to the VAT credit balances that came mainly from outflows subject to a rate lower than that of input tax, VAT refund requests were submitted to the Athens Tax Office of a total amount of €160 million and that refunded without audit to the Company.

During the year 2020, requests for refunds of € 115 million were submitted due to VAT credit balances based on the periodic declarations of 2020. These amounts came

mainly from outflows subject to a rate lower than that of input tax. Of the requested amounts, € 85 million were returned as such by the Athens Tax Office within 2020 and for the remaining € 30 million, their payment has been approved in the near future.

Electricity and CO₂ insurance margin

As at December 31, 2021 the other receivables of the Group and the Parent Company appear increased by € 848.8 million and € 905.3 million respectively compared to 31 December 2020 mainly due to the increase by € 803.9 million of receivables Insurance Margin for the participation of the Group and the Parent Company in the Electricity Market and in the Futures Market due to the participation on future contracts for the purchases of CO₂ emission rights and electricity.

Assessed taxes and penalties:

An amount of Euro 33,475 on December 2020 corresponds to the already 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 to 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 (DEFK 5025777 EE 2010/17.6.2010) on the matter. The Company paid the charged amounts imposed and at the same time filled an appeal on the aforementioned act before Piraeus Court of Appeals and since then compliant with the instructions of Ministry of Finance, PPC includes the self-consumption quantities of electricity in the Special Consumption Tax Statements which submits and pays with recourse the relevant tax on the monthly basis, while simultaneously files a corresponding lawsuit. A total amount of Euro 33,475 on December 31, 2020 corresponded to a paid special consumption tax with recourse. On December 31, 2021, the Parent Company written off the provision for special consumption tax as it de-recognized the corresponding receivables for Special Consumption Tax (SCT) as of December 31, 2020, as the criteria for the recognition of this asset under IFRS were not met.

Within 2021, the Parent Company includes the self-consumed quantities of electricity in the SCT Declarations that it submitted and paid the charged amounts imposed and at the same time filled an appeal on the aforementioned act, on a monthly basis for the corresponding tax.

Social Security Funds in Dispute

The amount relates to social security contributions and deductions (during years 1983-1993) for employees who have worked with other employers before joining PPC. As PPC undertook the obligation to cover the whole amount of their pensions and other related benefits, part of their contributions to other social security funds mainly IKA (SII, i.e. Social Insurance Institute which was the major Greek social security fund) have been claimed by PPC.

Since the claim was not accepted by IKA, PPC resorted to the courts. Following an adverse court decision, PPC together with PPC – PIO (currently EFKA, Greek Single Social Security Institution) appealed against the said decision. The court rejected PPC's appeal, whereas PPC – PIO's (currently EFKA, Greek Single Social Security Institution) appeal against IKA is still pending. For the abovementioned amount, an equal provision has been established in the financial statements.

Advances to Pensioners in Dispute

The amount of 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 participation to the social security contributions of employees who started working after January 1st, 1993. For the above mentioned amount, an equal provision has been established.

The analysis of the provision for expected credit losses of other receivables is as follows:

| | Group | | Company | |
|--|----------------|----------------|----------------|----------------|
| | 2021 | 2020 | 2021 | 2020 |
| Balance, January 1 | 139,588 | 135,803 | 249,595 | 272,767 |
| – Provision charge | 47,580 | 7,133 | 88,038 | 87,795 |
| – Reversal of unused provision | (1,234) | (3,348) | (112,682) | (110,967) |
| – Special contribution tax provision write-off | (33,443) | – | (33,443) | – |
| Balance, December 31 | 152,491 | 139,588 | 191,508 | 249,595 |

The above provision also includes the provision of expected credit loss of receivables from lignite subsidiaries. As of December 31, 2020, the Parent Company had recognized a provision of expected credit loss on the receivables of lignite subsidiaries totaling € 81.2 million that were capitalized in 2021. Subsequently, the provision of expected credit loss was reversed and an equal provision for impairment of shareholding in subsidiaries was formed within 2021. In addition, for the balances of 31 December 2021 of the net receivables from the lignite subsidiaries, a provision of expected credit loss for the amount of € 46.1 million has been established. Additional information is provided in Note 17.

24. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

| | Group | | Company | |
|---------------------------|------------|------------|------------|------------|
| | 2021 | 2020 | 2021 | 2020 |
| – National Bank of Greece | 20 | 15 | 20 | 15 |
| – Evetam | 250 | 250 | 250 | 250 |
| – Euroasia Interconnector | 51 | 51 | 51 | 51 |
| – Attica Bank | 6 | 550 | 4 | 330 |
| Total | 327 | 866 | 325 | 646 |

On December 31st, 2021 the total change in the fair value of the above financial assets was recorded in "Other reserves" in Equity. (Note 28)

25. CASH AND CASH EQUIVALENTS

| | Group | | Company | |
|---------------|------------------|----------------|------------------|----------------|
| | 2021 | 2020 | 2021 | 2020 |
| Cash in hand | 392 | 378 | 309 | 353 |
| Cash at banks | 2,650,525 | 561,817 | 2,353,895 | 388,587 |
| Time deposits | 181,434 | 253,445 | 158,000 | 238,000 |
| Total | 2,832,351 | 815,640 | 2,512,204 | 626,940 |

Interest earned on cash at banks and time deposits are accounted for on an accrual basis and amounted to Euro 709 (2020: Euro 2,724) for the Group and to Euro 121 (2020: Euro 1,407) for the Parent Company and are included in financial income in the accompanying statements of income (Note 12). All cash and cash equivalents are denominated in Euro.

Additionally, on December 31st, 2021 the Group and the Parent Company kept in a pledged deposit account an amount of Euro 65,856 and Euro 48,278 respectively (2020: Euro 58,702 Group and Euro 52,803 Parent Company). The amounts involved relate to (a) the pledged account kept in NBG in favor of the European Investment Bank (EIB) in order to cover existing financing schemes and (b) the pledged account for a pledged deposit in favor of the Consortium of Banks for financing the project of PTOLEMAIDA V. Out of the above amount Euro 12,533 (Group and Parent Company) is not related to pledged deposits of loan agreements.

26. SHARE CAPITAL AND SHARE PREMIUM

Under Law 2773/1999 and P.D. 333/2000, PPC was transformed, into a société anonyme.

Pursuant to the decision of October 19, 2021 of the Extraordinary General Meeting of the shareholders of the Parent Company and of the decision of October 29, 2021 of its Board of Directors, PPC SA proceeded to Share Capital increase through a public offering in Greece, to private investors and outside Greece, to institutional and other eligible investors, through a process of private placement book building.

On November 11, 2021, the share capital increase was completed by cash payment and a chartered accountant certified the share capital increase by € 372.0 million and the share premium increase by € 978.0 million in cash, with total amount of € 1,350 billion, with the issuance of 150,000,000 new common shares with a nominal value of € 2.48 each and with share premium of € 6.52 each.

Therefore, on December 31, 2021 the Share Capital of PPC SA, amounted to € 947,360 (31.12.2020: € 575,360) consisting of 382,000,000 (31.12.2020: 232,000,000) common shares with a nominal value of € 2.48 each, while the Share Premium amounted to € 1,018.7 million (31.12.2020: € 106.7 million) minus expenses for the share capital increase of € 65.9 million.

The Greek State reduced its participation from 51.12% as of December 31, 2020 to 34.12% as of December 31, 2021 while remains the largest shareholder of PPC. More specifically, the Hellenic Corporation of Assets and Participations (HCAP) as a result of the share capital increase, directly holds 90,909,860 common shares or 23.8% of PPC shares (31.12.2020: number of shares 79,165,114 or 34.12%) and indirectly through the Hellenic Republic Asset Development Fund SA " HRADF " (wholly owned subsidiary of HCAP) 39,440,000 common shares or 10.32% of PPC shares (31.12.2020: number of shares

39,440,000 or 17%). Therefore, the total participation of HCAP in the voting rights of PPC SA amounted to 34.12%, from 51.12%.

The total funds raised through the Share Capital Increase amounted to €1.35 bil. and, after deduction of the expenses of € 65.9 mil., will be used, in accordance with section 16.2 "Reasons for the Share Capital Increase and use of proceeds" of the Company's Prospectus dated 01.11.2021 (the "Prospectus"), by PPC and/or other Group companies or existing or future joint ventures between 2022 and 2024 as follows:

- (a) up to €1.284 bil. of the approximately €3.2 bil. the Company has budgeted for capital expenditures on renewable energy projects through 2024, including hydroelectric power generation and projects in adjacent markets, aiming to reach an installed RES capacity of 7.2 GW by 2024; and/or
- (b) up to €1.284 bil. of the approximately €1.7 bil. the Company has budgeted for capital expenditures through 2024 on conventional power generation, supply business unit, the construction of a waste-to-energy plant, digitalization, telecommunications, electric vehicle charge-points; and
- (c) to the extent reasonably necessary and only up to amounts that are not material for the Group's financial condition, for other general corporate and other investment purposes.

On March 2, 2022, the automatic transfer of all shares in PPC owned by HRADF (corresponding to 39,440,000 shares or 10.32%) to HCAP was completed, pursuant to article 147 of L. 4876/2021.

Following this transfer, the direct participation of HCAP S.A. in PPC amounts to 34.12% with the corresponding voting rights, while HRADF no longer participates in PPC's share capital.

27. LEGAL RESERVE

Under Greek corporate law, corporations are required to transfer a minimum of 5% of their annual net profit as reflected in their financial statements to a legal reserve, until such reserve equals one-third of the paid-in share capital. This reserve cannot be distributed through the life of the corporation.

28. OTHER RESERVE

| | Group | | Company | |
|--|----------------|---------------|----------------|---------------|
| | 2021 | 2020 | 2021 | 2020 |
| Tax free | 7,458 | 7,458 | 7,458 | 7,458 |
| Specially taxed reserves | 95,597 | 95,597 | 95,597 | 95,597 |
| Actuarial losses of personnel benefits/ Foreign exchange differences | 302 | (19,831) | (42,818) | (55,433) |
| Financial assets measured at fair value through other comprehensive income (Note 24) | (470) | 69 | (401) | (82) |
| Reserve from Hedging activities (Note 43) | 203,490 | 4,312 | 203,490 | 4,312 |
| Total | 306,377 | 87,605 | 263,326 | 51,852 |

Cash flow hedging reserves are analysed as follows:

| Hedging Reserves 2021 | Gas price swap contracts | Gas Future Contracts | Electricity price swap contracts | Electricity Future Contracts | Total | Effect on: |
|---|--------------------------|----------------------|----------------------------------|------------------------------|------------------|---|
| Balance 31/12/2020 | 1,066 | – | 2,585 | 661 | 4,312 | |
| Gains from valuation of effective hedging operations | 176,582 | 229,120 | 48,032 | 6,074 | 459,808 | Statement of comprehensive income |
| Ineffective cash flow hedge transferred to Results | – | – | – | – | – | Income statement (other income / expenses) |
| Reclassification of hedging transactions in the Results | (101,076) | (1,842) | (51,434) | (90,511) | (244,863) | From statement of comprehensive income to income statement (Electricity purchases, natural gas purchases) |
| Tax effect | (16,583) | – | 816 | – | (15,767) | Statement of comprehensive income |
| Balance 31/12/2021 | 59,988 | 227,278 | – | (83,776) | 203,490 | |
| Effect on: | | | | | | |
| Income Statement 31/12/2021 | (101,076) | (1,842) | (51,433) | (90,511) | (244,862) | |
| Statement of comprehensive income (before tax) 31/12/2021 | 75,506 | 227,278 | (3,402) | (84,437) | 214,945 | |

In addition, an amount of € 4.1 million is included in the reserves from cash flow hedging of electricity futures contracts and relates to the valuation gain of the electricity purchase contracts resulted from the discontinuation of the hedging relationship due to the inclusion of new clause based on the market price fluctuations.

Their transfer to the Results of the Group and the Parent Company will take place gradually within 2022 until the occurrence of the hedged item transactions.

29. DIVIDENDS

Pursuant to the provisions of the Code for Societe Anonyme L.4548/18, companies are required to pay dividends of at least 35% of after-tax profit, after necessary deductions for the formation of the legal reserve, and other credit accounts in the income statement that do not arise from realized earnings. By decision of the General Meeting which is obtained with an increased quorum and majority that rate may be reduced, but not below 10%.

The non-distribution of a dividend is possible by decision of the General Meeting of Shareholders, which is obtained with an increased quorum and a majority of 80% of the capital represented in the meeting. Furthermore, Greek corporate law (L. 4548/18 art. 159) requires certain conditions to be met for the dividend distribution. Based on L.4646/2019 which amended the articles 40 and 64 of L.4172/2013, the distributable earnings approved by the General Meetings are subject to a withholding tax of 5% since 01.01.2019.

In addition, the amount distributed to the shareholders may not exceed the amount of the results of the last year, added with the profits from previous years that have not been distributed and the reserves for which their distribution is allowed and approved by the general meeting, and reduced: (a) by the amount of the income statement credits, which do not constitute realized profits, (b) by the amount of the losses of previous years and (c) by the amounts to be used to form reserves, in accordance the law and the statute.

Although the year ended December 31, 2021 is profitable for the Parent Company, the Board of Directors will propose to the General Meeting of the shareholders the non-distribution of dividend. The decision of non-distribution of dividend will be finalized at the General Meeting of the Shareholders based on the provisions of the Law as stated above.

30. LONG-TERM BORROWING

| | Group | | Company | |
|---|------------------|------------------|------------------|------------------|
| | 31.12.2021 | 31.12.2020 | 31.12.2021 | 31.12.2020 |
| – Banks Loans | 1,832,927 | 2,128,863 | 372,078 | 2,043,862 |
| – Bonds Payable | 2,671,509 | 1,982,627 | 2,647,093 | 1,971,153 |
| Unamortized portion of loans issuance fees & Loss from the loan modifications | (88,166) | (84,235) | (88,166) | (84,235) |
| Transfers to Liabilities Held for Sale (Note 5) | – | – | – | (1,525,062) |
| Total Long-Term Borrowing | 4,416,270 | 4,027,255 | 2,931,005 | 2,405,718 |
| Less current portion: | | | | |
| – Bank Loans | 285,909 | 289,015 | 139,318 | 289,015 |
| – Bonds Payable | 86,744 | 274,216 | 86,754 | 274,226 |
| Unamortized portion of loans issuance fees & Loss from the loan modifications | (19,021) | (16,429) | (19,021) | (16,429) |
| Transfers to Liabilities Held for Sale (Note 5) | – | – | – | (149,697) |
| Total Short-Term portion of loans and borrowings | 353,632 | 546,802 | 207,051 | 397,115 |
| Total Long-Term portion of loans and borrowings | 4,062,638 | 3,480,453 | 2,723,954 | 2,008,603 |
| Short Term Loans | 271,337 | 42,152 | 260,000 | 30,000 |
| Loan Total | 4,687,607 | 4,069,407 | 3,191,005 | 2,435,718 |

During the period 01.01.2021 - 31.12.2021, the Group and the Parent Company proceed with debt repayments of € 1,495.9 million and € 1,453.0 million respectively, including:

- early repayment of an existing loan of € 37.5 million from the trade receivables securitization amounting to € 150.0 million.
- early repayment of an existing loan of € 575.0 million from the product of the issue of Bonds with a sustainability clause, amounting to € 775.0 million maturing in 2026; and
- early repayment of an existing loan of € 495.0 million from the bond issue with a sustainability clause of € 500.0 million, maturing in 2028.

During the period 01.12.2021–31.12.2021 and 01.01.2022–28.02.2022, the Parent Company proceed with debt repayment of € 40.4 million and € 31.8 million respectively on behalf of the HEDNO subsidiary until approval of the new terms of the existing loan agreements that were contributed to the subsidiary due to the spin-off of the distribution network (Note 5). For these payments, the Parent Company has recognized an equal receivable in its books from HEDNO, which it is expected to be offset with its obligations.

During the period 01.01.2021-31.12.2021, the Parent Company drawn an amount of € 5.36 million from a Bond Loan of € 680.0 million to finance part of the construction cost of the new Lignite plant <Ptolemaida V> with a consortium of foreign banks supported by the German Export Credit Insurance Organization "Euler Hermes".

During the period 01.01.2021 - 31.12.2021, the Parent Company with the issuance of international bonds and the reduction of existing interest rates secured an interest benefit of € 16.2 million, while proceeded to modification of loan agreements due to early repayment of existing loans and existing interest rates resulting in a gain of € 11.5 million which is included in "financial income" of the Group and the Parent Company.

Below exists a brief description on the new loan agreements / bonds signed during the year 2021 by the Group and the Parent Company:

Issuance of Sustainability Bonds (SLB "sustainability-linked bonds") expiring in 2026

The Parent Company raised on March 18, 2021 through the issuance of viability bonds with a sustainability clause an amount of € 650 million, with an interest rate of 3.875% and maturing in 2026, with an issue price of 100%. On March 24, 2021, through an additional issue, it raised an amount of € 125.0 million, with an interest rate of 3.875% and maturity in 2026, with an issue price of 100.75% and a yield of 3.672%, which corresponds to a savings of 0.205% compared to the original issue rate. The Bonds were issued in accordance with Article 59, paragraph 2, and Article 74 of Law 4548/2018, and Article 14 of Law 3156/2003, governed by New York law and traded on the Dublin Stock Exchange.

The proceeds from the sustainability bonds were used to repay existing borrowing, for general corporate purposes and to pay the costs and expenses of the issue. Both issues have a sustainability clause according to which in case of no reduction of CO₂ emissions by 40% in December 2022 compared to those of December 2019, the interest rate will increase from March 30, 2023 by 0.50%.

Issuance of Sustainability Bonds (SLB "sustainability-linked bonds") expiring in 2028

The Parent Company raised on July 21, 2021 through the issuance of viability bonds with a sustainability clause an amount of € 500.0 million, with an interest rate of 3.375% and maturity in 2028, with a issue price of 100%. The Bonds were issued in accordance with Section 59 (2), Section 74 of Act 4548/2018, and Section 14 of Section 3156/2003, governed by New York law and traded on the Dublin Stock Exchange. An amount of € 495.0 million from the income from the viability bonds was used for the partial repayment of an existing bank loan on 30.9.2021, while an amount of € 5.0 million was used to pay the costs and expenses of the issue. The Bonds have a sustainability clause according to which in case of failure to achieve a reduction of CO₂ emissions by 57% in December 2023 compared to those of December 2019, the interest rate will increase from 31 July 2024 by 0.50%.

Signing of a Bond Loan Agreement issued by the company SOLAR PARKS OF WESTERN MACEDONIA ONE SA 100% subsidiary of PPC RENEWABLE

The company SOLAR PARKS OF WESTERN MACEDONIA ONE SA (100% subsidiary of PPC RENEWABLES SA), signed on April 8, 2021 a loan agreement of € 8.7 million in the form of a Bond Loan for the financing of development development 15 MW in Ptolemaida in the Kozani Region. This amount is part of the wider financing agreement for the construction of a portfolio of photovoltaic parks with a total installed capacity of 230 MW in the same area in which National Bank SA participates. and Eurobank A.E. as bondholders, while the European Investment Bank has the right to participate in the financing for the entire portfolio of 230MW. In 2021, the Company raised an amount of € 8.73 million.

Signing of a Bond Loan Agreement issued by the company SOLAR PARKS OF WESTERN MACEDONIA TWO SA. 100% subsidiary of PPC RENEWABLE

The company SOLAR PARKS OF WESTERN MACEDONIA TWO SA, 100% subsidiary of the company PPC RENEWABLES SA, signed on 01.07.2021 a loan agreement of € 9.9 million in the form of a Bond Loan for the financing of development 15 MW in Ptolemaida in the Kozani Region. This amount is part of the wider financing agreement for the construction of a portfolio of photovoltaic parks with a total installed capacity of 230 MW in the same area in which National Bank SA participates. and Eurobank A.E. as bondholders, while the European Investment Bank has the right to participate in the financing for the entire portfolio of 230MW. In 2021, the Company raised an amount of € 5.79 million.

Signing of new loan agreements in the form of revolving credit (RCF)

The Parent Company signed on August 12, 2021 a loan agreement for the issuance of a new Joint Bond Loan (N.4548 / 2018), amounting to € 300.0 million in the form of revolving credit (RCF), without collateral with floating interest rate Euribor plus margin between 4.75% -2.50% depending on the ratio Net Lending / Profits before taxes and depreciation, with Contractor, Initial Organizer, Payment Manager and Initial Bond holder Alpha Bank SA Eurobank SA also participates in the Loan. as Organizer and Initial Bondholder. The Loan will be used for general business purposes and will have a duration of 3 years, which can be extended by an additional 2 years.

The Parent Company raised in September 2021, an amount of € 250 million and in October 2021 the remaining amount of € 50.0 million. In addition, the Parent Company signed and raised in December 2021 an amount of € 300 million from the issuance of a Common Bond Loan of Law 4548/2018 in the form of Revolving Credit (RCF) without collateral with a floating interest rate Euribor plus a margin between 3.25% - 2.50%

depending on the Net Lending / Profit before taxes and depreciation ratio, with Ethniki and Piraeus Banks as Initial Bondholders, Coordinators, Co-Organizers, to cover working capital needs and other business purposes.

These issues include, among other things, a 40% reduction clause of CO₂ emissions by December 2022 with a base year of 2019, in the context of aligning PPC's fiscal policy with its overall strategy for the environment and mitigating the effects of climate change.

We present a brief description of significant existing loan agreements / long-term borrowing bonds of the Group and the Parent Company:

Syndicated Unsecured Bond Loan of € 1,085,750,000

On October 5, 2018, an agreement was concluded with the National Bank of Greece SA. (as an initial bondholder, as a representative of the bondholders and a power of attorney), Eurobank SA, Alpha Bank SA, Piraeus Bank SA and Attica Bank SA as original bondholders, for refinancing a syndicated bond loan (originally borrowed in 2014) amounting to € 1,085 million. On January 1, 2021, the margin of this Syndicated Bond Loan decreased from 5.80% to 5.00% and further decreased to 4.50% on July 1, 2021. On April 7, 2021, the Syndicated Bond Loan in the amount of € 200.0 million was partially repaid, with the income of the sustainability bond expiring in 2026. As of September 30, 2021, there was an additional partial repayment of this syndicated bond loan of € 495.0 million with the maturity of the 2028 sustainability bond. The due balance as of December 31, 2021 amounted to €265.8 million.

European Investment Bank Loans

The Group is a party to certain loan agreements with the European Investment Bank ("EIB"), which have been provided in the context of development of investment projects. EIB loans generally have a maturity of fifteen years from the date of disbursement. As at 31 December 2021, EIB loans amounted to € 1,597 million out of which € 289.1 million were guaranteed by the Hellenic Republic and € 7.09 million of EIB loans were guaranteed by the National Bank of Greece. The annual weighted average cost of EIB outstanding loans as at 31 December 2021 for the Group and the Parent Company was 3.25% and 3.45% respectively. In the context of the spin-off of the branch of the Distribution Network (Note 5), on November 30, 2021 loans amounting to € 1,256.3 million of PPC were contributed to HEDNO. The amount of these loans on December 31, 2021 amounts to € 1,215.8 million and is guaranteed by the Greek State.

On December 22, 2020, PPC drawn € 100 million under a loan agreement with the EIB totaling € 330 million for the modernization of the Distribution Network in Greece, with a guarantee from the Greek State. On June 22, 2021, PPC agreed with the EIB that PPC may make a further withdrawal of € 100 million under this financing line.

KFW Syndicated Bond Loan

The Parent Company raised until December 31, 2021 an amount of € 636.2 million from a Bond Loan of € 680.0 million to finance part of the construction cost of the new Lignite plant with a consortium of foreign banks supported by the German Export Insurance Agency Credits " Euler Hermes ".

Long-term borrowing represents secured and unsecured liabilities of the Parent Company. Specifically, there are:

- collateral, in the form of pledged deposits, totaling to € 7.09 million (31.12.2020: € 5.9 million)
- first class pledge on account of € 28.6 million regarding the syndicated bond loan of € 739.0 million, for the partial financing of Unit "Ptolemaida V"

Certain loan agreements of the Group with an outstanding balance of Euro 2,714 million as of December 31, 2021, include financial covenants, the non-compliance of which may lead to the contract defaulting or, if necessary, a change in the margin.

For the provision of the guarantee of the Greek State in favor of PPC SA to all loans from the European Investment Bank, the Parent Company pays a relevant guarantee to the Greek State.

Existing Loans from subsidiaries

The subsidiary PPC Renewables SA signed on December 2017 a loan agreement with the European Investment Bank for the financing of 18 projects (14 Wind farms and 4 SHPP) amounting to € 85.0 million. The first draw down of € 34.0 million took place in 2019 and the second of € 51.0 million on 05.06.2020 and as a result the entire approved loan has been raised. The repayments of the capital are semi-annual starting on 24.04.2023 and will be finalized by 24.04.2036.

Also, the same subsidiary in September 2018 signed a Joint Property Guaranteed Bond Loan Agreement amounting to € 17.5 million, covered by the National Bank. The first draw down of € 12.2 million took place in 2019 and the second of € 2.0 million on 28.02.2020. The repayments of the capital are semi-annual starting on 30.06.2021 and will be completed by 31.12.2026.

To secure the loan obligations of PPC Renewables SA, an irrevocable notarial letter of attorney has been provided for the establishment, in the event of a Complaint Event, of a fictitious pledge on the premises and of the mechanical and other equipment of each project that was funded. In addition, there is a first-class pledge on all claims arising from the Revenue Contracts for each of the funded projects, a pledge on the Proceeds Account, the Reserve Accounts on Loan Liabilities (DSRA), of its receivables deriving from the insurance contracts which is obliged to sign for each of the financed projects.

A further analysis of the long term borrowing of the Group and the Parent Company is presented in the table below:

| | Group | | Company | |
|--------------------------|------------------|------------------|------------------|------------------|
| | 2021 | 2020 | 2021 | 2020 |
| Bank loans and bonds | | | | |
| – Fixed rate | 1,435,000 | 160,000 | 1,275,000 | 160,000 |
| – Floating rate | 1,026,104 | 1,618,704 | 997,841 | 1,607,220 |
| European Investment Bank | | | | |
| – Fixed rate | 1,597,136 | 1,797,818 | 296,288 | 1,712,818 |
| – Floating rate | – | 8,333 | – | 8,333 |
| Project Financing | | | | |
| – Floating rate | 454,252 | 523,933 | 454,252 | 523,933 |
| Total | 4,512,492 | 4,108,788 | 3,023,381 | 4,012,304 |

The total amount of interest on loans (excluding those that were capitalized - Note 15) for the year ended December 31, 2021 is included in the financial expenses, in the income statement.

The annual repayment schedule of long-term borrowing after December 31, 2021 is as follows:

| | Group | | Company | |
|------------------------------|------------------|------------------|------------------|------------------|
| | 2021 | 2020 | 2021 | 2020 |
| Within one year | 644,192 | 605,386 | 486,072 | 593,242 |
| In the second year | 572,590 | 899,088 | 426,822 | 896,802 |
| Between three and five years | 2,327,248 | 1,664,380 | 1,732,353 | 1,642,664 |
| After five years | 1,236,786 | 982,086 | 638,133 | 909,597 |
| Total | 4,780,736 | 4,150,940 | 3,282,380 | 4,042,305 |

The above repayment schedule includes an amount of € 18.9 million which concerns a loan with the sole purpose of using it as a guarantee to cover existing financing and for which the Parent Company maintains an equal deposit in a restricted deposit account (Note 25).

Credit rating

On 31.12.2021, the credit rating by S&P is set at "B +" with a positive outlook, by Fitch at "BB-" with a stable outlook and by ICAP at "D".

Compliance with financial ratios

The Group is in compliance with the financial ratios included in its loan agreements on 31.12.2021.

31. POST-RETIREMENT BENEFITS

a) SUPPLY OF ELECTRICITY AT REDUCED TARIFFS

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

Net costs for the period are included in the payroll cost in the accompanying income statement consisting of the present value of the benefits earned in the year, interest cost on the benefit obligation, as well as past service cost. The actuarial gains or losses are now recorded in comprehensive income statement. Retirement benefit obligations are not funded.

According to Article 11 of Law 4643/2019, from January 1st, 2020 the supply of electricity at reduced tariffs to pensioners of the Group changes. In particular, "A special electricity

tariff can be applied to employees and pensioners of PPC S.A., PPC's subsidiaries and IPTO S.A., exclusively for the pricing of electricity consumption where supply charges are applied. In any case, the discount on the charge for electricity consumption resulting from the application of the above special electricity tariff shall not exceed thirty percent (30%)".

The Parent Company's Board of Directors, at its meeting on January 21st, 2020, set the discount at thirty percent (30%).

The results of the actuarial study regarding the supply of electricity at reduced tariffs for the fiscal year ended December 31st, 2021 and December 31st, 2020 are as follows:

| | Group | | Company | |
|--|-----------------|-----------------|-----------------|-----------------|
| | 2021 | 2020 | 2021 | 2020 |
| Changes in the Present Value of the Liability | | | | |
| Liability at the beginning of the year | 94,404 | 150,526 | 56,713 | 91,433 |
| Current Service cost | 1,093 | 1,817 | 599 | 1,010 |
| Interest cost | 468 | 1,028 | 281 | 624 |
| Cost of service during the period | – | – | – | – |
| Actuarial (gains)/losses | (23,756) | (53,753) | (15,627) | (33,007) |
| Benefits provided | (4,709) | (5,214) | (2,926) | (3,347) |
| Liability at the end of the year | 67,506 | 94,404 | 39,041 | 56,713 |
| Components that burden the Income Statement | | | | |
| Current Service cost | 1,093 | 1,817 | 599 | 1,010 |
| Interest cost | 468 | 1,028 | 281 | 624 |
| Benefits granted | (4,709) | (5,214) | (2,926) | (3,347) |
| Total | (3,148) | (2,369) | (2,046) | (1,713) |
| Statement of Comprehensive income | | | | |
| Actuarial (gains)/losses | (23,756) | (53,753) | (15,627) | (33,007) |
| Total | (23,756) | (53,753) | (15,627) | (33,007) |

Assumption values in the Actuarial Study

| Valuation date | Discount rate | Tariff increases | Profit margin | Expectancy of future services |
|----------------|---------------|------------------|---------------|-------------------------------|
| 31.12.2021 | 1.05% | 0.00% | 2022:2.57% | 11.91 |
| | | | 2023:10.1% | |
| | | | 2024:13.7% | |
| | | | 2025+:16.5% | |
| 31.12.2020 | 0.51% | 0.00% | 2021:8.4% | 13.09 |
| | | | 2022:10.1% | |
| | | | 2023:14.0% | |
| | | | 2024+:15.8% | |

Sensitivity disclosures

| | Percentage change |
|-----------------------------------|-------------------|
| Increase in discount rate by 0.5% | (5.6%) |
| Decrease in discount rate by 0.5% | 6.2% |

b) PROVISION FOR SEVERANCE PAY

Voluntary retirement programmes

On June 2nd, 2020, the Parent Company's Board of Directors decided to implement for the current year a voluntary retirement program by providing financial incentive equal to Euro 20,000 to employees with indefinite employment contracts aged 55 and older, including those who reach the age of 55 by December 31st, 2020, regardless of the establishment of a pension right due to the withdrawal of the Lignite Units (Mines and SES) of Western Macedonia, in the context of the Business Planning and Lignite phase-out. This financial incentive will be paid in addition to the legal compensation of up to Euro 15,000 as defined in article 2, par. 2 of A.N. 173/1967. Employees who met the requirements of the program had to declare their voluntary participation in it until June 30th, 2020.

On July 14th, 2020, the Parent Company's BoD decided to implement for the current year a voluntary retirement program providing a financial incentive equal to euro 20,000 addressed to all employees including those who have been transferred to other State agencies and are occupied with indefinite employment contracts regardless of the specialization, to the executives of the company who are employed on a fixed-term contract and come from the permanent staff and to the lawyers with mandated pay aged 55 and older, including those who reach the age of 55 by December 31st, 2020, regardless of the establishment of a pension right. Employees who met the requirements of the program and wished to join it, should declared their voluntary participation within September 2020.

During 2020 the BoD of the subsidiaries Lignitiki Melitis S.A., Lignitiki Megalopolis S.A. and HEDNO S.A. decided the implementation of the above financial incentive under similar conditions to voluntary retirement programs of the Parent Company to their employees.

On July 29, 2021, with Decision no. 95, the Board of Directors of the Parent Company decided to implement the voluntary retirement plan by providing additional financial incentives based on regular remuneration depending on the previous service, age and number of protected children of employees as well as a fixed amount of € 5,000 to cover their insurance issues.

The program was addressed to all employees of the Lignite Production Units (Stations and Mines) of Western Macedonia, who are employed on an indefinite contract regardless of specialty, aged 50 and over, including those who reach the age of 50 by December 31, 2021 and have completed at least 15 years of continuous service in the Company or complete the 15-year period up to and including December 31, 2021 regardless of the establishment of a pension right.

Employees who met the requirements of the program and wished to join it, had to declare their voluntary participation within the months of September and October 2021. Those employees who declared their participation within the month of September 2021, will receive as an incentive for short registration, the payroll cost of one month.

On October 26, 2021, with Decision no. 131, the Board of Directors of the Parent Company decided to implement a voluntary retirement plan by providing additional financial incentives based on regular remuneration depending on the previous service, age and number of protected children of employees as well as a fixed amount of € 5,000 to cover their pending insurance issues.

The program was addressed to all employees except the employees who were subject to the above voluntary retirement program (Decision No. 95 of the Board of Directors) and except for employees of specific branches / departments, who are employed on an indefinite contract regardless of specialty, aged 50 and over. including those who reach the age of 50 by December 31, 2021 and have completed at least 15 years of continuous service in the Company or complete the 15-year period until December 31, 2021 regardless of the establishment of a pension right.

Employees who met the requirements of the program and wished to join it had to declare their voluntary participation within the month of November 2021 and specifically until 25.11.2021.

For the year ended December 31, 2021, the Group and the Parent Company recognized additional provision for employee benefits due to the new voluntary retirement plans of € 13.9 mil. (31.12.2020: € 35.8 million) and € 13.6 mil. (31.12.2020: € 22.5 million) respectively, burdening their results equally.

In addition, as of December 31, 2021 an amount of € 19.4 mil. (31.12.2020: € 30.8 million) and € 17.3 mil. (31.12.2020: € 16.1 million) respectively for the Group and the Parent Company is included in the trade and other liabilities arising from the above voluntary retirement programmes.

All above are defined benefit plans in accordance with the provisions of IAS 19.

Provision for staff leave indemnities - Actuarial study

The present value of the liability undertaken by PPC and its subsidiaries is calculated using actuarial methods.

The Interpretation Committee of International Financial Reporting Standards ("the Commission") issued in May 2021 the final decision on the agenda entitled "Distribution of benefits over periods of service (IAS 19)".

The effect of this interpretation is not significant for the Group, while the Group restated the comparative period (Note 44) and for the Parent company there is no effect (Note 4.2).

The results of the actuarial study regarding the obligation for compensation to staff due to retirement for the year ended December 31, 2021 and the year ended December 31, 2020 are as follows:

| | Group | | Company | |
|--|----------------|--------------------|---------------|--------------------|
| | 2021 | 2020 (Restated) | 2021 | 2020 (Restated) |
| Changes in the Present Value of the Liability | | | | |
| Liability, at beginning of year (published) | 153,023 | 152,637 | 72,657 | 84,334 |
| Effect of change in accounting policy (IAS 19) | – | (2,217) | – | – |
| Liability, at beginning of year (restated) | – | 150,420 | 72,657 | 84,334 |
| Current Service Cost | 1,667 | 1,775 | 983 | 1,111 |
| Interest Cost | 301 | 985 | 173 | 538 |
| Cost of cuts/settlements/termination of service | 14,107 | 31,530 | 12,434 | 20,927 |
| Actuarial (gains)/losses | (6,063) | 12,046 | (2,890) | 5,182 |
| Benefits Provided | (16,802) | (45,950) | (2,773) | (39,435) |
| Liability, end of the year | 144,016 | 153,023 | 80,584 | 72,657 |
| Short term portion of Liability | 2,150 | 14,670 | – | – |
| Long term portion of Liability | 141,866 | 136,136 | 80,584 | 72,657 |
| Components that burden the results | | | | |
| Current Service Cost | 1,667 | 1,775 | 983 | 1,111 |
| Interest Cost | 301 | 985 | 173 | 538 |
| Cost of cuts/settlements/termination of service | 14,107 | 31,530 | 12,434 | 20,927 |
| Total Continuing Operations | 16,075 | 34,290 | 13,590 | 22,576 |
| Statement of Comprehensive income | | | | |
| Actuarial (gains)/losses | (6,063) | 12,046 | (2,890) | 5,182 |
| Total | (6,063) | 12,046 | (2,890) | 5,182 |

Assumptions values in the Actuarial Study

| Valuation date | Discount Rate | Salary Increase | Inflation | Resignations | Future Service Expectancy |
|----------------|---------------|-----------------|-----------|--------------|---------------------------|
| 31.12.2021 | 0.79% | 2.00% | 2.00% | 0.00% | 9.4 |
| 31.12.2020 | 0.25% | 2.00% | 1.10% | 0.00% | 8.4 |

Sensitivity Analysis

| | Percentage change |
|--|-------------------|
| Increase in the discount rate by 0.5% | (4.8)% |
| Decrease in the discount rate by 0.5% | 5.2% |
| Increase in the expected salary increase by 0.5% | 0.2% |
| Decrease in the expected salary increase by 0.5% | (0.3)% |

In addition to the above benefits, the subsidiary PPC Renewables SA has recognized a provision for compensation of staff leave indemnities amounting to € 6 for staff that has been directly hired (2020: € 170). From the decision issued by the Commission under the title "Distribution of benefits in periods of service (IAS 19)", this provision was reduced by €118 in January 1st, 2020, in December 31 2020 and December 31 2021.

32. PROVISIONS

| | Group | | Company | |
|---|----------------|----------------|----------------|----------------|
| | 2021 | 2020 | 2021 | 2020 |
| Litigation against employees/ third parties (Note 40) | 417,012 | 334,469 | 393,139 | 294,013 |
| Provision of decommissioning and removal of Power Plants', Mines' and Wind Parks' facilities and mines' land restoration | 410,424 | 415,831 | 410,424 | 414,559 |
| Provision for onerous contracts (Note 15) | 4,017 | 21,657 | 4,017 | 21,657 |
| PPC-PIO fixed assets | 2,400 | 2,400 | 2,400 | 2,400 |
| Other | 1,408 | – | – | – |
| Total | 835,261 | 774,357 | 809,980 | 732,629 |

During the year ended December 31st, 2021, the Group and the Parent Company established an additional provision for litigation with employees and third parties amounting to € 82,543 and € 99,126 respectively.

«Provision of decommissioning and removal of Power Plants', Mines' and Wind Parks' facilities and mines' land restoration» above as of December 31, 2020 has been reclassified by an amount of € 13,065 in order to present only the long term portion of this provision. The short term portion of € 13,065 as of December 31, 2020 is presented on the Financial Position on a separate line in short term liabilities of the Group and the Parent Company.

Provision of Decommissioning and removal of Power Plants', Mines' and Wind Parks' facilities and provision for mines' land restoration

The Group and the Parent Company have undertaken the commitment to dismantle all the power plants' and mining facilities, to remove their equipment and to fully restore mines' lands when the facilities cease to operate. The provision is recognized at the present value of future cash flows that will be required to settle the relevant liabilities. The provision of decommissioning of units and mines has not taken into account any income from the sale of machinery, spare parts and materials or from the utilization of land.

In 2021, the Group and the Parent Company proceeded mainly with land restorations in the mines, as a result of which the relevant provision was reduced by € 10.7 million. In addition, within 2021, the plan for the restoration of the mines and the dismantling and removal of the Production Units was updated, carrying earlier the relevant restoration works.

At the same time, the works of restoration and preparation of the areas for the new land utilizations after the completion of lignite-phase out (new land utilizations: industrial, recreational parks, lakes, forest and agricultural areas) were specified and as a result the cost of restoration of the mine areas was revised.

Finally, the cost of dismantling facilities / equipment of the Mines and power plants was reduced due to the design of new utilizations of some facilities / buildings within the Mines and power plants.

The provision for the decommissioning of Units, Mines and Wind Parks is as follows:

| | Group | | | | Total |
|--|---|---|--|---|-----------------|
| | Provision for mines' land restoration | Provision of dismantling of mining facilities/ equipment | Provision of decommissioning of power plants | Provision for Wind Parks' restoration | |
| Balance, January 1, 2021 | 119,649 | 64,849 | 243,126 | 1,272 | 428,896 |
| Change in future outflows (property, plant and equipment- note 15) | 87,981 | – | – | 71 | 88,052 |
| Change in future outflows through income statement | (10,116) | (2,964) | (17,356) | 55 | (30,381) |
| Change in future outflows through comprehensive income statement | – | 7,413 | (18,578) | 9 | (11,156) |
| Finance cost (Note 11) | 7,777 | 4,215 | 15,803 | – | 27,795 |
| Used provision | (10,543) | – | (234) | – | (10,777) |
| Balance, December 31, 2021 | 194,748 | 73,513 | 222,761 | 1,407 | 492,429 |
| | Provision for mines' land restoration | Provision of dismantling of mining facilities/ equipment | Provision of decommissioning of power plants | Provision for Wind Parks' restoration | Total |
| Current portion | 41,395 | 15,993 | 23,210 | 0 | 80,598 |
| Non-current portion | 153,353 | 57,520 | 199,551 | 1,407 | 411,831 |
| Balance, December 31, 2021 | 194,748 | 73,513 | 222,761 | 1,407 | 492,429 |

| | Group | | | | |
|---|---------------------------------------|---|--|---------------------------------------|----------------|
| | Provision for mines' land restoration | Provision of dismantling of mining facilities/equipment | Provision of decommissioning of power plants | Provision for Wind Parks' restoration | Total |
| Balance, January 1, 2020 | 114,524 | 62,079 | 232,718 | 872 | 410,193 |
| Change in future outflows (property, plant and equipment-Note 15) | (1,893) | — | — | 143 | (1,750) |
| Change in future outflows through income statement | (426) | (458) | (2,276) | 262 | (2,898) |
| Change in future outflows through comprehensive income statement | — | (807) | (2,443) | — | (3,250) |
| Used/Unused provision | — | — | — | (47) | (47) |
| Finance cost (Note 11) | 7,444 | 4,035 | 15,127 | 42 | 26,648 |
| Balance, December 31, 2020 | 119,649 | 64,849 | 243,126 | 1,272 | 428,896 |
| | Provision for mines' land restoration | Provision of dismantling of mining facilities/equipment | Provision of decommissioning of power plants | Provision for Wind Parks' restoration | Total |
| Current portion | 5,890 | 3,163 | 4,012 | — | 13,065 |
| Non-current portion | 113,759 | 61,686 | 239,114 | 1,272 | 415,831 |
| Balance, December 31, 2020 | 119,649 | 64,849 | 243,126 | 1,272 | 428,896 |

| | Parent Company | | | | |
|---|---------------------------------------|---|--|---------------------------------------|----------------|
| | Provision for mines' land restoration | Provision of dismantling of mining facilities/equipment | Provision of decommissioning of power plants | Provision for Wind Parks' restoration | Total |
| Balance, January 1, 2021 | 119,649 | 64,849 | 243,126 | | 427,624 |
| Change in future outflows (property, plant and equipment-Note 15) | 87,981 | — | — | | 87,981 |
| Change in future outflows through income statement | (10,116) | (2,964) | (17,356) | | (30,436) |
| Change in future outflows through comprehensive income statement | — | 7,413 | (18,578) | | (11,165) |

| | Parent Company | | | | |
|-----------------------------------|---------------------------------------|---|--|---------------------------------------|----------------|
| | Provision for mines' land restoration | Provision of dismantling of mining facilities/equipment | Provision of decommissioning of power plants | Provision for Wind Parks' restoration | Total |
| Finance cost (Note 11) | 7,777 | 4,215 | 15,803 | | 27,795 |
| Used/Unused provision | (10,543) | — | (234) | | (10,777) |
| Balance, December 31, 2021 | 194,748 | 73,513 | 222,761 | | 491,022 |
| | Provision for mines' land restoration | Provision of dismantling of mining facilities/equipment | Provision of decommissioning of power plants | Provision for Wind Parks' restoration | Total |
| Current portion | 41,395 | 15,993 | 23,210 | — | 80,598 |
| Non-current portion | 153,353 | 57,520 | 199,551 | — | 410,424 |
| Balance, December 31, 2021 | 194,748 | 73,513 | 222,761 | — | 491,022 |

| | Parent Company | | | | |
|--|---------------------------------------|---|--|---------------------------------------|----------------|
| | Provision for mines' land restoration | Provision of dismantling of mining facilities/equipment | Provision of decommissioning of power plants | Provision for Wind Parks' restoration | Total |
| Balance, January 1, 2020 | 114,524 | 62,079 | 232,718 | — | 409,321 |
| Change in future outflows (property, plant and equipment) | (1,893) | — | — | — | (1,893) |
| Change in future outflows through income statement | (426) | (458) | (2,276) | — | (3,160) |
| Change in future outflows through comprehensive income statement | — | (807) | (2,443) | — | (3,250) |
| Finance cost (Note 11) | 7,444 | 4,035 | 15,127 | — | 26,606 |
| Balance, December 31, 2020 | 119,649 | 64,849 | 243,126 | — | 427,624 |
| | Provision for mines' land restoration | Provision of dismantling of mining facilities/equipment | Provision of decommissioning of power plants | Provision for Wind Parks' restoration | Total |
| Current portion | 5,890 | 3,163 | 4,012 | — | 13,065 |
| Non-current portion | 113,759 | 61,686 | 239,114 | — | 414,559 |
| Balance, December 31, 2020 | 119,649 | 64,849 | 243,126 | — | 427,624 |

As of December 31, 2021, the present value of the provision for the dismantling and removal of Production Units, Mines and the rehabilitation of the Group and the Parent Mine was estimated at the total cost of land rehabilitation, dismantling of existing equipment / installations and equipment, demolition any waste by applying an inflation rate of 2% and a discount rate of 6.7% (2020: 6.5%). Below we present a sensitivity analysis of the forecast for the dismantling and removal of facilities of Production Units, Mines and restoration of areas of Mines from the change of the discount rate used.

| | Sensitivity Analysis | | | | | |
|---|---|----------------|----------------|----------------|----------------|----------------|
| | Present value of the provision of decommissioning | | 2021 | | 2020 | |
| | 2021 | 2020 | 0.25% | (0.25)% | 0.25% | (0.25)% |
| Provision of decommissioning of units and mines | 491,022 | 427,624 | 484,998 | 497,252 | 419,022 | 436,527 |
| Balance, December 31, | 491,022 | 427,624 | 484,998 | 497,252 | 419,022 | 436,527 |
| Positive / (Negative) effect on the Results of the Group and the Company | | | 6,024 | (6,230) | 8,602 | (8,903) |

33. SUBSIDIES

| Net book values | Group |
|--|----------------|
| 31.12.2019 | 172,577 |
| – Transfer to revenues (Note 9) | (18,857) |
| 31.12.2020 | 153,720 |
| – Transfer to revenues (Note 9) | (16,172) |
| 31.12.2021 | 137,548 |
| Net book values | Company |
| 31.12.2019 | 156,844 |
| – Transfer to revenues (Note 9) | (14,540) |
| – Transfer to liabilities held for sale (Note 5) | (37,045) |
| 31.12.2020 | 105,259 |
| – Transfer to revenues (Note 9) | (9,896) |
| – Transfer to Liabilities held for sale (Note 5) | 302 |
| 31.12.2021 | 95,665 |

34. LONG-TERM CONTRACT LIABILITIES

As stated in Note 4.4, Group and the Parent Company classify Customers' Contributions and Customers' Advances for Electricity Consumption to Long-Term Contract Liabilities under the provisions of IFRS 15. The following table presents in detail the corresponding figures, as well as the balance on December 31st, 2021 and December 31st, 2020 of the Long-Term Contract Liabilities.

| | Group | Company |
|---|------------------|------------------|
| Balance, January 1, 2020 | 2,331,696 | 2,331,696 |
| Customers' Contributions receipts | 60,380 | 60,380 |
| Transfer to revenues | (88,577) | (88,577) |
| Reduction of Customers Advances for Electricity Consumption | (29,464) | (29,464) |
| Transfers to liabilities held for sale (Note 5) | – | (1,823,290) |
| Balance, December 31, 2020 | 2,274,035 | 450,745 |
| Customers' Contributions receipts | 179,094 | – |
| Transfer to revenues (Note 6) | (91,852) | (248) |
| Reduction of Customers Advances for Electricity Consumption | (12,225) | (12,225) |
| Other | 22 | – |
| Balance, December 31, 2021 | 2,349,074 | 438,272 |

35. IMPAIRMENT LOSS ON ASSETS

Impairment loss on assets includes the following:

| | Group | | Company | |
|--|----------------|------------------|---------------|------------------|
| | 2021 | 2020 | 2021 | 2020 |
| Additional provisions for impairment of inventories (Note 20) | – | 7,048 | – | 7,048 |
| Impairment loss on mines land and under construction mines | 32,398 | 36,254 | 32,398 | 36,254 |
| Partial (reversal of impairment loss)/ impairment loss on investment in Ptolemaida V plant (Note 15) | – | (209,856) | – | (209,856) |
| Impairment loss from onerous contracts (Note 15) | 1,530 | – | 1,530 | – |
| Impairment loss on property, plant and equipment under the revaluation model/ Impairment loss of roperty, plant and equipment of Mines (Note 15) | 26,878 | 22,463 | – | 22,463 |
| Impairment of decommissioning provision of Units and Mines (Note 15) | 75,184 | 13,179 | 75,184 | 13,179 |
| Decommissioning provision of Units and Mines (Note 32) | (30,437) | – | (30,437) | – |
| Other impairment loss on property, plant and equipment | 2,022 | 5,593 | – | – |
| Discontinued Operation | – | – | – | – |
| Total Continued Operation | 107,575 | (125,319) | 78,675 | (130,912) |

36. TRADE AND OTHER PAYABLES

| | Group | | Company | |
|----------------------------|----------------|------------------|----------------|------------------|
| | 2021 | 2020 | 2021 | 2020 |
| Trade Payables: | | | | |
| Suppliers and contractors | 322,773 | 569,309 | 104,633 | 300,682 |
| Municipalities' duties | 107,959 | 144,016 | 107,959 | 144,016 |
| Social security funds | 38,326 | 24,329 | 21,037 | 13,196 |
| Greek TV | 28,022 | 29,181 | 28,022 | 29,181 |
| DAPEEP S.A. | 5,165 | 188,336 | 5,165 | 188,336 |
| Taxes withheld | 44,721 | 34,823 | 18,213 | 15,888 |
| Special consumption tax | 7,406 | 7,194 | 7,406 | 7,194 |
| Customers' credit balances | 89,147 | 93,056 | 89,147 | 93,054 |
| IPTO S.A. | – | 116,605 | – | 116,605 |
| HEDNO S.A. | – | – | 20,586 | 132,655 |
| Bank of Crete | 12,053 | 12,053 | 12,053 | 12,053 |
| Lignite Levy | 60,814 | 108,610 | 50,305 | 100,552 |
| HEnEx S.A. | 17 | 48 | 8 | 4 |
| Liabilities for PSO | 155,588 | – | – | – |
| Other | 98,082 | 101,198 | 15,668 | 17,846 |
| Total | 970,073 | 1,428,758 | 480,202 | 1,171,262 |

37. SHORT-TERM BORROWINGS

| | Group | | Company | |
|-----------------------------|---------|--------|---------|--------|
| | 2021 | 2020 | 2021 | 2020 |
| Overdraft facilities | | | | |
| – Credit lines available | 284,140 | 42,152 | 270,000 | 30,000 |
| – Unused portion | 13,479 | – | 10,000 | – |
| – Used portion | 271,337 | 42,152 | 260,000 | 30,000 |

Within the fourth quarter of 2021, the Parent Company signed loan agreements with Alpha Bank, for an amount of € 125 million for Working Capital in the form of an overdraft line, with Attica Bank for an amount of € 25 million for Working Capital in the form of an overdraft line and, with Eurobank, for an amount of € 80 million for working capital in the form of an overdraft line.

38. SHORT-TERM CONTRACT LIABILITIES

On February 28, 2020, the Parent Company received from the Greek State an amount of € 587 million, as a prepayment for the value of the electricity consumption of its operators for the year 2020, based on a five-year agreement signed with the Greek State on June 14, 2018. The settlement of the amounts was completed within 2021. In addition, on December 30, 2020 the Parent Company received from the Greek State the amount of € 200 million, as a partial prepayment for the value of the consumption by the government owned entities for the year 2021.

On February 26, 2021 it received the remaining amount of € 390.5 million (total prepayment € 590.5 million). The settlement of the amounts is expected to be completed within 2022.

In December 2019, an amount of € 83,642 was reimbursed to the Parent Company by the competent Administrators which concerned the Retrospective ETMEAR (Special fee for the reduction of CO₂ emissions) Clearance, due to reduction of charges from January 1st, 2019. This amount was reimbursed to customers in 2020 through their electricity bills.

On December 15, 2021, the amount of € 694.3 million was paid to the Parent Company by the Greek State as an advance payment for the year 2022, always based on the five-year agreement signed with the Greek State.

| | Group | | Company | |
|--|------------------|----------------|------------------|----------------|
| | 2021 | 2020 | 2021 | 2020 |
| Balance, January 1 | 550,877 | 438,910 | 550,877 | 438,910 |
| Received advances from NOME-type auctions during the year | – | 2,755 | – | 2,755 |
| Received advance from the Greek State for the value of the electricity consumed by the government owned entities | 1,084,800 | 786,500 | 1,084,800 | 786,500 |
| ETMEAR of year 2019 reimbursed to the customers | – | (83,642) | – | (83,642) |
| Transfer to income proportion of received advances from NOME-type auctions | – | (14,121) | – | (14,121) |
| Decrease in the Greek State's advance for the value of the electricity consumed by the government owned entities | (506,106) | (579,525) | (506,106) | (579,525) |
| Balance, December 31 | 1,129,571 | 550,877 | 1,129,571 | 550,877 |

39. ACCRUED AND OTHER CURRENT LIABILITIES

| | Group | | Company | |
|--|------------------|----------------|------------------|----------------|
| | 2021 | 2020 | 2021 | 2020 |
| Accrued interest on loans and borrowings | 30,416 | 17,737 | 25,418 | 17,737 |
| Natural gas and liquid fuel purchases | 35,719 | 25,713 | 35,705 | 25,698 |
| Expropriation costs | 112,885 | 37,047 | 112,885 | 37,047 |
| Personnel day off and overtime | 66,821 | 58,125 | 36,532 | 36,480 |
| RAE fees | 15,392 | 15,714 | 15,392 | 12,782 |
| Purchase of emission allowances (Note 10) | 696,746 | 301,600 | 696,746 | 301,600 |
| Discounts on medium voltage customers | 3,981 | 12,220 | 3,981 | 12,220 |
| IPTO S.A. | – | – | – | – |
| HEDNO S.A. | – | 7,117 | 95,659 | 53,257 |
| Variable Insurance Margin | 552,059 | 107,008 | 552,059 | 107,008 |
| Other | 163,801 | 229,307 | 138,026 | 187,640 |
| Transfer to liabilities Held for Sale (Note 5) | – | – | – | 33,717 |
| Total | 1,677,820 | 811,588 | 1,712,403 | 825,186 |

40. COMMITMENTS, CONTINGENCIES AND LITIGATION

OWNERSHIP AND INSURANCE OF PROPERTY

- The National Cadastral process is in progress. The Parent Company has already completed its Real Estate's recording. Those properties are recorded in total in the Land Registries throughout Greece in the Cadastre Offices and at same time the Cadastral process is monitored, and all pending issues are settled. This process has been completed for about 50% of the Country. In this context, 82 cadastral lawsuits are pending, out of which 12 are in Athens, for which the relevant judgements have not yet been issued. The posting of temporary cadastral tables in Athens is expected (72 areas under cadastre), where the Company owns a significant number of properties.
- In several cases, expropriated land, as presented in the expropriation statements, differs from the cadastral survey, a reason why the Group is in the process of cadastral settlement (filing of monitored acts) in collaboration with the Cadastral Offices. In particular, for the properties in question, PPC has the right till December 2022 to proceed with lawsuits for the said land which are mainly located in expropriated lignite-bearing areas and in the official records appear to have an unknown owner or third-party owner. At the pre-trial/ preliminary level, 123 objections are still pending, procedure that has been cancelled due to COVID-19 Pandemic but it will start again from North Greece.
- Agricultural land acquired by the Parent Company through expropriation in order to be used for the construction and operation of hydroelectric power plants, must be transferred to the State at no charge, following a decision of the Parent Company's Board of Directors and a related approval by the Ministry of Development, if such land is no longer needed by the Parent Company for the fulfilment of its purposes according to article 9, of Law 2941/01
- According to article 168 par.1 of Law 4759/20, the article 15 of Law 4273/14 was abolished, according to which the land expropriation of PPC was declared in favour of the Greek State and under PPC's expenses so thus, those expropriations will be declared in favour and under the expenses of PPC. According to article 29, par. 1 of Law 4872/2021 (OG/A / 247 / 10-12-21) PPC after the full payment of the relevant compensations becomes the owner of the expropriation areas with the following data:
 - Δ9 / Δ / Φ 53/9455/2442 / 02.09.2014 (ΑΑΠ 294), Expropriation ΟΔΠΚ-1.
 - Δ9 / Δ / Φ 53/22337 / ΠΕ / 4095 / 02.09.2014 (ΑΑΠ 294), Expropriation ΟΝΠ-6.
 - Δ9 / Δ / Φ53 / 8773/2272 / 02.09.2012 (ΑΑΠ 294), Expropriation ΟΝΠ-7 and
 - Δ9 / Δ / Φ53 / 4855/1139 / 28.07.2014 (ΑΑΠ 249), Expropriation ΧΩΠ-6.
- There are pending about 16 applications for the removal of expropriations concerning abolished HV Transmission Lines through the settlement of rights in rem.
- The Group does not carry any form of insurance coverage on its fixed assets in operation (except for its information technology infrastructures), and as a result if a sizable damage occurs to its properties, it might affect its profitability. Material spare parts as well as liabilities risks 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, 2021, amounts to Euro 999 mil. (31.12.2020: Euro 886 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 raised to Euro 416 mil. (31.12.2020: Euro 435 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 raised to Euro 108 mil. (31.12.2020: Euro 63 mil.).

3. Claims by employees :

A number of the Groups' Employees are claiming the amount of Euro 72 mil. (31.12.2020: Euro 67 mil.), for allowances and other benefits that according to the employees should have been paid by PPC.

4. PPC's lawsuit against ETAA (former TSMEDE)

ETAA (former TSMEDE) by its Decision 7/2012 imposed on PPC the amount of Euro 27.4 mil. applying article 4 of L.3518/2006, relating to employer contributions due to the Main pension Branch for the period 01.01.2007 – 30.04.2012 and pertaining to the engineers insured before 01.01.1993 to the above-mentioned Insurance Fund, that have been employed by PPC for the above-mentioned period.

Against the above mentioned 7/2012 decision of the Insurance Fund in question, PPC has filed legally and timely the 05.09.2012 appeal to the Athens Administrative Court of First Instance. The discussion of the appeal took place on 03.11.2014. The preliminary ruling 11872/2016 was issued, which obliges TSMEDE to produce to the Court the documents referred to the judgment and then the case will be discussed again in order to issue a final decision. Already the case was determined to be discussed at the hearing on April 9th, 2019 and was postponed. Thus, numerous cases filed were postponed, the last one was filed in December 14, 2021. The new hearing has not yet been determined.

Since its employees – who are engineers- are insured mandatorily to PPC's Insurance Fund based on L. 4491/1966, thus resulting to PPC paying on their behalf to the above mentioned Insurance Fund the corresponding employer contributions while insurance for the above mentioned engineers in ETAA is optional and is done by choice, with them paying the corresponding insurance contributions provided for engineers that are independently employed, the Parent Company considers that the possibilities of a negative outcome of its appeal are minimal and therefore has not established a provision.

5. Lawsuits and extrajudicial documents of IPTO against PPC S.A.

On 29.11.2018, IPTO served an extrajudicial document to PPC with which asks from PPC:

- to pay-off debts of € 495.3 mil. from PPC's participation in the wholesale electricity market for the period January 2018 to August 2018, which have become overdue, plus overdue interest.
- to pay overdue interest amounting to € 83.4 mil. arising from the overdue payment of PPC's debts from its participation in the wholesale electricity market for the period August 2016 to September 2018.

Of the above amounts, only the amount of € 55 mil. pertains to IPTO, while for the rest, DAPEEP (former EMO) has become the universal successor.

On 28.02.2019, two IPTO's lawsuits (February 2015) against PPC for a total amount of € 540.0 mil., for amounts due from the Parent Company's participation in the wholesale electricity market, were discussed before the Multimember Court of First Instance in Athens and a decision is pending. By its first lawsuit IPTO was asking for an amount of € 242.7 mil. (with interest) for amounts due which PPC collects from electricity bills and conveys to IPTO, that in turn conveys them to EMO. By its second lawsuit, IPTO was asking for the payment of € 232.6 mil. (with interest) for amounts due which PPC collects from electricity bills and conveys to IPTO.

The Decision 944/2020 of the Multimember Court of First Instance in Athens was issued and was sent to PPC on 08.07.2020, which is not provisionally enforceable and obliges PPC to pay:

- regarding the first lawsuit, to IPTO: a) the legal interest on the amount of € 188.3 mil. for the period from 03.02.2015 until the payment of each of the legal invoices paid after that date, and b) the amount of € 18.9 mil. with the legal interest from the service of the lawsuit until the full repayment
- regarding the second lawsuit, to IPTO: a) the legal interest on the amount of € 227.6 mil. for the period from 03.02.2015 until the payment of each of the legal invoices, paid after that date, and b) the amount of € 40.3 mil. with the legal interest from the service of the lawsuit until the full payment,
- to HEDNO: a) the legal interest on the amount of € 5.0 mil. for the period from 03.02.2015 until the payment of each of the legal invoices, paid after that date and b) the amount of € 244.6 with the legal interest from the service of the lawsuit until the full payment.

Interest corresponding to these overdue receivables amounts to € 62.0 mil. PPC has filed an appeal against the above decision, which will be heard on 13.01.2022 before the Three-Member Court of Appeal of Athens.

On its side, PPC has served an extrajudicial document to IPTO (without the latter having answered), requesting the payment of a total amount of € 14.0 mil. for overdue interest on invoices which incorporate debts to PPC from March 2012 until 02.02.2015.

In October 2017, a new (third) lawsuit of IPTO against PPC was discussed and furthermore re-discussed on 07.01.2021, due to a long delay in the issuance of a decision by the first composition of the Athens Multi-Member Court of First Instance, by which IPTO asks PPC to pay an amount of € 406.4 mil. (with interest) for overdue receivables arising also from PPC's participation in the wholesale electricity market and specifically relating to non-competitive charges of IPTOs' invoices for the period 2015 - 2016. Decision no. 1494/2021 of the Athens Multi-

Member Court of First Instance was issued on this lawsuit, which rejected the claim for interest. The interest corresponding to these overdue receivables, amounted to € 59.0 mil.

On 31.12.2021 the lawsuit No.106878/4124/2021 (new fourth lawsuit) was served on PPC by IPTO, as it was filed in the Multi-Member Court of First Instance of Athens on 30.12.2021, for which a trial date has not yet been set and by which IPTO requests a pay of:

- a) an amount of € 78.2 million for interest on arrears, with legal interest from the service of the lawsuit until the full payment
- b) an amount of € 6.5 million for outstanding capital, with legal interest from the respective declared day, otherwise from the notification, otherwise from the service of the lawsuit until the full repayment.

The above amounts relate to IPTO issuance invoices that PPC allegedly did not pay or paid late and relate to the years 2016 to 2020. The deadline for submission of proposals is set at 11.04.2022 and the deadline for submission is 26.04.2022.

Until today, all the above lawsuits' principal amounts have been paid, excluding interest amounts for which the Parent Company had established a provision on December 31st, 2021. Although with the recent decision no. 1494/2021 PPC was justified for the non-payment of interest on the amounts owed for the third above lawsuit, the Parent Company continues to maintain the established provision, as taking into account all available information to date, it is not substantiated until now the positive outcome of the case, as a whole, in favor of PPC in the future.

6. Alleged claims of former EMO against PPC S.A. due to deficits of the Day Ahead Schedule (DAS)

Due to the deficits created by the suppliers ENERGA POWER TRADING S.A. and HELLAS POWER S.A. during 2011 and 2012, PPC was obliged under RAE's Decision No. 285/2013 (whose legality was confirmed by the State Council's decision No.1761/2016), as well as by the Power Exchange Code for Electricity, to pay to EMO a total amount of € 126.3 mil. (after a final clearing according to Article 61 of the Power Exchange Code for Electricity) within 2017.

- A. Although EMO explicitly accepted the proposed debt settlement, in December 2016 filed a lawsuit against PPC asking the (then) residual amount of € 78.0 mil. (with interest), which the Parent Company paid in 2017. In February 2017, PPC filed a counter lawsuit asking EMO to be ordered to pay the amount of € 126.0 mil. (plus an amount of € 100 thousands for PPC's moral damages). On these lawsuits, the Multimember Court of First Instance in Athens issued the decision 4810/2018 which accepted EMO's lawsuit and rejected PPC's counterclaim. PPC has filed a relevant appeal which will be discussed after postponement on 19.05.2022 (from initial hearing on 16.09.2021), before the 13th section of the Three-Member Court of Appeal in Athens.
- B. In December 2017, EMO sent to PPC two new Information Notes on the Allocation of Monthly Deficits of the Day Ahead Schedule (DAS), totalling to € 833 thousands with which, EMO claimed that its new claims arose from the second settlement of the Deficit for the years 2011 and 2012, due to the disappearance or insolvency of the previous third-party electricity suppliers of that time. In this context, in March 2018, PPC filed before the Multimember Court of First Instance in Athens its lawsuit against EMO, requesting a declaration that it does not owe the above-mentioned amount and EMO to be condemned to pay an amount of € 50.0 thousands as compensation for PPC's moral damages. In May 2018, EMO filed its counterclaim. The two opposite lawsuits were judged, and the Multimember Court of First Instance in Athens issued recently the decision No. 932/2020, which justifies EMO (now DAPEEP), a reason for which a relevant appeal has already been filed, which will be heard on 17.02.2022. It has been agreed to postpone them for co-adjudication with the above initial case on 19.05.2022.

7. Claims of third parties against real estate properties

As of December 31st, 2021, there are claims from third parties against the Parent Company's properties with a net book value of Euro 13.2 mil. (31.12.2020: €13.2 mil.) for which the Parent Company has established adequate provision.

8. HEDNO lawsuits against PPC

HEDNO has so far filed 4 lawsuits against PPC seeking regulated charges and interest on them, as follows:

Lawsuit 121583/4693/2018

On 31.12.2018, the lawsuit No. 121583/4693/2018 (1st lawsuit) was served on PPC, requesting it to pay the total amount of € 1.9 million with the legal interest of the lawsuit from service of the lawsuit until full payment. This amount refers to interest on arrears due to alleged late payment by PPC of invoices for the year 2013 issued by HEDNO. The case was heard on 01.10.2020 and a decision is expected.

Lawsuit 1115464/3775/2019

On 30.12.2019 the lawsuit No.1115464/3775/2019 was served (2nd lawsuit), with which he is requested to pay the total amount of € 1.4 million with the legal interest from the service until full payment. This amount refers to interest on arrears due to alleged late payment by PPC of invoices for the year 2014 issued by HEDNO. The case was heard on 08.02.2022 and a decision is expected.

Lawsuits (93423/2020 & 2989/2020)

The case is new and has not been discussed yet. It concerns the payment of arrears of interest due to delays in the payments of regulated charges by PPC.

With this lawsuit, PPC is required to pay interest on arrears in the total amount of 5,016,821.78 euros (with legal interest from its delivery on 31.12.2020 - until payment) relating to late payment of invoices of the disputed year 2015 and the date of discussion of the lawsuit has been set. the 26.05.2022.

The above amount of interest relates to invoices for the following charges:

a) Distribution use charges, b) recovery of cost of purchase of electricity from RES NII, c) sale of electricity from PV roof NII, d) ETMEAR NII, e) intra-group contracts SLAs, ie, repetitive projects, branded projects, supply transport services, PPC consumer services, vehicle maintenance, PPC staff benefits.

Lawsuit 105062/4055/2021 (HEDNO against PPC):

On 29.12.2021, the lawsuit No.105062/4055/2021 (4th lawsuit) was served on PPC by HEDNO, which HEDNO filed before the Athens Multi-Member Court of First Instance on 24.12.2021, requesting the PPC to pay him the total amount of € 22.5 million with the legal interest from the litigation from the service of the lawsuit until the full payment. No official trial date has been set. This amount refers to interest on arrears due to alleged late payment by PPC of the invoices for the year 2016. The deadline for submission of proposals is set at 04.04.2022 and addition at 18.04.2022.

Against all the above amounts, the Group and the Parent Company have established a provision on December 31, 2021 amounted to € 417 million and € 393 million respectively (31.12.2020: € 334.0 million Group and € 294.0 million, Parent), which is considered sufficient against any expected losses that may arise from the final adjudication of the above cases.

Lawsuit of former EMO against HEDNO in which a notice was served to PPC

On June 19th, 2017, HEDNO S.A. served a notice to PPC on EMO's lawsuit against HEDNO S.A. With this notice HEDNO S.A. requested PPC S.A. to intervene in favor of HEDNO S.A. in the court in which EMO claims from HEDNO S.A. overdue amounts from invoices issued. In particular, EMO S.A. with its lawsuit claims amounts with interest from partially paid and unpaid invoices which incorporate receivables from the RES Special Account in the Non-Interconnected Islands (mainly debts from ETMEAR, PVs on rooftops, RES Generation in the Non-Interconnected Islands and balancing of the Special Account in the Non-Interconnected Islands).

The claim from EMO's part amounts to approximately € 140.0 mil., while interest due for late payment amounts to € 3.9 mil.

The Multimember Court of First Instance in Athens, with its decision No.1302/2019, rejected in favor of PPC HEDNO's notice to PPC as unlawful considering that there is no relationship of procedural guarantee between HEDNO and PPC, and that, on the contrary, the only relationship that binds them is a contractual one. In particular, the Court considered that according to the NII Code there is no obligation of PPC to pay-off HEDNO's lenders other than PPC's contractual obligations towards HEDNO regarding the timely payment of invoices under the NII Load Representatives contract.

The decision has not yet been served on PPC, while HEDNO filed an appeal before the Three-Member Court of Appeal in Athens, that will be heard on 22.09.2022.

Corrective settlements of IPTO, concerning the Special Account of art. 143 L. 4001/2011

According to L.4152/2013, RES energy purchases in the Interconnected System are paid through the market operation, on the higher amount of either their revenue from DAS plus Deviations or the value of energy they inject to the system multiplied by the weighted average variable cost of the conventional thermal power plants. This amendment started being applied from August 14th, 2013, when RAE's Decision No. 366/2013 was published in the O.G., amending the relevant articles of the Power Exchange Code and specifying the methodology of calculations, with which the provision of the law was implemented.

In October 2013, IPTO sent to PPC S.A. corrective clearing statements for May, June, July and part of August of 2013, totalling to an amount of € 48.2 mil., which was derived from the retrospective application of the relevant methodology. PPC's lawsuit against IPTO for the invoices in question was accepted by the Multimember Court of First Instance in Athens (Decision No. 2260/2016) and is considered that PPC does not have to pay the invoices issued totalling € 54.4 mil., which incorporate claims for the weighted average variable cost of the conventional thermal power plants for the months May to August 2013. IPTO (which, in the meantime, was substituted in this claim by DAPEEP) filed an appeal which was finally dismissed by the Court of Appeal in Athens with its decision 4928/2020. No appeal is likely to be filed by DAPEEP.

Former Bank of Crete

The dispute with the former "Bank of Crete" is dating back to 1989, when the bank was under liquidation. More precisely, by a mandatory action of the then Trustee of the Bank, PPC's deposits were mandatorily converted to stake-holding in the share capital of the Bank and to obligatory credit to the Bank. PPC filed a lawsuit in 1991 against the bank asking to be compensated for GRD 2.2 billion approximately, (Euro 6.5 mil.) because the above-mentioned Act of the Trustee of the Bank was held invalid. Moreover, PPC had outstanding loan balances, received under six (6) loan agreements for which it was agreed upon to be repaid gradually through instalments. However, on June 10th, 1991, although PPC has paid the overdue instalments, the Bank has terminated all the above-mentioned loan agreements and thus on that date the claim against PPC became overdue for the whole amount of the loans. For that reason, in the context of hearing of PPC's above mentioned lawsuit, the Bank proposed before Court an offset of its claim resulting by the above-mentioned loans, amounting to GRD 4 bil. approximately, and furthermore has asked the payment of this amount by PPC by a lawsuit in 1995.

Following two annulment decisions (Supreme Court 746/1998 & Supreme Court 1968/2007) and expert reports, the Athens Court of Appeal issued the decision 3680/2014 which only partially accepts PPC's lawsuit while essentially it upholds the results of the ordered by the same Court official expert report, as follows: a) the amount due by the Bank of Crete to PPC on July 22nd, 1991, the date PPC filed the lawsuit, amounted to GRD 1,268,027,987 and b) the amount due by PPC to the Bank of Crete on July 1st, 1991, due to the termination of the above loan agreements by the Bank and after the proposed by the Bank offsetting of its counterclaim against the above-mentioned PPC's claim, amounted to GRD 2,532,936,698. Therefore, the above decision of the Court of Appeal recognizes that on July 22nd, 1991, the amount due by PPC to the Bank of Crete was 2,532,936,698 - 1,268,027,987 = GRD 1,264,908,711.

In 2017, PPC appealed against the above-mentioned decision of the Court of Appeal in Athens, the appeal was heard on March 9th, 2020 before the Supreme Court and the decision is pending. It is noted that until the final judgment on the appeal, the discussion of the aforementioned (December 28th, 1995) lawsuit of the Bank of Crete against PPC remains suspended. In case that the Supreme Court accepts PPC's appeal, then it will discuss the case again and its decision will be irrevocable.

PPC, with its appeal, requests to be recognized that the Bank's loans to PPC had not been transferred to overdraft facilities and therefore the Bank's termination of the loan agreements on June 10th, 1991, was invalid.

If PPC's appeal is accepted, this means that the Bank's lawsuit against PPC will be rejected (because this lawsuit is based precisely on the fact that the Bank's claims from the loans had been transferred to overdraft facilities, which the Bank legally closed with a complaint on June 10th, 1991, and consequently PPC owed to the Bank that year the amount of GRD 2,532,936,698 which is reduced due to the proposed by the Bank offsetting of its claim against PPC's counterclaim amounting to GRD 1,268,027,987, and therefore the difference is 2,532,936,698 - 1,268,027,987 = GRD 1,264,908,711). However, this does not mean that PPC can request from the Bank the amount of GRD 1,268,027,987, because this PPC's claim was settled until 1996 with offsetting proposed by PPC against the Bank's counterclaims that the latter had against PPC from the above loans and which arose when each instalment of these loans became overdue. Therefore, if PPC's appeal is accepted, then neither the Bank has a claim against PPC nor the PPC against the Bank.

However, if PPC's appeal is rejected, then the assumptions of the decision taken by the Court of Appeal will become irrevocable and therefore the court that has undertaken the second lawsuit, i.e. the Bank's lawsuit against PPC, is obliged to accept that on July

22nd, 1991, PPC owed to the Bank of Crete the amount of GRD 1,264,908,711 due to the closing of the overdraft facilities on June 10th, 1991, and the court will condemn PPC to pay this amount to the Bank with overdue interest (with different interest-bearing dates per loan amount, from the year 1993 until 1995) and with quarterly compounding until the repayment, after deducting from the amount due the payments that PPC made to the Bank in repayment of the loan instalments, when they became overdue.

At present, it is not possible to predict the outcome of the case.

Pricing of the General Mining and Metallurgical Societe Anonyme LARCO (LARCO)

With the submission of the amendment plan - addition to a Bill, which related to the regulation of LARCO's Issues and in order not to be hindered, for reasons of public interest, the process of LARCO's privatization, as described in the above amendment plan, PPC's Board of Directors decided to continue the electricity supply to LARCO (Decision No. 11/11.02.2020), under the following conditions: a) the fully and timely payment of electricity bills upon the entry into force of the law and b) the signing of the Electricity Supply Contract, with the special administrator immediately after its appointment. Already, after the publication of the relevant article 21 of L.4664/14.02.2020 and the appointment of the special administrator in LARCO, the new Electricity Supply Contract for the period 01.03.2020-31.12.2020 with the special administrator of the Company was signed on June 1st, 2020.

Under this contract, LARCO has paid the relevant consumption bills on time by 31.12.2021, while PPC has taken appropriate actions to ensure the settlement of the recent next bills. Due to the expiration of the Procurement Contract on 31.12.2020, PPC has already sent its proposals to LARCO regarding the pricing terms 2021, while the relevant negotiations are in progress.

It is noted that a provision for expected credit loss has been formed for the total net claim of € 369.2 million as of December 31, 2021 against LARCO (31.12.2020: € 362.0 million).

Following the invitation of the Special Administrator from 22.04.2021 for the temporary announcement of claims of creditors of LARCO in accordance with the provisions of par. 7 (j) of article 21 of Law 4664/2020, PPC in terms of its claim was announced on time 24.05.2021 (ie within one month from the publication of the invitation) and is expected to be classified in the non-privileged claims which can receive up to 10% of the auction amount (which is distributed to the creditors of this category proportionally).

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 30.5 million plus interest from the day following the expiry of the final bill issued after the termination of the Electricity Supply Contract between PPC S.A. and HALYVOURGIKI S.A. and until repayment.

The payment order No. 1769/2019 of the Single-Member Court of First Instance in Athens was issued which orders "HALYVOURGIKI S.A." to pay to PPC the above total amount, plus the amount of Euro 15 thousands for court costs. PPC notified the payment order in question to "HALYVOURGIKI S.A." and further, on March 15th, 2019, proceeded to serve the writ of garnishment for conservative seizure in the banks under the above payment order against "HALYVOURGIKI S.A."

Subsequently, on March 22nd, 2019, a Caveat and an Application for Suspension were served to PPC with a request for a temporary injunction of "HALYVOURGIKI S.A." against

PPC S.A. During the discussion of the request for a temporary injunction, which was heard on March 26th, 2019, the request was rejected.

PPC, at the request of "HALYVOURGIKI S.A.", proceeded to a partial withdrawal of imposed precautionary seizure toward the Bank EUROBANK up to the amount corresponding to the payroll cost of that company's employees.

On the Caveat of "HALYVOURGIKI S.A." against PPC S.A. which was discussed on October 2nd, 2019, the Multimember Court of First Instance in Athens by its decision No. 1080/2020, accepted partially the above caveat, annulling partially the Payment Order No. 1769/2019 for the amount of EUR 7,167,365.19, and confirming the above Payment Order for the remaining amount.

Furthermore, on February 15th, 2019, "HALYVOURGIKI S.A." filed against PPC an appeal for arbitration before the ICC (INTERNATIONAL COURT OF ARBITRATION) "due to PPC's failure to comply with the obligations under the shareholders Agreement of 2009" between PPC S.A. and "HALYVOURGIKI S.A.", requesting PPC to be condemned to pay the amount of two hundred and seventy million (270,000,000) euro for consequential damage, which according to the appeal in question, "HALYVOURGIKI S.A." suffered with interest from the service of this appeal, plus one million (1,000,000) euro for moral damage which according to "HALYVOURGIKI S.A." suffered.

Both "HALYVOURGIKI S.A." and PPC S.A. appointed their arbitrators (each party appointed its arbitrator). The deadline for PPC's reply in order to define the group of its legal representatives as well as to collect the data needed to defend its positions, was set by the ICC on April 25th, 2019. On April 23rd, PPC submitted its Reply to the above Appeal of "HALYVOURGIKI S.A." and requested the rejection of the Appeal entirely and "HALYVOURGIKI S.A." to be obliged with the guarantee measure for the amount of EUR 1,000,000 and to be condemned to pay the total court costs of the Arbitration.

Subsequently, following the exemption requests against the appointment of the proposed arbitrators, the two appointed Arbitrators, in their joint letter to the Arbitration Court dated May 14th, 2019, stated that they were unable to appoint a Third Arbitrator jointly and requested from the Arbitration Court to appoint the Third Arbitrator, pursuant to Article 12 par. 5 of the International Arbitration Rules ICC Rules 2017. Furthermore, (on August 10th, 2019) the Parties submitted their comments on the appointment of Third Arbitrator in the trial in question.

Finally, the Arbitration Court has sent to the Parties a proposal for the appointment of an Arbitrator, which has been lawfully submitted to the Parties its Independence Declaration citing the cases in which the Arbitrator has been involved in relevant legal proceedings and the Court invited the Parties, until September 10th, 2019, to submit any objections to the appointment of the said Arbitrator. Neither PPC nor "HALYVOURGIKI S.A." raised any objections. Therefore, the ICC Court ratified the appointment of the said Third Arbitrator. Following this, on October 16th, 2019, the first meeting of the Arbitration Court was held where the TERMS OF REFERENCE of the Arbitration were agreed. PPC suggested the Bifurcation of the case, meaning that there will be an interim decision of the Court regarding the Responsibility claimed by the Plaintiff-Claimant and if the Court's Decision is in favor of this claim, then this decision should be followed by an examination of possible damages and amounts. The Court, by its decision, accepted the Bifurcation while the time frame regarding the procedure of evidence was set until October 2020.

More specifically, "HALYVOURGIKI S.A." submitted its Proposals-Memorandum (Statement of Claim on Liability) on February 14th, 2020 and PPC on May 4th, 2020. Subsequently, the submission of the parties' additions - rebuttals and the hearing procedure took place

in October 2020. Subsequently and before the issuance of the Court's decision, the resignation of the Arbitrator appointed by the applicant took place. According to the ICC Arbitration Rules, at this stage it is possible for a decision of the Arbitration Court to be issued by the two remaining members. However, on February 4, the applicant ("HALYVOURGIKI SA") suddenly submitted an application for exemption from the appointment of the arbitrator appointed by PPC as well as the Arbitrator.

The Parties, as well as the arbitrators, were summoned by the International Court of Arbitration of the ICC (International Court of Arbitration of the International Chamber of Commerce) to submit opinions on the requests for disqualification. The applicant further on 04.03.2021, submitted additional requests for disqualification of the above Arbitrators, The Court again asked the parties involved to submit the views of the year, until 11.03.2021. The parties submitted their views on time. Subsequently, on 29.04.2021, the Court extended the deadline for the issuance of the arbitral award, until 31.05.2021.

On 12.05.2021, the International Court of Arbitration of the ICC notified the parties of its decision to reject the above requests for exemption submitted by "HALYVOURGIKI SA" against the above Arbitrator and against the Arbitrator as well as the approval of the draft Decision of the Arbitration Court on the appeal of "HALYVOURGIKI SA" against PPC which has been submitted before him by the two Arbitrators and announced that the official decision on the appeal will be notified within the legal deadline (ie until 31.5.2021), as soon as it receives the signatures from the Arbitrators of the Arbitration Court relevant Decision. Subsequently, on 26.05.2021, the Arbitration Court notified the Parties of its Decision, by which it completely rejected the appeal of "HALYVOURGIKI SA" dated 15.2.2019 (Case number 24270 / AUZ) and justified PPC.

In particular, and according to the operative part of this Decision, all the claims and requests of "HALYVOURGIKI SA" are rejected and "HALYVOURGIKI SA" is ordered to pay to PPC, on the one hand, 350,000 US dollars as well as 288,373.14 euros for court costs and arbitration costs. The decision in question was served by PPC to "HALYVOURGIKI SA" on 01.06.2021. The decision is subject to appeal against annulment before the competent French courts within one month of service. HALYVOURGIKI SA challenged the arbitral award in question with an action for annulment before the Paris Court of Appeal. It should be noted, however, that the action for annulment does not affect the res judicata produced by the above Judgment of the Court, therefore, at the present time it is not registered, as it no longer exists after the issuance in favor of PPC of the above Judgment of the Arbitration Court, any provision for a claim against PPC from the case in question. The other party submitted an Opinion before the French Court on 28.01.2022.

PPC is also going to submit its Proposals on time (deadline until 28.06.2022). Furthermore, following an application by the National Bank (of 23 February 2021) before the Single Member Court of First Instance of Athens for the position of "HALYVOURGIKI SA" in a special management regime of articles 68-77 of law 43077/2014 (A'246 / 2014) and against on 05.04.2021, where the case was discussed, PPC, as well as Piraeus Banks and ALPHA, exercised additional intervention in favor of the applicant Bank (National) and against Halylvourgiki.

Subsequently, the no. 990/2021 decision of the above court which rejected the appeal as abusively exercised and therefore substance unfounded, including the additional interventions exercised.

It is noted that, according to the lawyers representing the National Bank, an appeal was to be filed, which will be notified, which has not been notified so far at PPC.

HELLENIC HALYVOURGIA S.A

"HELLENIC HALYVOURGIA S.A" had filed before the Athens Multi-Member Court of First Instance against PPC SA. the lawsuit dated 31.08.2010, by which he asked to be recognized that PPC SA must pay to STEEL GREECE SA the amount of € 4,412,018.86, which corresponds to the amount included in the accounts issued by PPC SA, after the unilateral increase by PPC of the High Voltage tariffs by 10% on the valid ones until 30.06.2008 Invoices, for the period of consumption from 01.07.2008 to 30.04.2010, with the legal interest from the service of the lawsuit.

On the above lawsuit, the decision No. 3863/2014 of the Athens Multi-Member Court of First Instance was issued, which partially accepted the lawsuit against which an Appeal was filed by PPC (as well as Additional Reasons), which Rejection was rejected under No. 4702/2021 of the decision of the Athens Court of Appeal. The decision recognizes that PPC SA must pay to HELLENIC HALYVOURGIA S.A the amount of € 4,412,018.86, with legal interest from the service of the lawsuit until the full payment, as compensation for damage that, according to the Decision in question, the other party suffered due to, inter alia, no previous negotiation with the other party of its supply price electric power.

Following this, and given the recognizable character of the decision No. 3863/2014 of the Athens Multi-Member Court of First Instance, which became final, the other party may request to collect the above awarded amount (of € 4,412,018.86, with legal interest). from the service of the action), if it takes the appropriate actions for its recovery. PPC is going to appeal against the above decision of the Athens Court of Appeals.

Furthermore, the company submitted "an application for extension of preventive measures to suspend a complaint of essential conventions on the operation of the undertaking referred to in Article 50 (4) No 4738/2020" by "HELLENIC HALYVOURGIA SA" before the Athens multimember court during the trial of 12 January 2022, by which it was applied within the framework of the already signed from 27.10. 2021 Agreement on resolution and transfer of part of the assets of the company which was included in the above petition of its application, to be ordered by the Court "as additional precautionary measures in its favor, the ban on termination of the current electricity supply relationship of" HALYVOURGIA GREECE SA "with PPC as well as the ban on PPC declaration of cessation of representation of the company's load meters, until the issuance of the Court decision on the application for ratification of the Resolution Agreement. The Court accepted this request and granted an interim injunction until the issuance of its decision on the request for ratification of the Resolution Agreement of "HALYVOURGIA HELLAS SA".

Pricing of other High Voltage Customers (excluding LARCO)

The Contracts signed with High Voltage Customers expired on 31.12.2020. Due to this fact and according to the Provisional Code, PPC has already expressed its proposal to those customers regarding the terms of pricing for year 2021, while the relevant negotiations started. New Procurement Contracts have already been signed with most of the large High Voltage industrial customers, while the relevant negotiations are in progress with the rest.

It is noted, however, that regarding the previous invoicing of Aluminum of Greece SA (now MYTILINEOS SA - GROUP OF COMPANIES), on the one hand, the final decision on 11 December 2019 of the EU Court [C-332/18 P] was issued, which confirmed the legality of Commission Decision 2012/339 / EU of 13 July 2011 on State aid SA.26117 - C 2/2010 (ex NN 62/2009), which was implemented by Greece, through PPC, in favor of Aluminum of Greece SA (EU 2012, L 166, p. 83) and ordered the legal recovery of state aid amounting to € 17.4 million, due to the application of the preferential tariff during

the disputed period from 5 January 2007 to 6 March 2008. On the other hand, three cases are pending before the General Court of the EU (T-639/14 RENV, T-352/15 and T-740/17) against (corresponding) decisions of the European Commission, with which he filed (corresponding) complaints of PPC for violation of provisions on state aid against the decision of RAE (346/2012, of 9 May 2012) and the Arbitration Court, which set a temporary sale price of electricity of PPC against the then Aluminum A. E., 42 € / MWh and decision of the special Arbitration Court (1/2013, of 31 October 2013), which amended the above decision 346/2012 of RAE reducing the electricity tariff provided to Aluminum for the period from 1 July 2010 to 31 December 2013 in a gross amount of € 40.7 / MWh, ie a net amount of € 36.6 / MWh.

On 8 October 2020, the above three cases were heard before the General Court of the EU. It is pointed out that Mytilineos had intervened in favor of the Commission. On 22 September 2021, the General Court of the European Union issued its Judgment annulling both the TEN-639/14 RENV and T-352/15 and T-740/17 and ordered the Commission to pay PPC's total legal costs. The Court accepted, in the grounds of the Decision, that in the present case, "the Commission, could not, on the one hand, not check whether the arbitral award entailed an advantage; of the market. in this case, the particular circumstances which should lead the Commission to make a diligent, adequate and complete examination of the possible award, through the arbitral award, of an advantage to the intervener as well as of complex economic and technical considerations in that regard... [paragraphs 164 and 167]".

The European Commission then challenged the judgment of the General Court of 22 September 2021 (in Cases T-639/14 RENV, T-352/15 and T-740/17). Similarly, "Mytilineos SA" challenged this Decision. PPC submitted its Memoranda on the above actions within the prescribed period (Case C-739/21 P and C-701/22). The deadline for PPC to respond to the latest request is March 28, 2022.

PPC's relation to its personnel's Social Security Fund

Despite the fact that under the current legislation the Group does not have any obligation to cover in the future any deficit between revenues and expenses to PPC's personnel Social Security Funds, there can be no assurance that this regime will not change in the future. PPC S.A. has not established a provision for the subject in question.

PPC's audit by the European Commission's Directorate-General for Competition

In February 2017, the European Commission's Directorate-General for Competition conducted a drawn raid audit to PPC in accordance with Article 102 of the Treaty on the Functioning of the European Union Regulation and pursuant to the relevant decision of the Commission dated 01.02.2017, for alleged abuse of a dominant position on the wholesale market for the generation of electricity from 2010 and onwards.

In March 2021, the European Commission announced that it has opened a formal antitrust investigation to assess PPC's activity in the Greek wholesale electricity market. This investigation is in process.

ENVIRONMENTAL OBLIGATIONS

Key uncertainties that may impact the final level of environmental investments, which the Group will be required to undertake, over the forthcoming decade, include:

1. During 2017, the Joint Ministerial Decision regarding the Environmental Terms for HPP Messochora was issued under which PPC is obliged to undertake protection projects for the preservation part of the Messochora Village (Sector D). After an appeal by the association of the Flooded Village of Mesochora "Acheloos" in the Council of State, with a main demand the cancellation of the Decision regarding the Environmental Terms, invoking the historicity of the Village, the CoS, with its 2230/2020 Decision, canceled the AEPO of Mesochora. As it is apparent from the reasoning of the Decision, that the contested decision (AEPO) lost its legal basis as it did not grant a reappraisal of the environmental conditions approved by the contested decision as to their compatibility with the approved updates of River Basin Management Plans (RBMP) of Western Central Greece and Thessaly, as well as the forecasts of the Revised Regional Spatial Planning Framework of the Region of Thessaly. It is noted here that the canceled AEPO had examined and documented the environmental, social and economic feasibility of the project, and justified as well as the inclusion of the project in par. 4 in exceptions to the objectives of Directive 2000/60 EC and the construction of the project as purely energy project and not related to Acheloos Partial Diversion projects.

PPC has already initiated procedures for the re-drafting and submission of an Environmental Impact Assessment (EIA) for the issuance of a new AEPO, following the below steps (Actions):

- Actions for the implementation of the process of informing the existence of the project in the existing Spatial Plan of Thessaly (HS), due to the existing reference that is already made in the Map that accompanies the HS for the HP.
- Actions to confirm the agreement of the Project with the River Basin Management Plan (RBMP), 1st revision of the RBMP (2017), as it refers to the fact that the water bodies affected by the Mesochora HPP have been examined and comply with the exemption rules Directive 2000/60 and remain in force.

In relation to the compatibility actions of the project with the existing Spatial Plan of Thessaly, the Central Council of Spatial Issues and Disputes met on 07.05.2021 and unanimously gave the opinion that the Hydroelectric Project (HP) is compatible with the Regional Spatial Planning. The positive opinion of the central council of spatial issues and disputes is a necessary step for the process of issuing the new Decision for the Approval of Environmental Terms (AEPO).

Following the elaboration of the new Environmental Impact Study and its submission for approval to the competent Public Authorities, from April 29, 2021, the new AEPO was issued on 21.12.2021 for the completion of the MESOCHORAS HRD.

Under the terms of AEPO, an effort is made so that the resulting obligations of PPC, which depends on the completion of actions by the competent local Bodies and Authorities, can be completed within 2024, in order to follow the Clogging of the Diversion Tunnel and the start of filling of the Reservoir within the same year, with estimated operation of the project in the last quarter 2025. The total cost for the project on December 31, 2021 (after impairments of € 8 million) amounts to € 281.8 million, while it is estimated that another € 81.5 million will be required, until the completion of the required expropriations in the area of the project as well as in the area of the relocation of the new Village.

2. In December 2010, the new Directive (2010/75/EU) was issued for industrial emissions (Industrial Emissions Directive – IED), revising Directives IPPC and 2001/80/ EC, which is effective from January 6th, 2011. Following the provisions of Article 32 of Directive 2010/75/EU, a Transitional National Emissions Reduction Plan (TNERP) for the period 2016-2020 was elaborated and officially submitted by Greece to the EU at the end of 2012. The TNERP was approved by the EU on November 26th, 2013.

The duration of TNERP was from 01.01.2016 until 30.06.2020 and the entire period of its validity PPC fully complied with its objectives. With the expiration of MESME, Units I and II of Agis Ag. Dimitriou were included in a regime of limited operation (from 01.07.2020, 1500 hours per year as a rolling average of five years), while in Units III, IV and V the necessary environmental investments have been completed or are in the final stage of completion to continue their operation. The delay that has occurred in some projects is mainly due to the restrictive measures to deal with the pandemic.

Amyntaio and Kardias substations that had joined the restricted operation regime have already ceased operations permanently.

3. In 2011, the process of revising the Reference Document on Best Available Techniques Manual for Large Combustion Plants within the framework of Directive 2010/75/EU and is coordinated by the EIPPCB (European IPPC Bureau) began. With the European Commission's decision 2017/1442 on July 31st, 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 issuance, of the legally binding, conclusions of the revised Manual, additional investments in PPC's major thermal stations may be required. In particular, further environmental investments in SES Agios Dimitrios are not planned, apart from the investments that have been completed or are already in progress.

Finally, in the combined cycle units of Komotini and Lavrio V, small-scale upgrades of the combustion systems will be implemented (total budget for both Units Euro 3.6 mil., the environmental part corresponding to the DLN Lavrio V upgrade is Euro 3 mil.) to reduce NOx emissions.

To this date, requests for deviation from the emission levels of EA 2017/1442 / EU have been submitted based on Article 15.4 of the IED for specific Units taking into account, inter alia, their remaining life time. After correspondence with YPEN, the requests were resubmitted with updated information and finally approved by Decision YPEN/ DIPA / 124145/7794 / 27.12.2021 (ΑΔΑ: 9ΨΧ04653Π8-ΞΧΩ): "Approval of requests for inclusion of Atherinolakkos (Units I-II), Melitis (Unit I), Megalopolis (Unit IV), Agios Dimitrios (Units I-II, III-IV, VE) of PPC and its subsidiaries in the provisions of articles 12.4 and 27.1 of JM 36060/1155 / E.103 / 2013 (OG B'1450) as in force ". A corresponding request will be considered if necessary for the new Ptolemaida V Unit.

4. On November 28th, 2015 Directive 2015/2193 of the European Parliament and the Council of November 25th, 2015 was published in the Official Journal of the European Union, on the limitation of emissions of certain pollutants into the air from Medium Combustion Plants, regardless of the type of fuel used. Medium Combustion Plants are defined as plants with a rated thermal input equal to or greater than 1 MWth and less than 50 MWth. Pollutants in question are sulfur dioxide (SO₂), Nitrogen oxides (NOx) and dust, while rules for monitoring 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. For the existing units in Small Isolated Systems, the compliance with the new Emission Limit Values will start from January 1st, 2030.

All the Aegean islands, starting from Crete, will be interconnected within the period 2020-2030, in accordance with IPTO's Ten-Year Development Plan 2021-2030 and the National Energy and Climate Plan (NECP), while any remaining electricity generation units will operate as a backup solution only in case of emergency in accordance with the provisions of the Directive for these cases. It should be noted that the interconnection of Syros, Mykonos and Paros has been completed since the first months of 2018.

5. The extent of land contamination is assessed by PPC for its liable facilities, following the provisions of art. 22 of Directive 2010/75/EU and Environmental Terms Approval taking all appropriate precautionary measures
6. PPC has performed studies on the presence of asbestos-containing materials, at its facilities. Upon submission by PPC of a full environmental impact assessment study, the Ministry of Environment issued in May 2004 the environmental permit for the construction and operation by PPC, in its facilities in Ptolemaida area of an environmentally - controlled Industrial Waste Management Area for the management and final disposal of asbestos containing construction materials, from the plants of the Northern System. With the real estate transfer contract no. 37244 / 05.06.2015, which is legally transcribed, PPC transferred full ownership of the Industrial Waste Management Area, located at the Kardia Mine of the Western Macedonia Lignite Centre, in DIADYMA S.A. From the date of signing the contract, DIADYMA S.A. is responsible for the Area's management. It is pointed out that any dismantling / removal of materials containing asbestos from PPC facilities is carried out by companies properly licensed for this purpose.
7. In April 2021, a new Decision of Approval of Environmental Conditions of the Amyntaio Mine was issued, replacing the previous one of June 2020.

8. At their request before the CoC, two environmental protection bodies (a non-profit company and a public benefit institution) request the cancellation of the failure of the Minister of Environment and Energy to amend, otherwise replace, the decision approving environmental conditions (AEPO) of Unit P under construction. V, omission that occurred after the tacit rejection of a corresponding request before the same Minister. In particular, they argue that AEPO is flawed because the emission limits it sets for some gaseous pollutants do not comply with the limits set by the European Commission Implementing Decision setting out the best available techniques [(EU) 2017/1442], based on of Directive 2010/75 / EU on industrial emissions (IED Directive). According to the applicants, "the operation of the Ptolemaida V Unit, as expected and resulting from its technical specifications, will not be able to meet the new emission limits of the gaseous pollutants in question."
9. In addition to the other environmental obligations arising from the approvals of environmental conditions of the Production Stations and Mines, in 2019 PPC voluntarily undertook the obligation to proceed with the dismantling or alternative utilization of the facilities of all Production Stations and Mines and removal of their equipment, when these facilities cease to be more productive, as well as in the restoration of land areas. For this liability, the required provisions amounting to € 491.0 million were recognized on 31 December 2021 (31 December 2020: € 427.6 million) for the Group and the Parent Company (Note 32). The above amount includes the cost of soil / subsoil rehabilitation and dismantling of the units and mines of the two lignite subsidiaries since most of their years of operation were under the responsibility of the Parent Company.

INVESTMENTS

Metsovitiko Hydroelectric Power Plant (HPP)

Metsovitiko HPP of an installed capacity of 29 MW is expected to enter commercial operation in 01.01.2024. Future contracted capital expenditures as of December 31, 2021 amounts to € 13.48 mil.

A new Steam Electric Unit 660 MW in Ptolemaida

With the agreement Convention 11 09 5052 of Thermal Projects Engineering - Construction Department, that entered into force on 21.03.2013, the execution of the Project: "SES PTOLEMAIDA - Study, supply, transportation, installation and commissioning of a new Unit V of mixed capacity 660 MW, with powder lignite fuel, and ability to generate thermal power 140 MWth for district heating", was assigned to the company TERNA SA for a Contractual Consideration of €1.388 bil. Following the issuance of Supplement No.1 and No.2, the Total Contractual Consideration amounts to €1.389 bil. Future contracted capital expenditures as of December 31, 2021 amounts to €106 mil.

Hybrid Project in Ikaría Island

The Hybrid Energy Project in Ikaría "Naeras" of 6.85 MW total capacity, is an innovative project which was inaugurated on June 5th, 2019. Naeras combines the utilization of two renewable energy sources, Wind and Hydroelectric. The automated operation of the Project has been completed in 2021.

Research, Development and Exploitation of Geothermal potential

PPC RENEWABLES has leased from the Greek State the geothermal potential Research and Management rights of four (4) public mining sites: a) Milos-Kimoios-Polyagos, b) Nisyros, c) Lesvos and d) Methana. While maintaining the exclusive Exploration and Management rights, the Company sought a Strategic Partner to co-exploit the geothermal potential of the above areas through an international tender. Binding offers were submitted by June 2018 and in July 2018 the "Highest Bidder" and the "Reserved Bidder" were announced.

In March 2020 the Ministry of Environment and Energy approved the establishment by PPC RENEWABLES of a subsidiary named "Geothermal Target II S.A.", which will undertake the development of geothermal power plants in these areas.

Subsequently, the BoD of PPC RENEWABLES S.A. decided on 25.06.2020 (DA / DS / 387 / 25.06.2020), the announcement of the company ELECTOR SA (HELECTOR S.A.) as the "Preferred Partner" and the approval of the Contractual Texts, namely the Cooperation Agreement (CA), the Shareholder Agreement (SHA) and the Share Purchase Agreement (SPA).

Following the approval of the merger between PPC RENEWABLE and Elector by all competent Competition Committees (Greece, Serbia, Albania and Northern Macedonia) on 15.07.2021, the transaction completion procedure was followed, as provided in the above Agreement.

On 05.11.2021 the contracting parties (PPC RENEWABLES, AEGEAN GEOENERGY and ELECTOR) signed the above Contractual Texts and after all the other conditions (CPs) that had been set in the Contract for Sale (SPA) were fulfilled. AEGEAN GEOENERGY entered on 05.11.2021 as a majority shareholder (with 24,480 shares), ie 51% of the share capital in the company Geothermal Target TWO II SA.

PPC Renewables continues the research work in these areas, while at the same time the works of the year 2022 are being prepared.

Construction of Photovoltaic (PV) Plant by "ILIAKA PARKA DYTIKIS MAKEDONIAS ENA S.A." a 100% subsidiary of PPC Renewables S.A.

Construction works from the 100% subsidiary of PPCR, "ILIAKA PARKA DYTIKIS MAKEDONIAS ENA S.A.", for the PV Plant of 14.99MW capacity, with fixed tilt mounting structure, and the 20/150kV "Agios Christoforos" Substation, which will include a 20/25MVA power transformer, of a total contractual budget of Euro 9.7 mil. at "Paliampela" plot, in the regional unit of Kozani, are in the final stages of completion. It is expected that the semi-commercial operation of the PV Plant will start in April, 2022.

On December 31st, 2021 the total cost of the project amounted to Euro 7,72 mil.

Construction of Photovoltaic (PV) Plant by "ILIAKA PARKA DYTIKIS MAKEDONIAS DYO S.A." a 100% subsidiary of PPC Renewables S.A.

Construction works from the 100% subsidiary of PPCR, "ILIAKA PARKA DYTIKIS MAKEDONIAS DYO S.A.", for the PV Plant of 14.99MW capacity, with horizontal single-axis trackers, and the 33/150kV "Charavgji" Substation, which will include a 20/25MVA power transformer, of a total contractual budget of Euro 11.5 mil. at "Xiropotamos" plot, in the regional unit of Kozani, are in the final stages. It is expected that the semi-commercial operation of the PV Plant will start in April 2022. On December 31st, 2021 the total cost of the project amounted to Euro 7,1 mil..

Construction of Photovoltaic (PV) Plant by "ILIAKO VELOS ENA S.A"

The works for the construction of the PV Station, from the 100% subsidiary of PPC RENEWABLE, "ILIAKO VELOS ENA SOCIETE ANONYME", with a total power of 200MW, with single axis trackers for the support of the PV panels and the of 33kV / 150kV Substations "Haravgji" and "Agios Christoforos" with the implementation of three new gates M / S 33kV, with a total budget of € 83.8 million, at the location "Lignite Center of Western Macedonia" of the Prefecture of Kozani, started in June 2021. It is estimated that the PV Station will be put into semi-commercial operation in December 2022.

As of December 31, 2021 the total cost for the project amounts to € 3,29 million.

Construction of Photovoltaic (PV) Plants by "ARKADIKOS ILIOS I S.A" and "ARKADIKOS ILIOS II S.A."

The works for the construction of the PV Stations, from the 100% subsidiaries of PPC RENEWABLES, "ARKADIKOS ILIOS I S.A" and "ARKADIKOS HELIOS II S.A", of 39 MW & 11 MW respectively" support of the Double sided PV Panels and a 33 / 150kV substation, with a total budget of € 23.9 million, at the location "Megales Lakkes" of the Prefecture of Arcadia, started in September 2021. It is estimated that the PV Stations will be put into semi-commercial operation in November 2022. Currently, the Contractor is in the process of preparing the Final Implementation Study and updating the relevant licenses.

It should be noted that "ARKADIKOS ILIOS I S.A" will participate in the market with the corresponding PV Power Plant 39MW, under the Target Model, through the conclusion of a bilateral contract for the purchase and sale of electricity (bilateral PPA) while "ARKADIKOS ILIOS II S.A" has secured a Reference Price for the respective Photovoltaic Power Station of 11MW, after its successful participation in the RAE's bidding process in July 2020.

On December 31, 2021 the total cost for the project amounts to 424 thousand € for ARKADIKOS ILIOS I S.A and 302 thousand € for ARKADIKOS ILIOS II S.A.

Construction of Photovoltaic (PV) Station AGIOS CHRISTOFOROS 1

For the construction of the PV Station AGIOS CHRISTOFOROS 1, power 64,983MW with fixed support systems of the PV Frames and the expansion works of the 150kV Substation "Agios Christoforos" with the addition of a new M / S 33 / 150kV, in the Municipality of Eordia, Π.Ε. Kozani, with a price of € 31.8 million. The signing of the Contract is expected in April 2022.

Regarding the licensing process, the Project has already received a Producer Certificate, AEPO and a Final Connection Offer from IPTO SA.

Repowering of Wind Park in Monis Toplou Sitia Crete

The construction works of the new Wind Farm with a total capacity of 6 MW in Sitia, Crete were completed in 2021. The electrification of the facilities was completed in June 2021 and is now in operation since July 2021.

Wind Park in Xerakias, Kefalonia

The construction of the Wind Farm at Xerkias Dilinaton in the municipality of Kefalonia, Ionian Islands, with a capacity of 9.2 MW has been completed. The electrification of the facilities has been completed in July 2021 and is now in operation since July 2021.

Wind Park in Aera of Karditsa

During 2018, a tender for the Study, Supply, Transportation, Installation and Commissioning of One (1) Wind Park at the locations of "Aera" of the Municipality of Mouzaki and "Afentiko" of the Municipality of Argithea and One (1) High Voltage Center 20/ 400 KV, Power 100 MVA of closed type with gas insulated equipment, at the

location "Diaselo-Pr. Elias" of the Municipality of Mouzaki, Regional Unit of Karditsa, was completed for a contractual budget of Euro 43 mil.. The project will be of 27.6 MW total capacity. The construction began in February 2019, however, there were significant delays in the work schedule due to the time-consuming administrative procedures required to issue the relevant permits, the extremely adverse weather conditions and unforeseen geological conditions which required additional work. As of today though, all the required permits have been issued and the construction work is at a high pace. The completion of the construction of the project is expected within 2022.

The total cost for the project on December 31, 2021 amounts to € 39,99 million

Repowering of Small Hydroelectric Power Station (SHPS) Louros

On July 9th, 2020, SHPP Louros (3 X 2.9 MW) was put into semi-commercial operation with initially limited capacity. The Renovation Project included the elaboration of an Implementation Study, the renovation of the PM Projects (Production Station, Aqueduct, Supply Projects - Safety Valve - Fall Pipeline, Medium Voltage Area) and the supply - installation - commissioning of new PC equipment (PC). Generators, Input Valves, Power Transformers, Medium and Low Voltage Panels, Grill Cleaner, etc.)

On 09.11.2020 the semi-commercial operation was completed (for a duration of 4 months) and the commercial operation of the Project started, which is expected to last until 09.11.2021 (warranty period 12 months).

The adjacent Louros Substation, with a power increase to 40 / 50MVA, was electrified on 27.09.2021 in its new form, with the relevant infrastructure, under the responsibility of IPTO SA.

The new gate at Louros Substation (projects of HEDNO S.A.) concerning the Louros SHPP was activated on 05.12.2020 and SHPP was put into operation again on 07.12.2020, with favorable hydrological conditions and without the power restrictions of HEDNO S.A. The adjacent Louros Substation, with a power increase to 40 / 50MVA, was electrified on 27.09.2021 in its new form, with the relevant infrastructure, under the responsibility of IPTO SA.

Construction of Small Hydroelectric Power Plant (SHPP) Smokovo II

The Contract for the Construction of the Smokovo II SHPP (3.2 MW), is in force since 17.10.2019 with a contractual budget of Euro 3.7 million. The Project includes the elaboration of the Implementation Study, the Civil Engineering Projects (Production Station, Evacuation Canal - Adjustment Hopper, Introduction Pipe 1800) and the supply - installation - commissioning of the Electromechanical equipment (Turbines - Double Gates - Double Gates, Generators, Power Transformers, Medium and Low Voltage Panels, etc.) The SHPP is being constructed near the facilities of the Ministry of Infrastructure - Transport (Energy Destruction Project - Irrigation Irrigation Regulation Project), downstream of the Smokovo dam and then of the Leontari tunnel. The irrigation period lasted from 10.4.2021 to 30.8.2021, from the adjacent closed irrigation network and with successful hydraulic isolation of the HPP facilities, which allowed the uninterrupted execution of works. The Project has been implemented by 93% and within July 2022 the Temporary Acceptance is expected. The building of SHPP and the corresponding assembly works (supply pipeline 1800, escape duct, adaptation hopper of SHPP) have been completed, the E / M Equipment of the Project has been fully installed, while the Interconnection Network has been constructed by HEDNO SA.

Construction of Small Hydroelectric Power Plant (SHPP) Makrochori II

The Contract for the Construction of SHPP Makrochori II is in force from 3.6.2020, with a contract price of € 7.4 million.

The Project includes the elaboration of the Implementation Study, the PM Projects (Generation Station, Advance Canal, Evacuation Canal, Barrier Wall, Gates) and the supply - installation - commissioning of E / M equipment (Turbines, Power Generators, Transformers, Transformers and Low Voltage, Grill Cleaner, etc.). The excavation works of the Diaphragm Wall lasted during the period 12.4.2021 to 02.11.2021, while the excavation works of the Ejection Trench and the excavation works around the building of the MYIS and the Ejection Trench have almost been completed. At the same time, the Project Implementation Study is being prepared, while the Main and Auxiliary Electromechanical Equipment (Hydroturbines, Electric Generators, Clogging Beams, etc.) are under industrialization. The Project is expected to be electrified in the fourth quarter of 2022, while during the current period the disbursement progress is approximately 21%.

Repowering of Small Hydroelectric Power Station (SHPS) Vermio

The Renovation Project includes the elaboration of an Implementation Study, the renovation of the PM Projects (Generation Station, Dam, Introduction Works, Reservoir) and the supply - installation - commissioning of new E / M equipment (Turbines, Electric Generators, Torches, Inlet Switches Medium and Low Voltage Panels, Grill Cleaner, etc.). The Construction Contract was signed on 14.10.2021, with a contract price of € 3.7 million € and its completion is expected in March 2023.

The licensing process has been completed (Terms of Connection, Installation Permit, Building Permit), while during the current period the Project Implementation Study is being prepared.

Construction of a Small Hydroelectric Project (SHPP) Ladonas

The SHPP Ladonas, with a capacity of 10 MW, is located on the river Ladonas, downstream of the existing Ladonas HPP of PPC SA, within the regional unit of Arcadia and the Municipality of Gortynia, about 120km from Tripoli. The project is implemented by the participating company PPC - TERNA SA and includes:

- head and water intake works (0.5km downstream of the HPP escape canal)
- the water supply system
- the production station (in a position 3km downstream of the head projects)
- the main and auxiliary electromechanical equipment (E / M)
- interconnection projects

The Project is designed to be run-of-river, with nominal output Q=38 m³/s
The Installation Permit of the Project was issued on 29.01.2021.
The Final Study of Civil Engineering Projects was submitted on 19.04.2021.

During the current period, actions are taken for the finalization of the technical and contractual-financial object of the Project, the selection of an E / M equipment supplier and the completion of the issues of the Construction Contract.

Construction of Small Hydroelectric Project (SHPP) Theisoa

The Theisoa NPP (5 MW - 16.4GWh), is located on the river Alfeios, within the regional unit of Iliia, the Municipality of Andritsaina - Krestena, the Local Community of Theisoa. The project is implemented by the participating company PPC RENEWABLE SA (49%) - NANCO ENERGY SA (51%), which also owns SHPP Gitanis (4.2MW). SHPP Theisoa includes a low dam of 18m height, with water intake on the left side, and with a production station integrated inside the dam, on the left buttress.

The main and auxiliary electromechanical (E / M) equipment includes 2 Kaplan Hydro Turbines with respective Electric Generators, Power Transformers, Medium and Low Voltage Panels, Grill Cleaner. The Project is designed to be run-of-river, with $Q=2 \times 15=30$ m³/s. The Producer Certificate was issued on 06.10.2021 by the Energy Regulatory Authority, following a relevant application in the June cycle.

During the current period, the final Hydrological Study of the Project is under preparation.

Construction of a Small Hydroelectric Project (SHP) Pournari III

The SHP Pournari III (0.7MW - 4.1GWh), is located downstream of the Pournari II of PPC SA (Regional Unit of Arta). The project utilizes energy for the ecological supply of the river Arachthos, which until today flows freely from the overflow of the right bank.

The SHP has a nominal flow of $7 \div 12$ m³/sec and a fall height of 6.5 m. During the current period, the licensing of the Project is in progress, while the preparation of the Final Study will follow.

Cooperation with RWE Business Group for the joint development of RES projects

In March 2020, the Group signed a memorandum of cooperation with RWE Renewables GmbH for the development of RES projects in Greece through PPC RENEWABLE, in the context of the de-lignification strategy, but also its wider focus in the field of renewable energy sources.

In October 2021, PPC Renewables SA and RWE Renewables GmbH have signed the Joint Venture Formation Agreement and the Shareholders' Agreement, with the aim of jointly contributing and implementing photovoltaic stations with a total installed capacity of up to 2 GW through a JV investment vehicle (JV). In this context, in August 2021, 9 subsidiaries were established (companies "AMYNTAIO") in Amynteo, Florina, for the creation of photovoltaic projects with a total capacity of up to 940 MW, which are located in Western Macedonia, within the former Lignite Mine Amyntaio.

In January 2022, the process of establishing a public limited company was completed, under the name METON ENERGIKI SA. PPC Renewables contributed in kind its nine subsidiaries AMYNTAIO which were valued at € 75,185 by Certified Public Accountants and acquired 49% of it, while RWER, contributing the amount of € 78,254 to METON Energy, acquired 51% of it. At the same time, RWER has already secured a portfolio of photovoltaic projects of a similar size in Greece, which is expected to be contributed to METON in 2022.

Photovoltaic projects are in various stages of development; The first projects are expected to start operating in 2023.

Domestic project development agreements aimed at expanding and strengthening the RES portfolio

As part of the expansion of its portfolio, PPC Renewables signed investment agreements with three Greek private companies, Pivot, Teichio and Baliaga, for the development of a PV portfolio of projects with a total capacity of approximately 2GW in Greece.

Memorandum of Cooperation with the Cyprus Electricity Authority (EAC)

In July 2021 the Cyprus Electricity Authority (EAC) and PPC SA signed a Memorandum of Cooperation. The agreement, part of the development of the two Organizations, includes, among other things, the desire to strengthen cooperation and exchange experiences in the fields of electricity and gas.

The memorandum of cooperation has included regulatory issues for the operation of the Electricity Market.

Memorandum of cooperation with ELINOIL

In June 2021, PPC SA and ELINOIL SA proceeded to the signing of a Memorandum of Understanding (MoU) with the aim of expanding activities in the provision of e-mobility services.

According to the MoU, the two parties will investigate the points of the network of ELINOIL gas stations nationwide that can be used for parking and charging of electric vehicles and are committed to the joint promotion of e-mobility services and declare mutual intention for further synergies that can arise.

In this context, PPC will undertake to install chargers for electric vehicles at ELINOIL gas stations in sections and in individual phases.

41. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuing technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value and are not based on observable market data.

During the reporting period there were no transfers between level 1 and level 2 fair value measurement, and no transfers into and out of level 3 fair value measurement.

The following tables compare the carrying amount of the Group's and the Parent Company's financial instruments that are carried at amortized cost and their fair value:

| Group | Carrying amount | | Fair value | |
|---|-----------------|------------|------------|------------|
| | 31.12.2021 | 31.12.2020 | 31.12.2021 | 31.12.2020 |
| Financial Assets | | | | |
| Trade receivables | 1,100,625 | 708,679 | 1,100,625 | 708,679 |
| Restricted cash | 65,856 | 58,702 | 65,856 | 58,702 |
| Cash and cash equivalents | 2,832,351 | 815,640 | 2,832,351 | 815,640 |
| Financial Liabilities | | | | |
| Long-term borrowings | 4,416,270 | 4,027,255 | 4,416,270 | 4,027,255 |
| Long-term financial liabilities from the securitization of trade receivables | 229,475 | 123,465 | 229,475 | 123,465 |
| Trade payables | 970,072 | 1,428,758 | 970,072 | 1,428,758 |
| Short-term financial liabilities from the securitization of trade receivables | 150,620 | 11,688 | 150,620 | 11,688 |
| Short-term borrowing | 271,337 | 42,152 | 271,337 | 42,152 |

| Parent Company | Carrying amount | | Fair value | |
|---|-----------------|------------|------------|------------|
| | 31.12.2021 | 31.12.2020 | 31.12.2021 | 31.12.2020 |
| Financial Assets | | | | |
| Trade receivables | 875,909 | 554,619 | 875,909 | 554,619 |
| Restricted cash | 48,278 | 52,803 | 48,278 | 52,803 |
| Cash and cash equivalents | 2,512,204 | 626,940 | 2,512,204 | 626,940 |
| Financial Liabilities | | | | |
| Long-term borrowings | 2,931,005 | 2,405,718 | 2,931,005 | 2,405,718 |
| Long-term financial liabilities from the securitization of trade receivables | 229,475 | 123,465 | 229,475 | 123,465 |
| Trade payables | 480,202 | 1,171,262 | 480,202 | 1,171,262 |
| Short-term financial liabilities from the securitization of trade receivables | 150,620 | 11,688 | 150,620 | 11,688 |
| Short-term borrowing | 260,000 | 30,000 | 260,000 | 30,000 |

The fair value of trade receivables and trade payable accounts approximates their carrying amounts.

The fair value of property, plant and equipment (except mines, lakes and construction in progress which are valued at their cost less accumulated depreciation and impairment losses) is included in Level 2 of the fair value hierarchy.

As of December 31st, 2021, the Group and the Parent Company held the following financial instruments measured at fair value:

| Financial Assets | Carrying amount | | Fair value Hierarchy |
|---|-----------------|------------|----------------------|
| | 31.12.2021 | 31.12.2020 | |
| Group | | | |
| Financial Assets at fair value through Other Comprehensive Income | 327 | 866 | Level 1 |
| Derivative Financial Instruments | 76.908 | 4.803 | Level 1 |
| Parent Company | | | |
| Financial Assets at fair value through Other Comprehensive Income | 325 | 646 | Level 1 |
| Derivative Financial Instruments | 76.908 | 4.803 | Level 1 |

There were no transfers between Level 1 and 2 of the fair value hierarchy and transfers to / from Level 3 for the calculation of the fair value of financial receivables and liabilities for the year ended 31 December 2021.

Financial Risk Management Policies

Fair Value

The amounts reflected in the accompanying balance sheets for cash, current assets and current liabilities approximate their respective fair values due to their short-term maturity.

The fair values of financial Assets at fair value through Other Comprehensive Income that are traded on stock markets are based on their quoted market prices at the balance sheet date.

The carrying values of long-term borrowing approximate their fair value as these loans are in local currency and mainly of floating interest rate.

For derivative financial instruments, their fair values are confirmed either by financial institutions with which the Group has entered into the relevant contracts or on the basis of their stock prices of the derivative futures market.

Interest rate risk and foreign currency risk

The Group's and the Parent Company's debt obligations consist of bank loans, bonds and overdraft facilities. It is the Group's and the Parent Company's policy to have a balanced distribution of the loan portfolio between fixed and floating interest rates according to the prevailing conditions and to hedge on a case by case basis through derivatives, solely to mitigate risk, against the fluctuation of floating interest rates and/or foreign currency exchange rates affecting their debt portfolio. The Debt is in Euro.

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

The following table presents the sensitivity analysis to pre-tax income from reasonable possible interest rate fluctuations with the other variables remaining fixed, through the effect on existing floating rate borrowing (in millions of Euro):

| | Increase / Decrease in basis points (%) | Effect on profit before tax (Group) | Effect on profit before tax (Company) |
|-------------|---|-------------------------------------|---------------------------------------|
| 2020 | | | |
| Euro | 50 | (10.8) | (10.8) |
| Euro | (50) | 10.8 | 10.8 |
| 2021 | | | |
| Euro | 50 | (8.7) | (8.5) |
| Euro | (50) | 8.7 | 8.5 |

Liquidity Risk

The Group and the Parent Company face liquidity risk, which may result in additional working capital requirements, due to a number of factors relating to their ability to timely collect from their customers, including:

- delays in the payment or non-payment of energy bills, which may increase if economic conditions in Greece deteriorate;
- the obligation of the Parent Company to pay the Renewables special levy, the 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;
- the increase of vulnerable customers, such as low-income families, the long-term unemployed, people with disabilities and people with mechanical support, who are entitled to lower tariffs; Incidents of power outages and unauthorized reconnection of electricity supply in cases of interruption of connection due to default by customers.

The Group and the Parent Company may also face, increased working capital requirements following decisions by the Regulator, in relation to their payments to and from other market operators that could have a significant effect on their liquidity. In addition, the Group's and the Parent Company's ability to manage their working capital requirements and liquidity risk depends, in part, on maintaining positive relationships with their suppliers. If they are unable to maintain current working arrangements with their suppliers, working capital requirements could materially increase and result in increased liquidity risk, which may have a material adverse effect on their business, financial condition and results of operations.

The contractual maturities of the main financial liabilities (borrowings), not including interest payments are as follows:

| (In mil. Euro) | On demand | 3 months | 3 to 12 months | ≥ 1 to 5 years | > 5 years | Total |
|--|-----------|---------------|----------------|-----------------|-----------------|-----------------|
| Year ended 31 December 2020 (Group) | | | | | | |
| Overdraft facilities | – | 39.88 | 2.28 | – | – | 42.16 |
| Short term borrowings | – | – | – | – | – | – |
| Long term borrowings | – | 146.28 | 416.95 | 2,563.47 | 982.08 | 4,108.78 |
| | – | 186.16 | 419.23 | 2,563.47 | 982.08 | 4,150.94 |
| Year ended 31 December 2021 (Group) | | | | | | |
| Overdraft facilities | – | 268.24 | – | – | – | 268.24 |
| Short term borrowings | – | – | – | – | – | – |
| Long term borrowings | – | 102.96 | 272.78 | 3,095.02 | 1,041.51 | 4,512.49 |
| | – | 371.21 | 272.78 | 3,095.02 | 1,041.51 | 4,780.73 |

| (In mil. Euro) | On demand | 3 months | 3 to 12 months | ≥ 1 to 5 years | > 5 years | Total |
|--|-----------|---------------|----------------|-----------------|---------------|-----------------|
| Year ended 31 December 2020 (Company) | | | | | | |
| Overdraft facilities | – | 30 | – | – | – | 30 |
| Short term borrowings | – | – | – | – | – | – |
| Long term borrowings | – | 146.28 | 416.95 | 2,539.46 | 909.59 | 4,012.3 |
| | – | 176.28 | 416.95 | 2,539.46 | 909.59 | 4,042.3 |
| Year ended 31 December 2021 (Company) | | | | | | |
| Overdraft facilities | – | 260.00 | – | – | – | 260.00 |
| Short term borrowings | – | – | – | – | – | – |
| Μακροπρόθεσμα δάνεια | – | 49.78 | 176.28 | 2,259.65 | 537.65 | 3,023.38 |
| | – | 309.78 | 176.28 | 2,259.65 | 537.65 | 3,283.38 |

Future interest payments on loan financial liabilities, excluding accounts receivable are as follows:

| Future interest payments | Group (in million €) | | | | | Total |
|--------------------------|----------------------|----------|----------------|----------------|-----------|---------------|
| | On demand | 3 months | 3 to 12 months | ≥ 1 to 5 years | > 5 years | |
| 31 December 2021 | – | 31.91 | 90.02 | 319.79 | 36.98 | 478.70 |
| 31 December 2020 | – | 34.78 | 94.48 | 416.00 | 62.46 | 607.72 |

| Future interest payments | Parent Company- Continued operations (in million €) | | | | | Total |
|--------------------------|---|----------|----------------|----------------|-----------|--------|
| | On demand | 3 months | 3 to 12 months | ≥ 1 to 5 years | > 5 years | |
| 31 December 2021 | – | 24.98 | 69.20 | 250.32 | 9.45 | 353.95 |
| 31 December 2020 | – | 26.75 | 71.02 | 326.2 | 27.7 | 451.7 |

Market risk

Parent Company

Within 2021, the CO₂ adjustment clause in the Low Voltage Electricity tariffs was replaced by a new one of the supply charge adjustment clause based on the fluctuation of the Purchase Clearance Price and was included in the Medium Trend (Note 3 Commercial Policy). The Group and the Parent Company remain exposed to the fluctuation from High Voltage energy tariffs and fixed charge tariffs. The following is an analysis of the effect of the change in the Purchase Clearance Price.

| | Purchase clearance price (Mw/h) | |
|------------------------|---------------------------------|---------------------|
| | Group | Parent company |
| Variance in unit price | 1 € (+ one euro) | 1 € (+ one euro) |
| Impact-burden 2022 | € 6 mil. | € 5 mil. |

Progression of net debt ratio

The Group's net debt/equity ratio is as follows:

| | 2021 | 2020 (Restated) |
|--|------------------|--------------------|
| Long-term borrowing | 4,062,638 | 3,480,453 |
| Current portion of long-term borrowing | 353,632 | 546,802 |
| Short-term borrowing | 271,337 | 42,152 |
| Cash | (2,832,351) | (815,640) |
| Pledged deposits | (53,323) | (53,535) |
| Financial assets measured at fair value through other comprehensive income | (327) | (866) |
| Unamortized portion of loans' issuance fees | 88,166 | 84,235 |
| TOTAL | 1,889,772 | 3,283,601 |
| Shareholders' equity | 5,079,007 | 3,086,941 |
| Net debt/equity ratio | 37% | 106% |

It is noted that the deducted amounts of the pledged deposits in the above table refer only to pledged deposits related to loan agreements.

In long-term borrowing, as presented above, the unamortized portion of loan issuance fees of Euro 88 mil., approximately is not included (2020: Euro 84 mil. approximately) (Note 30).

42. LEASES

Leases: the Group and the Parent Company as Lessee

The Group and the Parent company have signed contracts for the lease of property, transportation assets, other equipment and vessels that they use for their activity. Part of the leases of transportation assets and other equipment fall under the recognition exemption as they concern either short-term leases or low-value leases.

Property leases relate to leases with a lease term between 2 and 10 years, (except for the property of the former military camp "Plessas Michael" as below), while time-chartered vessels concern leases with a lease term 6 to 24 months.

In March 2020 the BoD of the Parent Company decided to set up a 100% subsidiary "PPC Project of the Mediterranean Sole Proprietorship SA" whose purpose will be the implementation of the lease agreement of the property of the former military camp "Plessas Michael" "which was awarded to the SA National Defense Fund (NDF) after a public bidding and more broadly, the undertaking of the best possible way of use and exploitation, the necessary during the declaration demolition of existing buildings and construction of new ones, as well as the relocation of services of PPC SA in this.

PPC SA on 3 July 2020 signed the said lease agreement, the duration of which is set at 50 years with a right of extension of 10 years and an annual rent of € 2.7 million which will be adjusted every five years based on the consumer price index. Also, due to the substantial costs that will be required for the reconstruction, reconstruction and relocation of the Units of the camp, PPC is given the right not to pay rent in the first year of rent, while for the next four years of rent the payment of 50% of the rent of the property .

The new building complex that will be built will become the property of the lessor after the termination or termination of the lease. The right to use the property due to lease was recognized in the financial statements of the Group and the Parent Company on September 30, 2021, date when the lease is now available for use as the relocation of the Camp Units was completed and the leased space was handed over to PPC.

The relevant right of use and financial obligation recognized on September 30, 2021 amounts to € 69 million taking into account the remaining 49 years of the lease and considering that PPC will exercise the right to extend the lease for 10 years.

The following table contains the acquisition value of the rights of use of fixed assets and the value of the financial liabilities of the right of use of fixed assets as well as their movement during the year ended 31 December 2021 and 31 December 2020:

| ASSETS | GROUP | | | | | TOTAL |
|-------------------------------|----------------|-----------------|-----------------------|--------------|--------------|-----------------|
| | PROPERTY | OTHER EQUIPMENT | TRANSPORTATION ASSETS | VESSELS | SOFTWARE | |
| 31.12.2019 | 51.134 | 3.080 | 6.197 | 6.782 | – | 67.193 |
| Additions | 7.730 | 5.223 | 787 | 9.524 | – | 23.263 |
| Reductions | (3.925) | – | (96) | – | – | (4.021) |
| Depreciation expense | (9.225) | (3.381) | (1.970) | (7.285) | – | (21.861) |
| 31.12.2020 | 45.714 | 4.922 | 4.918 | 9.021 | – | 64.575 |
| Additions | 83.577 | 225 | 8.876 | – | 1.442 | 94.120 |
| Reductions | (2.052) | (1.761) | (165) | – | – | (3.978) |
| Depreciation expense | (9.982) | (2.074) | (2.185) | (5.700) | (206) | (20.147) |
| 31.12.2021 | 117.257 | 1.312 | 11.444 | 3.321 | 1.236 | 134.570 |
| LIABILITIES | | | | | | |
| 31.12.2019 | 51.428 | 3.132 | 6.229 | 6.903 | – | 67.691 |
| Additions | 6.319 | 4.458 | 768 | 9.524 | – | 21.069 |
| Early termination | (2.573) | 765 | (26) | – | – | (1.834) |
| Finance cost | 2.171 | 157 | 252 | 307 | – | 2.888 |
| Payments | (10.557) | (3.543) | (2.119) | (7.606) | – | (23.825) |
| 31.12.2020 | 46.789 | 4.968 | 5.105 | 9.128 | – | 65.990 |
| Additions | 83.977 | 225 | 8.663 | – | 1.460 | 94.326 |
| Early termination | (2.257) | (1.734) | (182) | – | – | (4.173) |
| Finance cost | 3.056 | 173 | 167 | 290 | 16 | 3.702 |
| Payments | (11.505) | (2.860) | (2.135) | (5.993) | (217) | (22.711) |
| 31.12.2021 | 120.060 | 772 | 11.618 | 3.424 | 1.259 | 137.133 |
| LIABILITIES 31.12.2020 | | | | | | |
| Current | 8.017 | 2.443 | 1.628 | 5.703 | – | 17.791 |
| Non-Current | 38.772 | 2.525 | 3.477 | 3.424 | – | 48.198 |
| LIABILITIES 31.12.2021 | | | | | | |
| Current | 9.767 | 558 | 3.093 | 3.424 | 830 | 17.672 |
| Non-Current | 110.293 | 214 | 8.525 | – | 429 | 119.461 |

In the following table contractual maturities of the Group's lease liabilities as of December 31st, 2021 are presented :

| | PROPERTY | OTHER EQUIPMENT | TRANSPORTATION ASSETS | VESSELS | SOFTWARE | TOTAL |
|--------------------------|----------|-----------------|-----------------------|---------|----------|----------------|
| Up to 12 months | 13,228 | 578 | 3,524 | 3,490 | 869 | 21,689 |
| 1 to 5 years | 40,892 | 217 | 9,139 | – | 435 | 50,683 |
| More than 5 years | 215,040 | – | – | – | – | 215,040 |

PARENT COMPANY

| ASSETS | PROPERTY | OTHER EQUIPMENT | TRANSPORTATION ASSETS | VESSELS | TOTAL |
|----------------------|----------------|-----------------|-----------------------|--------------|-----------------|
| 31.12.2019 | 31,379 | 2,260 | 664 | 6,782 | 41,084 |
| Additions | 1,636 | 600 | 730 | 9,524 | 12,490 |
| Reductions | (743) | – | – | – | (743) |
| Depreciation expense | (5,398) | (1,903) | (799) | (7,285) | (15,385) |
| 31.12.2020 | 26,874 | 957 | 595 | 9,021 | 37,447 |
| Additions | 79,452 | 172 | 1,213 | – | 80,838 |
| Reductions | (1,689) | – | – | – | (1,689) |
| Depreciation expense | (6,463) | (989) | (676) | (5,700) | (13,827) |
| 31.12.2021 | 98,174 | 141 | 1,133 | 3,321 | 102,768 |
| ΥΠΟΧΡΕΩΣΕΙΣ | | | | | |
| 31.12.2019 | 32,192 | 2,296 | 674 | 6,903 | 42,065 |
| Additions | 1,636 | 601 | 730 | 9,524 | 12,491 |
| Reductions | (778) | – | – | – | (778) |
| Finance cost | 1,419 | 69 | 32 | 307 | 1,827 |
| Payments | (6,206) | (1,990) | (832) | (7,606) | (16,634) |
| 31.12.2020 | 28,263 | 976 | 604 | 9,128 | 38,971 |
| Additions | 79,452 | 172 | 1,213 | – | 80,838 |
| Reductions | (1,772) | – | – | – | (1,772) |
| Finance cost | 2,065 | 27 | 32 | 290 | 2,413 |
| Payments | (7,323) | (1,030) | (706) | (5,993) | (15,052) |
| 31.12.2021 | 100,686 | 145 | 1,143 | 3,425 | 105,398 |
| ΥΠΟΧΡΕΩΣΕΙΣ | | | | | |
| 31.12.2020 | | | | | |
| Current | 4,910 | 898 | 485 | 5,703 | 11,996 |
| Non-Current | 23,353 | 78 | 119 | 3,425 | 26,975 |
| ΥΠΟΧΡΕΩΣΕΙΣ | | | | | |
| 31.12.2021 | | | | | |
| Current | 6,463 | 145 | 542 | 3,424 | 10,573 |
| Non-Current | 94,223 | – | 602 | – | 94,825 |

In the following table contractual maturities of the Parent Company's lease liabilities as of December 31st, 2021 are presented:

| | PROPERTY | OTHER EQUIPMENT | TRANSPORTATION ASSETS | VESSELS | TOTAL |
|--------------------------|----------|-----------------|-----------------------|---------|----------------|
| Up to 12 months | 9,196 | 146 | 569 | 3,490 | 13,401 |
| 1 to 5 years | 28,789 | – | 632 | – | 29,421 |
| More than 5 years | 205,882 | – | – | – | 205,882 |

The amounts recorded in the Statement of Income are as follows:

| Group | 31.12.2021 | 31.12.2020 |
|--|-------------------|-------------------|
| Rights in use assets depreciation expense (Note 9) | 20,147 | 21,861 |
| Finance cost (Note 11) | 3,701 | 2,888 |
| Short term lease expenses | 9,310 | 5,759 |
| Low value lease expenses | 1,354 | 1,626 |
| Total | 34,512 | 32,134 |
| PARENT COMPANY | | |
| | 31,12,2021 | 31,12,2020 |
| Rights in use assets depreciation expense (Note 9) | 13,827 | 15,385 |
| Finance cost (Note 11) | 2,413 | 1,827 |
| Short term lease expenses | 8,038 | 5,620 |
| Low value lease expenses | 154 | 425 |
| Total | 24,432 | 23,257 |

The Group and the Parent company paid for leases in 2021 a total amount of Euro 33,375 and Euro 23,243 respectively.

Lease obligations are secured by the landlord's title deeds. There are contracts that include a term of extension or early termination of the lease and a term of increase of rents based on the consumer price index (variable rents).

The Group and the Parent Company have the right for some leases, to extend the duration of the lease or the option to terminate the contract. The Group and the Parent Company assess whether there is reasonable certainty that the relevant right will be exercised, taking into account all the factors that create financial incentive, to exercise the right of renewal or termination.

The Group and the Parent Company on December 31, 2021 from the evaluation they made, concluded that for all lease agreements that give the right of extension, except for the lease of house agreements, they will exercise this right, while for all contracts that have the option to terminate the contract, they will not exercise this option.

43. DERIVATIVE FINANCIAL INSTRUMENTS

A. Hedging Transactions

In the ordinary course of business, as a vertically integrated electricity company, the Group and the Parent Company participate in the Greek energy wholesale market both as producer and as supplier of electricity, which exposes them to market price risk stemming from commodity price fluctuations. Their generation business is exposed to the fluctuations of natural gas, oil and CO₂ emission rights prices which are traded in international commodity markets.

The exposure of the Group and the Parent Company to the risk of the wholesale electricity market is determined by its net exposure, ie the amount of energy required to be purchased from (or sold to) the wholesale market to meet the supply needs (or production respectively) that can not be covered by its own portfolio of production units (or customers respectively). Any change in both the commercial portfolio and the production portfolio of the Group and the Parent Company, leads to fluctuations of the net exposure either to a position of "purchase" or to a position of "sale" of electricity. For either position, the variable wholesale electricity prices may have a material adverse effect on the Group's Parent Company's operating results and financial position.

In addition, the price of natural gas significantly affects the production costs of the Parent Company. To hedge the risk of future fluctuations in gas prices, the Group and the Parent Company until December 31, 2021 and until December 31, 2020 entered into an over-the-counter type of gas swap agreements with financial institutions with expiration dates within 2022 and within 2021 respectively.

As at 31 December 2021 and 2020, the Group and the Parent Company held the following gas swap contracts:

| Hedging Instruments | Position | Nominal quantity (MW/h) | Position's Nominal price in thousand € | Short Term Asset |
|--------------------------------|----------|-------------------------|--|------------------|
| Gas commodity swaps 31.12.2021 | Buy | 1,516,625 | 53,632 | 76,908 |
| Gas commodity swaps 31.12.2020 | Buy | 876,000 | 13,424 | 1,402 |

To hedge the risks of future fluctuations in electricity prices, the Group and the Parent Company entered until December 31, 2020 stock exchange type contracts with counterparties operating on the European Energy Exchange (EEE) with reference price to the Greek Energy market with settlement date within 2021. On December 31, 2021 and 2020, the Group and the Parent Company held the following electricity swap contracts:

| Hedging Instruments | Position | Nominal quantity (MW/h) | Position's Nominal price in thousand € | Short Term Asset |
|--|----------|-------------------------|--|------------------|
| Electricity Commodity Swaps 31.12.2021 | – | – | – | – |
| Electricity Commodity Swaps 31.12.2020 | Buy | 788,400 | 40,370 | 3,402 |

In addition, the Group and the Parent Company in order to hedge the risk of future fluctuations in gas prices entered into futures contracts until December 31, 2021 in the European Energy Exchange with maturity dates within 2022 and 2023 which are analyzed as follows:

| Hedging Instruments | Position | Nominal quantity (MW/h) | Position's Nominal price in thousand € | Short Term Asset |
|----------------------------------|----------|-------------------------|--|------------------|
| Gas commodity futures 31.12.2021 | Buy | 5,840,660 | 167,816 | 227,277 |
| Gas commodity futures 31.12.2020 | – | – | – | – |

The Group and the Parent Company in order to hedge the risk of future fluctuations in electricity prices entered into futures contracts until December 31, 2021 and December 31, 2020 in the Hellenic Energy Exchange (Henex) and the European Energy Exchange (EEE) with maturity dates within 2022 and 2021 respectively, which are analyzed as follows:

| Hedging Instruments | Position | Nominal quantity (MWh) | Position's Nominal price in thousand € | Short Term Asset |
|--|----------|------------------------|--|------------------|
| Electricity commodity futures 31.12.2021 | Sell | (1,533,505) | (366) | (83,775) |
| Electricity commodity futures 31.12.2020 | Buy | 249,048 | 15,011 | 661 |

As futures contracts are valued and settled on a daily basis through the Energy Exchanges, the valuation of open positions on 31.12.2021 has directly affected the cash and cash equivalence of the Group and the Parent Company.

The hedged items for the natural gas follow the Title Transfer Facility (TTF) index, as well as the hedged instruments and as a result the hedged ratio is 1: 1. Hedging items for electricity follow the Day Ahead Market (DAM) of Greece and the European Energy Exchanges. As the characteristics of the hedged instrument and the hedged item are highly correlated, the hedged ratio is 1: 1.

All cash flow hedges for both year 2021 and 2020 are considered to be effective in the future and hedged items are highly probable future transactions. Therefore, no ineffective cash flow hedging has been recognized in the results of the Group and the Parent Company.

The valuation of the above swap contracts and futures contracts was carried out based on prices provided by financial institutions with which the Group has concluded the relevant contracts, or based on their stock prices in the derivative futures market. The total change in their fair value amounts to € 214.9 million (31.12.2020: € 5.5 million) and is included in the Other Reserves as "Reserves from hedging activities" (Note 28) through the Statement of Other Comprehensive Income as of December 31, 2021.

From the hedging transactions of electricity and natural gas products within 2021, profits before taxes in the Electricity Markets were reclassified from the Statement of Comprehensive Income to Energy Purchases of € 92.3 million (Note 8) and in Gas in the profits before taxes € 102.9 million, ie a total of € 195.2 million.

An analysis of the above open positions in derivative financial instruments for hedging cash flows as of 31.12.2021 based on their maturity date is presented:

| 31.12.2021 | | up to 12 months | >1 to 5 Years | > 5 years | Total | Fair Value | Statement of financial position |
|-------------------------------|--|-----------------|---------------|-----------|-------------|------------|--|
| Gas commodity swaps | Nominal Quantity (MW/h) | 1,516,625 | – | – | 1,516,625 | 76,908 | Financial instruments / other reserves |
| | Position's Nominal price in thousand € | 53,632 | – | – | 53,632 | | |
| Gas commodity futures | Nominal Quantity (MW/h) | 5,052,880 | 787,780 | – | 5,840,660 | 227,277 | Cash / other reserves |
| | Position's Nominal price in thousand € | 147,392 | 20,424 | – | 167,816 | | |
| Electricity commodity futures | Nominal Quantity (MW/h) | (1,533,505) | – | – | (1,533,505) | (83,776) | Cash / other reserves |
| | Position's Nominal price in thousand € | (365,568) | – | – | (365,568) | | |

An analysis of the above open positions of 31.12.2020 in derivative financial instruments to hedge cash flows based on their maturity date is presented:

| 31.12.2020 | | up to 12 months | >1 to 5 Years | > 5 years | Total | Fair Value | Statement of financial position |
|-------------------------------|--|-----------------|---------------|-----------|---------|------------|--|
| Gas commodity swaps | Nominal Quantity (MW/h) | 876,000 | – | – | 876,000 | 1,402 | Financial instruments / other reserves |
| | Position's Nominal price in thousand € | 13,424 | – | – | 13,424 | | |
| Gas commodity futures | Nominal Quantity (MW/h) | 788,400 | – | – | 788,400 | 3,402 | Financial instruments / other reserves |
| | Position's Nominal price in thousand € | 40,370 | – | – | 40,370 | | |
| Electricity commodity futures | Nominal Quantity (MW/h) | 249,048 | – | – | 249,048 | 661 | Cash / other reserves |
| | Position's Nominal price in thousand € | 15,011 | – | – | 15,011 | | |

B. Transactions for speculative purposes

The Parent Company, in the context of its business activity as a Special Trader (Market Maker) in the Derivatives Market of the Greek Energy Exchange, which started its operation in 2020, has carried out transactions for trading purposes. From these transactions, the Group and the Parent Company recorded losses of € 3.6 million (31.12.2020: profits of € 48 thousand) and are included in the Income Statement in "Other(income)/Expenses" (Note 13). As at 31 December 2021, the open positions in derivative financial instruments maturing in 2022 were as follows:

| Financial Instrument | Position | Nominal quantity (MW/h) | Position's Nominal price in thousands'€ | Short Term Asset 31.12.2021 |
|--------------------------------|----------|-------------------------|---|-----------------------------|
| (electricity commodity future) | Buy | (1,344) | (242) | (14) |

As futures contracts are valued and settled on a daily basis through the Energy Exchanges, the valuation of open positions on 31.12.2021 has directly affected the cash and cash equivalence of the Group and the Parent Company.

In addition, an amount of € 49.7 million is included in the Income Statement in "Other(income)/Expenses" Note 13 and relates to the gain on electricity long position contracts arising from the discontinuation of the cash flow hedging relationship due to the activation of the new clause on Supply Charges in Low Voltage customers bills.

44. AMENDMENTS

44.1. Provision for compensation of staff due to leaving the service

The Committee for the Interpretation of International Financial Reporting Standards issued in May 2021 the final decision on the agenda entitled "Distribution of benefits over periods of service (IAS 19)". This Directive clarifies the treatment of the provisions for compensation of employees, paid to them when they leave due to retirement, based on the provisions of Greek labor law (Law 3198/1955), which reaches its maximum point after 16 years of service in same employer.

According to the Commission opinion, in the case of a compensation policy which provides for the payment of benefits only at retirement age and the amount of the benefit increases with the years of service up to a maximum (eg up to 16 years), the corresponding employer liability is broken down by working years before retirement, taking into account the maximum period beyond which the benefit is not further increased.

Based on a decision of the Board of Directors, the Parent Company provides compensation due to voluntary leave to its employees with more than 15 years of service regardless of the establishment of a pension right. Therefore, according to the instructions of the Technical Committee set up on the subject matter as the compensation is not provided only at retirement age, the employer's obligation continues to be distributed during the first 16 working years. Therefore, there is no change in the method of calculating the staff leave indemnities due to the above decision of the Interpretation Committee and it has no effect on the Parent Company.

The same policy is followed by the Group's subsidiaries except HEDNO and PPC Renewables, which provide compensation due to voluntary leave to its employees with more than 15 years of service if they have established a pension right. The effect on the Group (reduction of relative provision) amounts to € 2,335 where € 2,217 concerns the subsidiary HEDNO and amount € 118 the subsidiary PPC Renewables. This effect was not considered significant for the Group, however the Group proceeded with the restatement taking into account the below mentioned (note 44.2).

The Commission Decision is evaluated as a Change in Accounting Policy, in accordance with the provisions of paragraphs 19-22 of IAS 8. The change in accounting policy is applied retroactively from 1/1/2020, with a corresponding adjustment of the opening balance of each affected equity account for the earlier of the presented periods and the other comparative amounts for each previous period presented, as if the new accounting policy had always been in use.

Below we present an analysis of the effect on individual accounts of the financial statements of the Group as at 31 December 2021, 31 December 2020 and 1 January 2020:

Group - Impact on the Items of the Financial Position 01.01.2020

| | 31.12.2019 PUBLISHED | Effect | 01.01.2020 RESTATED |
|---------------------------|-------------------------|---------|------------------------|
| Post -retirement benefits | 303,292 | (2,335) | 300,957 |
| Retained earnings | (1,628,019) | 1,775 | (1,626,244) |
| Deferred tax assets | 226,623 | (560) | 226,063 |

Group - Impact on the Items of the Financial Position 31.12.2020

| | 31.12.2020 PUBLISHED | Effect | 31.12.2020 RESTATED |
|---------------------------|-------------------------|---------|------------------------|
| Post -retirement benefits | 232,757 | (2,335) | 230,422 |
| Retained earnings | (1,552,136) | 1,775 | (1,550,361) |
| Deferred tax assets | 202,673 | (560) | 202,113 |

44.2 Revenues for network usage fees arising from consumed and unbilled energy

The Group (through its subsidiary HEDNO) at each balance sheet date calculates based on an estimation method the Network Usage Fees related to the consumed and unbilled energy for the non-monthly metered connections in the Non-Interconnected Network of Low Voltage. This estimate was invoiced by HEDNO to the electricity providers and in the next period the relevant settlement was carried out. The specific procedure was done on a monthly basis due to the specific obligations of the relevant department based on RAE guidance and the additional role it has in the energy market in non-interconnected islands.

On the contrary, for the non-monthly metered connections of Low Voltage in the Interconnected Network, due to the complexity, the significant number of connections, but also the different obligations of the Company in the Interconnected Network and the way of pricing the relevant Network Usage Fees, HEDNO did not recognise a corresponding provision of accrued income until the year ended 31/12/2019.

During the year ended 31.12.2020, HEDNO re-examined the method of recognizing the revenue from Network Usage Fees in the Interconnected Network, in order to reflect those revenues that correspond to the consumed and unmetered energy and which has not been invoiced for those connections.

In particular, taking into account that the cycle of consumption metering is four months and assuming that the metering is carried out in the middle of the month, ie on the 15th day, regarding the metered non-monthly cycle services of Low Voltage, the Group from the metered quantities of energy of the months of January, February, March and April of 2020 and 2019 estimated those related to consumptions of previous years, ie 2019 and 2018, respectively.

Regarding the estimate for the unmetered quantities of energy of 2020, it made specific assumptions, the most important of which concern the quantities of electricity consumed in total and its losses from the Network, according to the official data of HEDNO, as well as the average charge term for electricity consumption.

Based on the above estimate, it was concluded that the Group's retain earnings as of December 31, 2019 appears underestimated, as the revenue accrual mentioned above was not recognized. In addition, the Parent Company did not recognize part of the above accrued income as the owner of property, plant, equipment of the distribution network sector and respectively the accrued expense for the payment of distribution network usage fees as electricity provider to HEDNO.

In the financial statements of the Group and the Parent Company as of December 31, 2020, there was no restatement of the figures of the comparative period for the above adjustment that took place, as the effect of the non restatement on the financial figures of the Group and the Company was not considered significant and especially on "EBITDA" and "EBITDA Recurring", which are the ratios that have been evaluated by the Group and the Company as the key ones used by the main users of the financial statements to evaluate the financial performance of the Group and the Company.

With the letter dated 1.2.2022, the Hellenic Capital Market Commission requested the Parent Company (PPC SA) to proceed with the restatement of the relevant figures in the financial statements of the Group of December 31, 2021, in accordance with the provisions of IAS 8. The Group and the Parent Company keep their position that their initial judgement is correct, that the effect of the non restatement does not meet the criteria of significance and do not agree with the request by the Hellenic Capital Market Commission toward the Parent Company to restate relevant figures and has already challenged the above act before the competent courts.

Exclusively, for the avoidance of imposition of sanctions against them, the Group and the Parent Company proceeded to restate the relevant comparative figures in the financial statements of December 31, 2021, reserving all their rights and especially their right to request the cancellation of the above action.

Therefore, and in accordance with the above, the Group and the Parent Company restated the comparative amounts of the previously presented periods in their financial statements of the year ended 31/12/2021, with the earlier of the presented periods, ie 01/01/2020. Please note that there is no effect on the published figures of the Statement of Financial Position of 31.12.2020 of the Group and the Parent Company.

This correction has no cash effect and there was no dividend distribution in the fiscal year 2020.

The table below presents the effect of the above restatement on the financial statements of the Group and the Parent Company as at 31 December 2021, 31 December 2020 and 1 January 2020:

Group - Effect on the items of Income Statement 2020

| | 2020 PUBLISHED | Effect | 2020 RESTATED |
|-------------------------------|-------------------|----------|------------------|
| Other (Income) / Expenses | 47,319 | 20,688 | 68,007 |
| Profits / (Losses) before tax | 66,966 | (20,688) | 46,278 |
| Income Tax | (31,762) | 4,965 | (26,797) |
| Profits / (Losses) after tax | 35,204 | (15,723) | 19,481 |

Group - Impact on the Items of the Financial Position 01.01.2020

| | 31.12.2019 PUBLISHED | Effect | 01.01.2020 RESTATED |
|----------------------------|-------------------------|---------|------------------------|
| Other current assets | 360,479 | 20,688 | 381,167 |
| Retained earnings (losses) | (1,628,019) | 15,723 | (1,612,296) |
| Deferred tax assets | 226,623 | (4,965) | 221,658 |

Parent company - Effect on the items of Income Statement 2020

| | 2020 PUBLISHED | Επίδραση Αναμόρφωσης | 2020 RESTATED |
|-------------------------------|-------------------|-------------------------|------------------|
| Distribution fees | 251,792 | (27,990) | 223,802 |
| Profits / (Losses) before tax | 67,483 | 27,990 | 95,473 |
| Income Tax | (24,507) | (6,717) | (31,224) |
| Profits / (Losses) after tax | 42,976 | 21,273 | 64,249 |

Parent company - Impact on the Items of the Financial Position 01.01.2020

| | 31.12.2019 PUBLISHED | Επίδραση Αναμόρφωσης | 01.01.2020 RESTATED |
|---------------------------------------|-------------------------|-------------------------|------------------------|
| Accrued and other current liabilities | 727,363 | 27,990 | 755,353 |
| Retained earnings (losses) | (1,862,818) | (21,273) | (1,884,091) |
| Deferred tax assets | 197,867 | (6,717) | 191,150 |

45. SECURITIZATION OF TRADE RECEIVABLES FROM ELECTRICITY SALES

Securitization of receivables from electricity sales overdue more than 90 days

The Parent Company on April 9, 2021 signed the securitization contracts with a delay of more than 90 days and proceeded until June 30, 2021 to raise funds of € 325,020,000 maturing in 2026 with an interest rate of 6.8% for an amount of securitized receivables of nominal value 1.645 billion and received bonds of reduced security amounting to € 145.4 million with an interest rate of 8%. The investors are Carval Investors and Deutsche Bank AG and under management of PIMCO. The issuer of the transaction is PPC Zeus DAC and the administrator (Servicer) in the transaction is PPC SA, while Qualco SA. acts as a Sub-Servicer.

This Program is covered by a portfolio of claims from active or non-active low voltage customer contracts, with one or more claims overdue by more than 90 days. The program has a total duration of 5 years and includes a period of 2 years where it operates as a revolving period and a period of 3 years during which the capital will be repaid from the proceeds of the above claims.

The Parent Company has recognized a financial liability to PPC Zeus DAC, which undertook the issuance of bonds worth € 325.0 million against the above-mentioned securitized receivables. As at 31 December 2021, the financial liability to PPC Zeus DAC amounts to € 229.2 million and is included in long-term liabilities.

As at 31 December 2021, the receivables included in the securitization continue to appear in the Statement of Financial Position as the criteria for the derecognition of IFRS 9 are not met and amount to € 1.606 billion nominal value and at € 182.2 million carrying value (after the provision of expected credit losses). Finally, the IFRS requirements for the consolidation of the PPC special purpose company Zeus DAC are not met.

Securitization of trade receivables from electricity sales for current accounts and accounts overdue up to 60 days

On August 6, 2020, the Parent Company signed a securitization agreement for the sale of PCs for current PC accounts and PC accounts with a delay of up to 60 days and on November 24, 2020 proceeded with the initial withdrawal of € 150.0 million with interest rate 3.5% for an amount of securitized receivables with a nominal value of € 206.8 million with investor JP Morgan Chase Bank and issuer PPC Energy Finance DAC and received Bonds of reduced security amounting to € 55.7 million.

On June 30, 2021, the Parent Company raised the remaining amount of € 50 million from the securitization contract for up to 60 days, resulting in the total financial liability amounting to € 200.0 million.

Servicer in the transaction is the Parent Company that has assigned specific services for the management of securitized trade receivables to Qualco SA. (Sub-Servicer). This line of finance is revolving, allowing the Parent Company to make future disbursements and has a duration of 3 years.

As at 31 December 2021, the financial liabilities from the securitization of trade receivables for current energy bills and energy bills with a delay of up to 60 days amounted to € 150.6 million and are included in current liabilities, for securitized trade receivables with a nominal value of € 274.6 million while subordinated bonds amounted to € 73.3 million. Finally, current receivables and overdue receivables of up to 60 days from Low Voltage customers (after provisions for expected credit loss) amount to € 289.6 million as at December 31, 2021.

Finally, there are two (2) pledge agreements on the Parent's accounts, held by National Bank of Greece, ALPHA BANK, ATTICA BANK, Piraeus Bank and EURO BANK in favor of CITIBANK NA, LONDON BRANCH and JP Morgan Chase Bank, as part of the above securitizations.

46. SUBSEQUENT EVENTS

In addition to those presented in other notes, the following events occurred from December 31st, 2021 until the date of approval of the Financial Statements:

Loan Issuance- Repayment of Loans

During the period 01.01.2022- 05.04.2022, the Group and the Parent Company repaid arrears of € 102,9 million and € 48.4 million, respectively.

In addition, on 20.01.2022, the Group and the Parent Company prepaid two EIB loans amounting to € 28,6 million.

In addition, during the period 01.01.2022-05.04.2022, the Parent Company raised an amount of approximately Euro 1.08 million from a Bond Loan of € 680.0 million to finance part of the construction cost of the new Lignite plant with a consortium of foreigners, supported by the German Export Credit Insurance Agency "Euler Hermes".

Memorandum of Cooperation between MOTOR OIL (HELLAS) and PPC SAE.

In January 2022, MOTOR OIL (HELLAS) SA and PPC SA signed a Memorandum of Understanding (MOU) for the design of the framework and the implementation through a Joint Venture of projects in the Green Hydrogen Sector. The participation of MOTOR OIL in the joint stock scheme will amount to 51% and PPC to 49%.

The Consortium believes that it can lead the development of the Hydrogen economy in Greece, having access to the developing platform for the production of energy from renewable sources of PPC SA, while exploiting the capacity and know-how of MOTOR OIL (HELLAS) SA. as one of the largest energy groups in the country.

The intended Consortium aims to develop green hydrogen storage production projects in Greece, thus facilitating the energy transition of Greece to an environment of clean zero carbon emissions (Net Zero).

Signing of MoU for the financing of the development of a Fiber To The Home Network

In January 2022, Public Power Corporation S.A. signed an MoU with Alpha Bank S.A and Piraeus Bank S.A. for the financing of the construction and operation of a Fiber To The Home (FTTH) Network in selected areas of Greece.

The agreement includes the issuance of a long term bond loan amounting up to € 530 m. under the form of project financing by the 100% special purpose vehicle to be established by PPC and which will undertake the construction, operation, exploitation and maintenance of the fiber optics network to be established.

Russia-Ukraine conflict

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

PPC Group does not have a direct exposure in these countries as it does not have a relevant commercial presence, with the result that it does not have any direct impact on its activities.

The increased costs in the wholesale electricity market due to the unprecedented increase in the price of natural gas is a development that indirectly affects the activities of the Group, which is largely protected by the vertical nature of its activities, due to its presence in both production and in electricity trading. Indirect effects may arise due to the consequent reduction of our customers' disposable income, as a result of increased energy costs and the intensification of inflationary pressures.

Any overall final economic impact of the Russia-Ukraine conflict on the global and Greek economies and businesses can not be estimated at present, due to the high degree of uncertainty arising from the impossibility of predicting the final outcome, but also due to its secondary effects listed above. In any case, the Management of the Group and the Parent Company continuously monitors the relevant developments and evaluates any possible further effects on the operation, financial position and results of the Group and the Parent Company, being in a state of increased vigilance to take appropriate precautionary measures. measures to safeguard the liquidity and business activities of the Group and the Parent Company.

Bond Loan - IRS

On February 10, 2022, the signing of a bond loan was approved of the subsidiary HEDNO with the National Bank of Greece, amounting to € 22.52 million in order to finance the purchase of real estate property to cover the housing needs of its central headquarters with the following basic terms: Loan duration 15 years, EURIBOR interest rate for 6 months plus a margin of 1.75% and repayment in 6 monthly equal installments of capital in arrears.

Also with the same decision, it decided to enter into an IRS hedging contract of the above loan starting 12 months after the signing of the bond loan and until the end of the loan.

Approval of Required Revenue of HEDNO 2022

On 18.03.2022, the decision number 868/2021 of the Energy Regulatory Authority was issued, which set the Required Revenue of HEDNO for 2022 at € 797.9 million.



DEI Blue charging point in Halki



DEI Blue presentation

Appendix I

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Unbundled Financial Statements

Under the provisions of L.4001/2011
and the approved methodology of
the Regulatory Authority for Energy.

| System Integration Unbundled Balance Sheets December 2021 (Amounts in millions of Euro) | ADMINISTRATION | | MINES | | GENERATION | | DISTRIBUTION NETWORK | | ELECTRICITY SUPPLY | | NATURAL GAS SUPPLY | | ELIMINATIONS | | TOTAL PPC | |
|---|----------------|--------------|------------------|------------------|-----------------|----------------|----------------------|----------------|--------------------|----------------|--------------------|--------------|------------------|------------------|-----------------|-----------------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| | ASSETS | | | | | | | | | | | | | | | |
| NON-CURRENT ASSETS | | | | | | | | | | | | | | | | |
| Tangible Assets | 155.1 | 76.0 | 202.0 | 264.6 | 4,678.9 | 4,965.0 | | 4,594.2 | 17.7 | 26.4 | | | 65.3 | (4,536.0) | 5,118.9 | 5,390.1 |
| Right of use assets | | | 6.2 | | 87.6 | | | | 9.0 | | | | | | 102.8 | |
| Intangible Assets | 7.7 | 2.9 | 0.5 | 0.6 | 324.7 | 82.4 | | | 0.8 | 1.7 | | | | 0.1 | 333.8 | 87.6 |
| Investments in subsidiaries | 211.3 | 231.7 | 236.0 | | 3,862.7 | | | | 8.3 | | | | (3,076.7) | (10.1) | 1,241.5 | 221.6 |
| Investments in associates | | | | | | | | | | | | | | | | 0.0 |
| Available for sale financial assets | 0.3 | 0.6 | | | | | | | | | | | 0.1 | 0.1 | 0.3 | 0.6 |
| Other non-current assets | (1.8) | (6.1) | 1.3 | 1.4 | 102.5 | 102.8 | | | (1.3) | 0.3 | | | (87.1) | (82.4) | 13.7 | 16.0 |
| Deferred tax assets | 67.3 | | 53.7 | | 304.1 | | | | 603.7 | | | | (297.0) | 761.1 | 731.8 | 761.1 |
| Administration non-current assets | (440.0) | (305.1) | 66.3 | 38.8 | 376.7 | 150.2 | | 92.1 | 17.7 | 14.0 | | | (20.7) | 10.0 | | |
| TOTAL NON-CURRENT ASSETS | (0.0) | (0.0) | 566.0 | 305.4 | 9,737.2 | 5,300.3 | 0.0 | 4,686.4 | 655.9 | 42.3 | 0.0 | 0.0 | (3,416.2) | (3,857.3) | 7,542.9 | 6,477.1 |
| CURRENT ASSETS | | | | | | | | | | | | | | | | |
| Materials, spare parts and supplies, net | 8.9 | 8.5 | (326.1) | 20.6 | 1,825.8 | 431.1 | | | 1.7 | | | | (1,080.1) | (5.0) | 430.1 | 455.2 |
| Trade receivables, net | (641.0) | (252.7) | 35.2 | 17.2 | 524.4 | 345.8 | | 123.1 | 2,039.1 | 1,700.4 | 0.3 | | (421.7) | (1,001.9) | 1,536.3 | 927.1 |
| Contract assets | | | | | | | | | 992.6 | | | | (915.7) | | 76.9 | 4.8 |
| Derivative Financial instruments | | | | | | | | | 76.9 | | | | (76.9) | | | |
| Other receivables, net | 127.9 | 80.0 | (1.3) | 1.2 | 40.8 | 21.0 | | 33.7 | 117.3 | 9.0 | | | 835.3 | 69.9 | 1,120.0 | 214.7 |
| Cash and cash equivalents | | | 16.4 | 23.7 | 2,564.8 | 219.9 | | 25.7 | 494.6 | 495.6 | | | (515.2) | (85.1) | 2,560.5 | 679.7 |
| Administration current assets | 504.2 | 164.3 | (6.4) | 1.3 | (134.5) | 11.2 | | (13.4) | (504.9) | (163.4) | | | 141.5 | | | |
| Assets held for sale | | | | | | | | | | | | | | 4,563.4 | | 4,563.4 |
| TOTAL CURRENT ASSETS | 0.0 | 0.0 | (282.2) | 63.9 | 4,821.2 | 1,029.2 | 0.0 | 169.0 | 3,217.4 | 2,041.6 | 0.3 | 0.0 | (2,032.9) | 3,541.2 | 5,723.8 | 6,844.9 |
| TOTAL ASSETS | (0.0) | (0.0) | 283.8 | 369.3 | 14,558.4 | 6,329.5 | 0.0 | 4,855.4 | 3,873.2 | 2,083.9 | 0.3 | 0.0 | (5,449.1) | (316.1) | 13,266.6 | 13,322.0 |
| EQUITY AND LIABILITIES | | | | | | | | | | | | | | | | |
| EQUITY | | | | | | | | | | | | | | | | |
| Share Capital | 553.2 | | 76.7 | 76.7 | 296.2 | 296.2 | | 181.2 | 21.2 | 21.2 | | | | | 947.4 | 575.4 |
| Share Premium | 946.8 | | 14.7 | 14.7 | 56.8 | 56.8 | | 34.7 | 0.4 | 0.4 | | | | | 1,018.8 | 106.7 |
| Legal reserve | 22.7 | 22.7 | 18.7 | 15.3 | 86.3 | 55.8 | | 34.1 | 0.6 | 0.3 | | | | | 128.3 | 128.3 |
| Fixed assets' statutory revaluation surplus included in share capital | | | (171.2) | (141.3) | (770.8) | (498.1) | | (304.9) | (5.3) | (3.1) | | | | | (947.3) | (947.3) |
| Revaluation surplus | 159.3 | 68.4 | 279.3 | 278.7 | 2,483.5 | 2,369.7 | | 1,840.9 | 28.9 | 28.3 | | | 49.6 | 8.5 | 3,000.6 | 4,594.4 |
| Other Reserves | 229.4 | (42.9) | 18.5 | 14.7 | 41.9 | 51.4 | | 30.2 | 3.1 | 0.9 | | | (29.5) | (2.4) | 263.3 | 51.9 |
| Retained earnings | 2,363.1 | 85.8 | (2,242.1) | (1,653.7) | (123.8) | (2,174.6) | | 429.1 | 1,358.2 | 1,584.9 | (1.3) | | (1,105.0) | (52.0) | 249.0 | (1,780.5) |
| Administration equity | (4,274.6) | (134.0) | 428.5 | 18.7 | 3,803.6 | 79.8 | | 32.6 | 33.1 | 2.8 | | | 9.4 | | | |
| TOTAL EQUITY | (0.0) | 0.0 | (1,576.9) | (1,376.2) | 5,873.7 | 237.0 | (0.0) | 2,278.1 | 1,440.1 | 1,635.8 | (1.3) | (0.0) | (1,075.6) | (45.9) | 4,660.0 | 2,728.8 |
| NON-CURRENT LIABILITIES | | | | | | | | | | | | | | | | |
| Interest bearing loans and borrowings | | | 176.5 | 92.1 | 3,291.5 | 1,975.3 | | 1,375.4 | 13.0 | 9.0 | | | (757.1) | (1,443.2) | 2,724.0 | 2,008.6 |
| Post retirement benefits | 84.1 | 84.1 | 16.4 | 19.6 | 12.6 | 17.9 | | | 6.5 | 7.8 | | | | | 119.6 | 129.4 |
| Provisions | 135.7 | 34.7 | 326.5 | 241.3 | 275.3 | 317.6 | | | 151.3 | 152.1 | | | (78.8) | | 810.0 | 745.7 |
| Deferred tax liability | (100.0) | (929.1) | 144.5 | 110.1 | 698.7 | 621.6 | | 591.8 | 10.8 | (591.8) | | | (754.1) | 197.4 | | |
| Financial lease liability | | | | | | | | | | | | | 94.8 | | 94.8 | |
| Deferred customers' contributions and subsidies | 1,894.5 | | (0.1) | | 100.9 | 110.4 | | 1,860.5 | (0.1) | | | | (1,461.3) | (1,415.0) | 533.9 | 556.0 |
| Long term financial liability from the securitization of receivables | | | | | | | | | | | | | 229.5 | | 229.5 | |
| Other non-current liabilities | 87.2 | 15.9 | (0.5) | (0.3) | 2.2 | 5.3 | | 9.0 | 2,319.9 | 1,003.9 | 0.3 | | (2,409.1) | (332.4) | | 701.4 |
| Administration non-current liabilities | (2,101.5) | 794.5 | 41.2 | (154.2) | 2,099.6 | (494.1) | | (91.3) | (39.4) | (54.9) | | | | | | |
| TOTAL NON-CURRENT LIABILITIES | (0.0) | (0.0) | 704.6 | 308.6 | 6,480.8 | 2,554.1 | (0.0) | 3,745.3 | 2,462.1 | 526.1 | 0.3 | (0.0) | (5,136.0) | (2,993.1) | 4,511.8 | 4,141.0 |
| CURRENT LIABILITIES | | | | | | | | | | | | | | | | |
| Trade and other payables | (33.1) | 44.0 | 192.2 | 205.9 | (26.9) | 196.4 | | 172.0 | 968.1 | 1,568.6 | | | (469.4) | (1,003.9) | 630.8 | 1,183.0 |
| Short - term borrowings | | | 8.6 | 1.7 | 141.4 | 28.1 | | | 0.6 | 0.2 | | | 109.4 | (0.0) | 260.0 | 30.0 |
| Current portion of interest bearing loans and borrowings | | | 19.1 | 19.8 | 390.9 | 403.8 | | 149.7 | 1.4 | 1.9 | | | (193.8) | (166.1) | 217.6 | 409.1 |
| Dividends payable | | | | | | | | | | | | | | | | |
| Income taxes payable | 6.3 | 6.3 | 21.5 | 21.5 | 30.5 | 30.5 | | | 5.5 | 5.5 | | | | | 63.8 | 63.8 |
| Accrued and other current liabilities | (25.0) | 62.9 | (3.8) | 0.6 | 1,480.4 | 481.2 | | | 191.3 | 328.6 | | | 69.5 | (48.0) | 1,712.4 | 825.2 |
| Short term part of forecasting the dismantling and removal of facilities / equipment of Production Units, Mines and Wind Parks and rehabilitation of Mining areas | | | | | | | | | | | | | 80.6 | | 80.6 | |
| Contract Liabilities | | | | | | | | | | | | | 1,129.6 | | 1,129.6 | |
| Derivative Financial instruments | | | | | | | | | | | | | | | | |
| Total Current Liabilities from discontinued operations | | | | | | | | | | | | | | 3,941.2 | | 3,941.2 |
| Administration current liabilities | 51.9 | (113.1) | (1.4) | 5.6 | (15.2) | 1.6 | | 5.3 | (34.9) | 100.5 | | | (0.4) | | | |
| TOTAL CURRENT LIABILITIES | (0.0) | 0.0 | 236.1 | 255.1 | 2,001.2 | 1,141.6 | (0.0) | 327.0 | 1,132.1 | 2,005.3 | (0.0) | (0.0) | 725.4 | 2,723.1 | 4,094.8 | 6,452.2 |
| Other movements between activities | 0.0 | 0.0 | 920.0 | 1,181.8 | 202.8 | 2,396.7 | | (1,495.1) | (1,161.1) | (2,083.2) | 1.2 | | 37.2 | | | |
| TOTAL LIABILITIES AND EQUITY | (0.0) | 0.0 | 283.8 | 369.3 | 14,558.4 | 6,329.5 | (0.0) | 4,855.4 | 3,873.2 | 2,083.9 | 0.3 | (0.0) | (5,449.1) | (316.0) | 13,266.6 | 13,322.0 |

* Any differences are due to decimal roundings.

| Interconnected System Unbundled Balance Sheet December 2021 (Amounts in millions of Euro) | MINES | | GENERATION | | DISTRIBUTION NETWORK | | ELECTRICITY SUPPLY | | NATURAL GAS SUPPLY | | TOTAL | |
|---|------------------|------------------|-----------------|----------------|----------------------|----------------|--------------------|----------------|--------------------|--------------|-----------------|-----------------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| ASSETS | | | | | | | | | | | | |
| NON-CURRENT ASSETS | | | | | | | | | | | | |
| Tangible Assets | 234.2 | 264.6 | 3,521.5 | 3,815.4 | | 3,857.8 | 16.1 | 24.3 | | | 3,771.8 | 7,962.0 |
| Right of use assets | 6.2 | | 61.4 | | | | 8.6 | | | | 76.2 | |
| Intangible Assets | 0.5 | 0.6 | 320.3 | 77.9 | | | (0.2) | 0.6 | | | 320.6 | 79.1 |
| Investments in subsidiaries | 236.0 | | 2,878.5 | | | | 7.6 | | | | 3,122.0 | |
| Available for sale financial assets | | | | | | | | | | | | |
| Other non-current assets | 1.3 | 1.4 | 102.0 | 102.2 | | | (1.2) | 0.2 | | | 102.1 | 103.8 |
| Deferred tax assets | 53.7 | | 231.0 | | | | 517.7 | | | | 802.4 | |
| Administration non-current assets | 66.3 | 38.8 | 280.5 | 117.0 | | 84.3 | 13.9 | 12.1 | | | 360.8 | 252.2 |
| TOTAL NON-CURRENT ASSETS | 598.3 | 305.4 | 7,395.2 | 4,112.5 | 0.0 | 3,942.0 | 562.5 | 37.3 | 0.0 | 0.0 | 8,555.9 | 8,397.2 |
| CURRENT ASSETS | | | | | | | | | | | | |
| Materials, spare parts and supplies, net | (326.1) | 20.6 | 1,077.2 | 227.9 | | | 1.5 | | | | 752.6 | 248.5 |
| Trade receivables, net | 35.2 | 17.2 | 411.5 | 250.2 | | 108.3 | 1,877.1 | 1,274.7 | 0.3 | | 2,324.1 | 1,650.4 |
| Contract assets | | | | | | | 884.3 | | | | 884.3 | |
| Derivative Financial Instruments | | | | | | | 76.9 | | | | 76.9 | |
| Other receivables, net | (1.3) | 1.2 | 75.2 | (59.7) | | 29.7 | 104.5 | (10.2) | | | 178.3 | (39.0) |
| Cash and cash equivalents | 16.4 | 23.7 | 2,256.4 | 152.0 | | 23.3 | 438.5 | 329.1 | | | 2,711.2 | 528.0 |
| Administration current assets | (6.4) | 1.3 | (74.7) | 5.9 | | (11.7) | (433.6) | (151.7) | | | (514.7) | (156.2) |
| TOTAL CURRENT ASSETS | (282.2) | 63.9 | 3,745.4 | 576.2 | 0.0 | 149.6 | 2,949.3 | 1,441.9 | 0.3 | 0.0 | 6,412.8 | 2,231.6 |
| TOTAL ASSETS | 316.0 | 369.3 | 11,140.6 | 4,688.7 | 0.0 | 4,091.6 | 3,511.8 | 1,479.2 | 0.3 | 0.0 | 14,968.8 | 10,628.8 |
| EQUITY AND LIABILITIES | | | | | | | | | | | | |
| EQUITY | | | | | | | | | | | | |
| Share Capital | 76.7 | 76.7 | 228.6 | 228.6 | | 158.1 | 18.5 | 18.5 | | | 323.8 | 481.9 |
| Share Premium | 14.7 | 14.7 | 43.8 | 43.8 | | 30.3 | 0.4 | 0.4 | | | 58.9 | 89.2 |
| Legal reserve | 18.7 | 15.3 | 65.1 | 43.1 | | 29.8 | 0.5 | 0.3 | | | 84.3 | 88.5 |
| Fixed assets' statutory revaluation surplus included in share capital | (171.2) | (141.3) | (581.6) | (384.4) | | (265.7) | (5.0) | (2.9) | | | (757.7) | (794.3) |
| Revaluation surplus | 279.3 | 278.7 | 1,811.3 | 1,724.0 | | 1,555.7 | 26.6 | 26.1 | | | 2,117.2 | 3,584.4 |
| Other Reserves | 18.5 | 14.7 | 30.7 | 38.4 | | 26.4 | 2.8 | 0.8 | | | 52.0 | 80.2 |
| Retained earnings | (2,246.9) | (1,653.7) | (451.1) | (2,525.9) | | 419.3 | 431.2 | 723.2 | (1.3) | | (2,268.1) | (3,037.1) |
| Administration equity | 428.5 | 18.7 | 2,761.3 | 61.8 | | 28.7 | 30.6 | 2.2 | | | 3,220.4 | 111.6 |
| TOTAL EQUITY | (1,581.7) | (1,376.2) | 3,908.2 | (770.5) | (0.0) | 1,982.4 | 505.7 | 768.6 | (1.3) | (0.0) | 2,830.9 | 604.3 |
| NON-CURRENT LIABILITIES | | | | | | | | | | | | |
| Interest bearing loans and borrowings | 176.5 | 92.1 | 2,527.3 | 1,613.4 | | 1,166.6 | 12.1 | 8.2 | | | 2,716.0 | 2,880.3 |
| Post retirement benefits | 16.4 | 19.6 | 17.2 | 20.6 | | (0.3) | 4.4 | 5.5 | | | 38.0 | 45.4 |
| Provisions | 326.5 | 241.3 | 236.4 | 278.3 | | (0.1) | 142.5 | 143.2 | | | 705.3 | 662.7 |
| Deferred tax liability | 144.5 | 110.1 | 524.7 | 461.5 | | 508.4 | 9.9 | (506.8) | | | 679.2 | 573.2 |
| Financial lease liability | | | | | | | | | | | | |
| Deferred customers' contributions and subsidies | (0.1) | | 100.9 | 110.4 | | 1,615.4 | (0.1) | | | | 100.7 | 1,725.8 |
| Long term financial liability from the securitization of receivables | | | | | | | | | | | | |
| Other non-current liabilities | (0.5) | (0.3) | 76.9 | 79.3 | | 7.2 | 1,953.5 | 813.6 | 0.3 | | 2,030.3 | 899.7 |
| Administration non-current liabilities | 41.2 | (154.2) | 1,484.4 | (397.7) | | (76.6) | (29.2) | (41.7) | | | 1,496.5 | (670.2) |
| TOTAL NON-CURRENT LIABILITIES | 704.6 | 308.6 | 4,967.8 | 2,165.8 | (0.0) | 3,220.6 | 2,093.2 | 422.0 | 0.3 | (0.0) | 7,765.9 | 6,117.0 |
| CURRENT LIABILITIES | | | | | | | | | | | | |
| Trade and other payables | 192.2 | 205.9 | (69.8) | 171.8 | | 132.5 | 584.8 | 1,236.5 | | | 707.1 | 1,746.7 |
| Short - term borrowings | 8.6 | 1.7 | 104.3 | 21.5 | | | 0.6 | 0.2 | | | 113.5 | 23.3 |
| Current portion of interest bearing loans and borrowings | 19.1 | 19.8 | 308.2 | 325.8 | | 127.0 | 1.3 | 1.8 | | | 328.6 | 474.3 |
| Dividends payable | | | | | | | | | | | (0.0) | (0.0) |
| Income taxes payable | 21.5 | 21.5 | 23.9 | 23.9 | | | 29.7 | 29.7 | | | 75.1 | 75.1 |
| Accrued and other current liabilities | (3.8) | 0.6 | 1,415.4 | 408.4 | | | 153.9 | 254.2 | | | 1,565.4 | 663.2 |
| Short term part of forecasting the dismantling and removal of facilities / equipment of Production Units, Mines and Wind Parks and rehabilitation of Mining areas | | | | | | | | | | | | |
| Contract Liabilities | | | | | | | | | | | | |
| Total Current Liabilities from discontinued operations | | | | | | | | | | | | |
| Administration current liabilities | (1.4) | 5.6 | (14.9) | 0.7 | | 4.4 | (61.7) | 54.5 | | | (78.0) | 65.2 |
| TOTAL CURRENT LIABILITIES | 236.1 | 255.1 | 1,767.1 | 952.0 | (0.0) | 263.9 | 708.6 | 1,576.8 | (0.0) | (0.0) | 2,711.8 | 3,047.9 |
| Other movements between activities | 957.1 | 1,181.8 | 497.5 | 2,341.4 | | (1,375.3) | 204.3 | (1,288.3) | 1.2 | | 1,660.1 | 859.5 |
| TOTAL LIABILITIES AND EQUITY | 316.0 | 369.3 | 11,140.6 | 4,688.7 | (0.0) | 4,091.6 | 3,511.8 | 1,479.2 | 0.3 | (0.0) | 14,968.7 | 10,628.8 |

* Any differences are due to decimal roundings.

| Crete Unbundled Balance Sheet December 2021 (Amounts in millions of Euro) | GENERATION | | DISTRIBUTION NETWORK | | SUPPLY | | TOTAL | |
|---|----------------|--------------|----------------------|--------------|--------------|--------------|----------------|----------------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| ASSETS | | | | | | | | |
| NON-CURRENT ASSETS | | | | | | | | |
| Tangible Assets | 472.0 | 487.4 | | 386.3 | 0.3 | 0.6 | 472.3 | 874.3 |
| Right of use assets | 13.2 | | | | 0.2 | | 13.4 | |
| Intangible Assets | (4.8) | (4.8) | | | 0.5 | 0.5 | (4.3) | (4.3) |
| Investments in subsidiaries | 412.3 | | | | (0.4) | | 411.9 | |
| Available for sale financial assets | | | | | | | | |
| Other non-current assets | 0.2 | 0.2 | | | | | 0.2 | 0.2 |
| Deferred tax assets | 30.8 | | | | 35.5 | | 66.3 | |
| Administration non-current assets | 42.8 | 14.1 | | 3.8 | 1.7 | 0.9 | 44.5 | 18.9 |
| TOTAL NON-CURRENT ASSETS | 966.5 | 496.9 | 0.0 | 390.2 | 37.8 | 2.0 | 1,004.3 | 889.1 |
| CURRENT ASSETS | | | | | | | | |
| Materials, spare parts and supplies, net | 426.3 | 96.1 | | | 0.1 | | 426.4 | 96.1 |
| Trade receivables, net | 62.5 | 72.2 | | 10.8 | 47.0 | 232.6 | 109.4 | 315.6 |
| Contract assets | | | | | 59.9 | | 59.9 | |
| Derivative Financial instruments | | | | | | | | |
| Other receivables, net | 36.9 | 71.3 | | 2.2 | 6.3 | 10.3 | 43.1 | 83.9 |
| Cash and cash equivalents | 112.6 | 27.2 | | 1.7 | 55.9 | 100.7 | 168.4 | 129.5 |
| Administration current assets | (31.7) | 2.8 | | (0.9) | (43.4) | (7.7) | (75.1) | (5.7) |
| TOTAL CURRENT ASSETS | 606.5 | 269.6 | 0.0 | 13.8 | 125.7 | 335.9 | 732.1 | 619.3 |
| TOTAL ASSETS | 1,573.0 | 766.5 | 0.0 | 404.0 | 163.5 | 337.9 | 1,736.5 | 1,508.4 |
| EQUITY AND LIABILITIES | | | | | | | | |
| EQUITY | | | | | | | | |
| Share Capital | 26.0 | 26.0 | | 11.8 | 1.3 | 1.3 | 27.4 | 39.1 |
| Share Premium | 5.0 | 5.0 | | 2.3 | | | 5.0 | 7.2 |
| Legal reserve | 9.3 | 4.9 | | 2.2 | | | 9.3 | 7.1 |
| Fixed assets' statutory revaluation surplus included in share capital | (82.8) | (43.8) | | (20.0) | (0.1) | | (82.9) | (63.7) |
| Revaluation surplus | 346.7 | 332.7 | | 157.1 | 1.3 | 1.3 | 348.0 | 491.0 |
| Other Reserves | 3.8 | 4.9 | | 2.0 | 0.2 | 0.1 | 4.0 | 6.9 |
| Retained earnings | 244.9 | 318.5 | | (9.8) | 408.8 | 360.9 | 653.7 | 669.5 |
| Administration equity | 531.7 | 8.2 | | 2.1 | 1.5 | 0.2 | 533.2 | 10.6 |
| TOTAL EQUITY | 1,084.6 | 656.4 | (0.0) | 147.6 | 413.0 | 363.7 | 1,497.7 | 1,167.7 |
| NON-CURRENT LIABILITIES | | | | | | | | |
| Interest bearing loans and borrowings | 323.0 | 148.3 | | 106.1 | | 0.1 | 323.0 | 254.5 |
| Post retirement benefits | (1.4) | (0.4) | | | 1.1 | 1.1 | (0.3) | 0.7 |
| Provisions | 17.1 | 17.3 | | | 5.0 | 5.1 | 22.1 | 22.4 |
| Deferred tax liability | 89.2 | 85.1 | | 33.0 | 0.6 | (34.9) | 89.8 | 83.1 |
| Financial lease liability | | | | | | | | |
| Deferred customers' contributions and subsidies | | 0.1 | | 133.4 | | | | 133.5 |
| Long term financial liability from the securitization of receivables | | | | | | | | |
| Other non-current liabilities | (42.0) | (41.7) | | 1.3 | 209.1 | 101.2 | 167.1 | 60.8 |
| Administration non-current liabilities | 251.4 | (40.2) | | (9.2) | (1.7) | (2.4) | 249.7 | (51.8) |
| TOTAL NON-CURRENT LIABILITIES | 637.3 | 168.5 | (0.0) | 264.5 | 214.1 | 70.2 | 851.3 | 503.3 |
| CURRENT LIABILITIES | | | | | | | | |
| Trade and other payables | 11.0 | 6.3 | | 17.4 | 221.7 | 205.9 | 232.7 | 229.6 |
| Short - term borrowings | 15.7 | 2.7 | | | | | 15.7 | 2.7 |
| Current portion of interest bearing loans and borrowings | 34.9 | 32.0 | | 11.5 | | | 34.9 | 43.5 |
| Dividends payable | | | | | | | | |
| Income taxes payable | 2.2 | 2.2 | | | (7.8) | (7.8) | (5.6) | (5.6) |
| Accrued and other current liabilities | 38.2 | 41.3 | | | 4.5 | 40.4 | 42.7 | 81.7 |
| Short term part of forecasting the dismantling and removal of facilities / equipment of Production Units, Mines and Wind Parks and rehabilitation of Mining areas | | | | | | | | |
| Contract Liabilities | | | | | | | | |
| Derivative Financial instruments | | | | | | | | |
| Administration current liabilities | (0.2) | 0.2 | | 0.3 | 3.9 | 14.6 | 3.7 | 15.1 |
| TOTAL CURRENT LIABILITIES | 101.8 | 84.7 | (0.0) | 29.3 | 222.3 | 253.2 | 324.1 | 367.1 |
| Other movements between activities | (250.8) | (143.1) | | (37.4) | (686.0) | (349.3) | (936.8) | (529.9) |
| TOTAL LIABILITIES AND EQUITY | 1,572.9 | 766.5 | (0.0) | 404.0 | 163.4 | 337.9 | 1,736.4 | 1,508.4 |

* Any differences are due to decimal roundings.

| Other Non Interconnected Islands Unbundled Balance Sheet (incl. Rhodes) December 2021 (Amounts in millions of Euro) | GENERATION | | DISTRIBUTION NETWORK | | SUPPLY | | TOTAL | |
|---|----------------|--------------|----------------------|--------------|--------------|--------------|----------------|----------------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| ASSETS | | | | | | | | |
| NON-CURRENT ASSETS | | | | | | | | |
| Tangible Assets | 685.4 | 662.2 | | 350.1 | 1.3 | 1.5 | 686.7 | 1,013.9 |
| Right of use assets | 12.9 | | | | 0.2 | | 13.1 | |
| Intangible Assets | 9.2 | 9.3 | | | 0.5 | 0.6 | 9.8 | 9.8 |
| Investments in subsidiaries | 571.9 | | | | 1.0 | | 573.0 | |
| Available for sale financial assets | | | | | | | | |
| Other non-current assets | 0.4 | 0.4 | | | (0.1) | | 0.3 | 0.4 |
| Deferred tax assets | 42.3 | | | | 50.4 | | 92.8 | |
| Administration non-current assets | 53.3 | 19.0 | | 4.0 | 2.1 | 1.0 | 55.4 | 24.0 |
| TOTAL NON-CURRENT ASSETS | 1,375.5 | 690.9 | 0.0 | 354.1 | 55.5 | 3.1 | 1,431.1 | 1,048.1 |
| CURRENT ASSETS | | | | | | | | |
| Materials, spare parts and supplies, net | 322.3 | 107.1 | | | 0.1 | | 322.3 | 107.1 |
| Trade receivables, net | 50.5 | 23.5 | | 3.9 | 115.0 | 193.2 | 165.5 | 220.5 |
| Contract assets | | | | | 48.4 | | 48.4 | |
| Derivative Financial instruments | | | | | | | | |
| Other receivables, net | (71.2) | 9.4 | | 1.8 | 6.6 | 8.9 | (64.6) | 20.0 |
| Cash and cash equivalents | 195.8 | 40.8 | | 0.7 | 0.2 | 65.8 | 196.0 | 107.4 |
| Administration current assets | (28.1) | 2.5 | | (0.8) | (27.8) | (4.1) | (55.9) | (2.4) |
| TOTAL CURRENT ASSETS | 469.3 | 183.3 | 0.0 | 5.6 | 142.4 | 263.8 | 611.7 | 452.7 |
| TOTAL ASSETS | 1,844.8 | 874.2 | 0.0 | 359.7 | 197.9 | 266.9 | 2,042.7 | 1,500.8 |
| EQUITY AND LIABILITIES | | | | | | | | |
| EQUITY | | | | | | | | |
| Share Capital | 41.6 | 41.6 | | 11.4 | 1.4 | 1.4 | 42.9 | 54.3 |
| Share Premium | 8.0 | 8.0 | | 2.2 | | | 8.0 | 10.2 |
| Legal reserve | 11.9 | 7.8 | | 2.2 | | | 11.9 | 10.0 |
| Fixed assets' statutory revaluation surplus included in share capital | (106.4) | (69.9) | | (19.2) | (0.3) | (0.2) | (106.7) | (89.3) |
| Revaluation surplus | 325.5 | 313.0 | | 128.2 | 1.0 | 1.0 | 326.5 | 442.1 |
| Other Reserves | 7.3 | 8.1 | | 1.9 | 0.1 | | 7.4 | 10.1 |
| Retained earnings | 82.3 | 32.8 | | 19.7 | 518.2 | 500.7 | 600.5 | 553.2 |
| Administration equity | 510.7 | 9.8 | | 1.8 | 0.9 | 0.4 | 511.6 | 11.9 |
| TOTAL EQUITY | 880.8 | 351.1 | (0.0) | 148.0 | 521.3 | 503.3 | 1,402.1 | 1,002.5 |
| NON-CURRENT LIABILITIES | | | | | | | | |
| Interest bearing loans and borrowings | 441.2 | 213.7 | | 102.6 | 0.9 | 0.7 | 442.1 | 316.9 |
| Post retirement benefits | (3.2) | (2.3) | | 0.3 | 1.1 | 1.1 | (2.1) | (0.8) |
| Provisions | 21.8 | 22.0 | | 0.1 | 3.8 | 3.9 | 25.7 | 25.9 |
| Deferred tax liability | 84.8 | 74.9 | | 50.5 | 0.3 | (50.0) | 85.1 | 75.4 |
| Financial lease liability | | | | | | | | |
| Deferred customers' contributions and subsidies | | | | 111.7 | | | | 111.7 |
| Long term financial liability from the securitization of receivables | | | | | | | | |
| Other non-current liabilities | (32.7) | (32.3) | | 0.5 | 157.2 | 89.1 | 124.5 | 57.3 |
| Administration non-current liabilities | 363.8 | (56.2) | | (5.5) | (8.5) | (10.8) | 355.3 | (72.5) |
| TOTAL NON-CURRENT LIABILITIES | 875.7 | 219.8 | (0.0) | 260.2 | 154.9 | 33.9 | 1,030.6 | 513.9 |
| CURRENT LIABILITIES | | | | | | | | |
| Trade and other payables | 32.0 | 18.3 | | 22.1 | 161.6 | 126.2 | 193.6 | 166.6 |
| Short - term borrowings | 21.4 | 3.9 | | | | | 21.4 | 3.9 |
| Current portion of interest bearing loans and borrowings | 47.7 | 46.0 | | 11.2 | 0.1 | 0.1 | 47.8 | 57.4 |
| Dividends payable | | | | | | | | |
| Income taxes payable | 4.4 | 4.4 | | | (16.5) | (16.5) | (12.1) | (12.1) |
| Accrued and other current liabilities | 26.8 | 31.5 | | | 33.0 | 34.0 | 59.8 | 65.4 |
| Short term part of forecasting the dismantling and removal of facilities / equipment of Production Units, Mines and Wind Parks and rehabilitation of Mining areas | | | | | | | | |
| Contract Liabilities | | | | | | | | |
| Administration current liabilities | (0.1) | 0.7 | | 0.6 | 22.9 | 31.4 | 22.9 | 32.7 |
| TOTAL CURRENT LIABILITIES | 132.2 | 104.9 | (0.0) | 33.8 | 201.2 | 175.2 | 333.4 | 313.9 |
| Other movements between activities | (43.8) | 198.4 | | (82.4) | (679.5) | (445.6) | (723.4) | (329.6) |
| TOTAL LIABILITIES AND EQUITY | 1,844.9 | 874.2 | (0.0) | 359.7 | 197.8 | 266.9 | 2,042.7 | 1,500.8 |

* Any differences are due to decimal roundings.

| System Integration Unbundled Income Statement December 2021 (Amounts in millions of Euro) | MINES | | GENERATION | | DISTRIBUTION NETWORK | | ELECTRICITY SUPPLY | | NATURAL GAS SUPPLY | | ELIMINATIONS | | TOTAL PPC | |
|--|-----------------|----------------|----------------|----------------|----------------------|---------------|--------------------|----------------|--------------------|--------------|------------------|------------------|----------------|----------------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 Restated | 2021 | 2020 Restated | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 Restated |
| | REVENUES | | | | | | | | | | | | | |
| Revenues from 3rd Parties | | | | | | | | | | | | | | |
| Energy sales to customers | | | | | | | 4,618.4 | 3,511.7 | | | 368.7 | 398.7 | 4,987.1 | 3,910.4 |
| Natural gas sales to customers | | | | | | | | 0.5 | 1.2 | | (0.0) | (0.0) | 1.2 | 0.5 |
| PSO's revenues from customers | | | | | | | 361.6 | 382.0 | | | (361.6) | (382.0) | | |
| Energy exports | | | | | | | 7.1 | 16.7 | | | (7.1) | (16.7) | | |
| Energy sales to wholesale market | | | 3,590.4 | 1,773.6 | | | 42.5 | 0.1 | | | (3,632.9) | (1,773.7) | | |
| Transitional Flexibility Assurance Mechanism | | | | 31.9 | | | | | | | | (31.9) | | |
| Other Services to wholesale market | | | | 14.3 | | | | | | | | (14.3) | | |
| Sales from Lignite | 1.8 | | 1.1 | 1.0 | | | | | | | (2.9) | (1.0) | | |
| Network rentals | | | | | 238.7 | 271.4 | | | | | (238.7) | (271.4) | | |
| Customer's contribution | | | 0.2 | 0.2 | 83.6 | 88.3 | | | | | (83.9) | (88.6) | | |
| ETMEAR's revenues | | | | | | | 400.1 | 427.2 | | | (400.1) | (427.2) | | |
| PSO's revenues from Administrators | | | | | | | 341.5 | 541.5 | | | (341.5) | (541.5) | | |
| Other Sales | 3.0 | 5.4 | 16.1 | 8.5 | 14.9 | 7.3 | 24.9 | 25.6 | | | 352.4 | 405.7 | 411.2 | 452.4 |
| Allocated Administration Revenues | 4.5 | 5.8 | 7.6 | 7.6 | | | 3.1 | 2.1 | | | (15.2) | (15.6) | | |
| Interdepartmental Revenues | | | | | | | | | | | | | | |
| Lignite yard & ash revenue | 6.9 | 9.8 | | | | | | | | | (6.9) | (9.8) | | |
| Energy | | | | | | | 74.3 | 43.5 | | | (74.3) | (43.5) | | |
| Lignite | 169.5 | 206.6 | | | | | | | | | (169.5) | (206.6) | | |
| REVENUES | 185.6 | 227.6 | 3,615.5 | 1,837.1 | 337.2 | 367.1 | 5,873.4 | 4,950.9 | 1.2 | (0.0) | (4,613.5) | (3,019.3) | 5,399.5 | 4,363.3 |
| Expenses (3rd Parties) | | | | | | | | | | | | | | |
| Payroll Cost | 110.1 | 122.3 | 191.9 | 184.5 | | | 46.2 | 42.6 | | | 63.9 | 61.9 | 412.1 | 411.3 |
| Own production lignite | | | 179.6 | 200.0 | | | | | | | (158.2) | (179.0) | 21.3 | 21.0 |
| Third party lignite - Hard coal | | | 1.2 | 1.8 | | | | | | | (1.2) | (1.8) | | |
| Natural Gas | | | 908.0 | 297.6 | | | | 0.2 | 2.0 | | | | 910.1 | 297.9 |
| Liquid fuel | (0.1) | | 535.7 | 455.8 | | | | | | | (4.8) | | 530.8 | 455.8 |
| Materials & Consumables | 15.6 | 19.6 | 55.1 | 37.8 | | | 0.6 | 0.7 | | | 0.3 | 0.2 | 71.7 | 58.4 |
| Depreciations | 67.4 | 93.1 | 259.2 | 305.9 | 1.0 | 259.5 | 2.8 | 7.0 | | | 16.5 | 14.0 | 346.9 | 679.6 |
| Energy Purchases from third party | | | 4.8 | 4.4 | | | 610.4 | 682.6 | | | (615.3) | (687.0) | | |
| Energy imports | | | | | | | 54.9 | 129.7 | | | (54.9) | (129.7) | | |
| Energy Purchases to wholesale market | | | 161.3 | 25.1 | | | 3,990.3 | 2,000.8 | | | (2,664.0) | (810.6) | 1,487.6 | 1,215.3 |
| Return of receivable ETMEAR to Administrators | | | | | | | 401.3 | 428.9 | | | (401.3) | (428.9) | | |
| Return of receivable PSO to Administrators | | | | | | | 362.6 | 390.6 | | | (362.6) | (390.6) | | |
| Transmission Network Fees | | | | | | | 129.3 | 135.8 | | | | | 129.3 | 135.8 |
| Distribution Network Fees | | | | | | | 459.3 | 495.2 | | | (238.7) | (304.0) | 220.6 | 191.3 |
| Utilities & Maintenance | 50.7 | 72.4 | 34.9 | 27.7 | | | 19.1 | 18.8 | | | 4.8 | 4.0 | 109.7 | 122.9 |
| Third party fees | 4.6 | (0.4) | 9.7 | 5.4 | | | 44.9 | 47.8 | 0.1 | | 29.8 | 27.0 | 89.0 | 79.8 |
| Taxes and duties | 1.0 | 0.3 | 9.1 | 8.1 | | | 2.9 | 2.6 | | | (13.0) | (11.0) | | |
| CO ₂ emissions rights | | | 573.8 | 327.9 | | | | | | | | | 573.8 | 327.9 |
| Provisions | 5.0 | 3.8 | (16.4) | 78.0 | (0.4) | | (128.2) | (9.7) | | | 160.7 | 70.2 | 20.8 | 142.2 |
| Financial expenses | 19.9 | 23.7 | 66.2 | 42.1 | 100.8 | 125.8 | 63.6 | 1.6 | | | 1.4 | 1.4 | 252.0 | 194.6 |
| Financial income | (0.7) | (3.1) | (6.5) | (15.2) | (11.4) | (10.7) | (46.6) | (52.8) | | | | | (65.2) | (81.8) |
| Income from PSO | | | | | | | | (5.7) | | | | 5.7 | | |
| Other (income)/ expense, net | 33.1 | (0.5) | 14.2 | (13.4) | (6.9) | 3.1 | 19.5 | 75.9 | 0.2 | | (52.7) | (41.7) | 7.3 | 23.4 |
| Devaluation of fixed assets _lignite | 1.0 | 11.9 | 78.1 | 89.9 | | 0.5 | 9.0 | 11.2 | | | | 11.0 | 88.0 | 124.4 |
| Devaluation of fixed assets | 54.2 | 78.5 | (20.2) | (209.4) | 0.9 | | | | | | 43.8 | (0.0) | 78.7 | (130.9) |
| Impairment loss of marketable securities | | | | | | | | | | | | | | |
| Income from the spin-off the Distribution Network | (3.4) | | (48.7) | | | | (0.2) | | | | | | (52.3) | |
| Foreign currency gains/ (losses), net | | (0.5) | 1.0 | (0.4) | 0.1 | | | | | | | | 1.1 | (0.8) |
| Allocated Administration Expenses | 64.1 | 52.3 | 147.2 | 77.7 | | | 61.1 | 16.1 | | | (272.4) | (146.1) | | |
| Interdepartmental Expenses | | | | | | | | | | | | | | |
| Lignite yard & ash expenses | | | 6.9 | 9.8 | | | | | | | (6.9) | (9.8) | | |
| Change in stock | 28.4 | (1.2) | 3.6 | | | | | | | | (32.0) | 1.2 | | |
| Energy | 34.7 | 20.0 | 39.6 | 23.5 | | | | | | | (74.3) | (43.5) | | |
| PROFIT (LOSS) BEFORE TAX | (299.8) | (264.7) | 426.1 | (127.6) | 253.2 | (11.1) | (229.4) | 530.8 | (1.2) | (0.0) | 17.5 | (32.1) | 166.4 | 95.5 |

* Any differences are due to decimal roundings.

| Interconnected System Unbundled Income Statement December 2021 (Amounts in millions of Euro) | MINES | | GENERATION | | DISTRIBUTION NETWORK | | ELECTRICITY SUPPLY | | NATURAL GAS SUPPLY | | TOTAL | |
|---|-----------------|----------------|----------------|----------------|----------------------|---------------|--------------------|----------------|--------------------|--------------|----------------|----------------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 Restated | 2021 | 2020 Restated | 2021 | 2020 | 2021 | 2020 Restated |
| | REVENUES | | | | | | | | | | | |
| Revenues from 3rd Parties | | | | | | | | | | | | |
| Energy sales to customers | | | | | | | 4,097.9 | 3,122.3 | | | 4,097.9 | 3,122.3 |
| Natural gas sales to customers | | | | | | | | 0.5 | 1.2 | | 1.2 | 0.5 |
| PSO's revenues from customers | | | | | | | 312.6 | 332.1 | | | 312.6 | 332.1 |
| Energy exports | | | | | | | 71 | 16.7 | | | 71 | 16.7 |
| Energy sales to wholesale market | | | 2,712.6 | 1,004.0 | | | 42.5 | 0.1 | | | 2,755.0 | 1,004.1 |
| Transitional Flexibility Assurance Mechanism | | | | 31.9 | | | | | | | | 31.9 |
| Other Services to wholesale market | | | | 14.3 | | | | | | | | 14.3 |
| Sales from Lignite | 1.8 | | 1.1 | 1.0 | | | | | | | 2.9 | 1.0 |
| Network rentals | | | | | 209.5 | 237.4 | | | | | 209.5 | 237.4 |
| Customer's contribution | | | 0.2 | (0.9) | 70.9 | 74.9 | | | | | 71.2 | 74.0 |
| ETMEAR's revenues | | | | | | | 352.4 | 377.9 | | | 352.4 | 377.9 |
| PSO's revenues from Administrators | | | | | | | 69.4 | 79.6 | | | 69.4 | 79.6 |
| Other Sales | 3.0 | 5.4 | 13.6 | 8.2 | 6.0 | 6.0 | 20.5 | 22.9 | | | 43.1 | 42.5 |
| Allocated Administration Revenues | 4.5 | 5.8 | 4.9 | 4.8 | | | 2.8 | 1.9 | | | 12.2 | 12.5 |
| Interdepartmental Revenues | | | | | | | | | | | | |
| Lignite yard & ash revenue | 6.9 | 9.8 | | | | | | | | | 6.9 | 9.8 |
| Energy | | | | | | | 70.9 | 40.8 | | | 70.9 | 40.8 |
| Lignite | 169.5 | 206.6 | | | | | | | | | 169.5 | 206.6 |
| REVENUES | 185.6 | 227.6 | 2,732.5 | 1,063.3 | 286.4 | 318.3 | 4,976.2 | 3,994.8 | 1.2 | (0.0) | 8,181.9 | 5,604.1 |
| Expenses (3rd Parties) | | | | | | | | | | | | |
| Payroll Cost | 110.1 | 122.3 | 123.5 | 121.5 | | | 42.0 | 38.3 | | | 275.6 | 282.1 |
| Own production lignite | | | 179.6 | 200.0 | | | | | | | 179.6 | 200.0 |
| Third party lignite - Hard coal | | | 1.2 | 1.8 | | | | | | | 1.2 | 1.8 |
| Natural Gas | | | 908.0 | 297.6 | | | | 0.2 | 2.0 | | 910.1 | 297.9 |
| Liquid fuel | (0.1) | | 12.1 | 14.0 | | | | | | | 12.1 | 14.0 |
| Materials & Consumables | 15.6 | 19.6 | 32.7 | 21.5 | | | 0.5 | 0.6 | | | 48.8 | 41.7 |
| Depreciations | 67.4 | 93.1 | 179.4 | 223.3 | (0.1) | 221.0 | 2.6 | 6.2 | | | 249.2 | 543.6 |
| Energy Purchases from third party | | | | | | | | | | | | |
| Energy imports | | | | | | | 54.9 | 129.7 | | | 54.9 | 129.7 |
| Energy Purchases to wholesale market | | | 161.3 | 25.1 | | | 3,916.9 | 1,993.4 | | | 4,078.2 | 2,018.5 |
| Return of receivable ETMEAR to Administrators | | | | | | | 358.3 | 381.0 | | | 358.3 | 381.0 |
| Return of receivable PSO to Administrators | | | | | | | 313.1 | 340.9 | | | 313.1 | 340.9 |
| Transmission Network Fees | | | | | | | 129.3 | 135.8 | | | 129.3 | 135.8 |
| Distribution Network Fees | | | | | | | 400.8 | 431.6 | | | 400.8 | 431.6 |
| Utilities & Maintenance | 50.7 | 72.4 | 23.7 | 20.0 | | | 17.2 | 17.0 | | | 91.7 | 109.5 |
| Third party fees | 4.6 | (0.4) | 5.8 | 2.9 | | | 39.3 | 44.7 | 0.1 | | 49.9 | 47.2 |
| Taxes and duties | 1.0 | 0.3 | 8.1 | 7.6 | | | 2.7 | 2.2 | | | 11.8 | 10.1 |
| CO ₂ emissions rights | | | 452.7 | 255.5 | | | | | | | 452.7 | 255.5 |
| Provisions | 5.0 | 3.8 | 4.0 | 69.0 | (0.4) | | (106.0) | (5.6) | | | (97.4) | 67.2 |
| Financial expenses | 19.9 | 23.7 | 55.0 | 31.1 | 86.4 | 108.2 | 58.0 | 1.5 | | | 219.3 | 164.5 |
| Financial income | (0.7) | (3.1) | (4.5) | (12.8) | (9.7) | (9.2) | (42.7) | (47.7) | | | (57.7) | (72.9) |
| Income from PSO | | | | | | | | | | | | |
| Other (income)/ expense, net | 33.1 | (0.5) | 13.5 | (13.9) | (3.5) | 2.2 | 28.3 | 77.3 | 0.2 | | 71.5 | 65.1 |
| Devaluation of fixed assets _lignite | 1.0 | 11.9 | 49.4 | 53.3 | | 0.4 | 8.6 | 10.7 | | | 59.0 | 76.3 |
| Devaluation of fixed assets | 54.2 | 78.5 | (20.2) | (209.4) | 0.5 | | | | | | 34.5 | (130.9) |
| Impairment loss of marketable securities | | | | | | | | | | | | |
| Income from the spin-off the Distribution Network | (3.4) | | (39.5) | | | | (0.2) | | | | (43.1) | |
| Foreign currency gains/ (losses), net | | (0.5) | (0.2) | (0.2) | | | | | | | (0.2) | (0.7) |
| Allocated Administration Expenses | 64.1 | 52.3 | 97.8 | 52.6 | | | 55.1 | 14.1 | | | 217.0 | 119.0 |
| Interdepartmental Expenses | | | | | | | | | | | | |
| Lignite yard & ash expenses | | | 6.9 | 9.8 | | | | | | | 6.9 | 9.8 |
| Change in stock | 28.4 | (1.2) | 3.6 | | | | | | | | 32.0 | (1.2) |
| Energy | 34.7 | 20.0 | 36.3 | 20.8 | | | | | | | 70.9 | 40.8 |
| PROFIT (LOSS) BEFORE TAX | (299.8) | (264.7) | 442.2 | (127.8) | 213.2 | (4.3) | (302.5) | 423.0 | (1.2) | (0.0) | 51.9 | 26.3 |

* Any differences are due to decimal roundings.

| Crete Unbundled Income Statement December 2021 (Amounts in millions of Euro) | GENERATION | | DISTRIBUTION NETWORK | | ELECTRICITY SUPPLY | | TOTAL | |
|---|---------------|--------------|----------------------|--------------|--------------------|--------------|----------------|--------------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| REVENUES | | | | | | | | |
| Revenues from 3rd Parties | | | | | | | | |
| Energy sales to customers | | | | | 292.6 | 218.7 | 292.6 | 218.7 |
| PSO's revenues from customers | | | | | 26.8 | 27.6 | 26.8 | 27.6 |
| Energy sales to wholesale market | 465.0 | 420.7 | | | | | 465.0 | 420.7 |
| Other Services to wholesale market | | | | | | | | |
| Network rentals | | | 16.0 | 18.5 | | | 16.0 | 18.5 |
| Customer's contribution | | 0.9 | 6.4 | 7.0 | | | 6.4 | 7.9 |
| ETMEAR's revenues | | | | | 26.7 | 27.8 | 26.7 | 27.8 |
| PSO's revenues from Administrators | | | | | 157.6 | 259.3 | 157.6 | 259.3 |
| Other Sales | 1.3 | 0.1 | 8.0 | 0.6 | 2.4 | 1.4 | 11.8 | 2.2 |
| Allocated Administration Revenues | 1.1 | 1.0 | | | 0.2 | 0.1 | 1.3 | 1.1 |
| Interdepartmental Revenues | | | | | | | | |
| Lignite yard & ash revenue | | | | | | | | |
| Energy | | | | | 1.8 | 1.5 | 1.8 | 1.5 |
| Lignite | | | | | | | | |
| REVENUES | 467.4 | 422.6 | 30.4 | 26.1 | 508.1 | 536.6 | 1,006.0 | 985.3 |
| Expenses (3rd Parties) | | | | | | | | |
| Payroll Cost | 33.1 | 22.9 | | | 2.7 | 2.6 | 35.8 | 25.4 |
| Own production lignite | | | | | | | | |
| Third party lignite - Hard coal | | | | | | | | |
| Natural Gas | | | | | | | | |
| Liquid fuel | 308.4 | 278.5 | | | | | 308.4 | 278.5 |
| Materials & Consumables | 6.4 | 5.4 | | | | 0.1 | 6.4 | 5.4 |
| Depreciations | 41.1 | 43.1 | 1.1 | 21.1 | 0.1 | 0.4 | 42.3 | 64.6 |
| Energy Purchases from third party | 3.5 | 4.1 | | | 310.1 | 382.9 | 313.6 | 387.0 |
| Energy imports | | | | | | | | |
| Energy Purchases to wholesale market | | | | | 73.3 | 4.2 | 73.3 | 4.2 |
| Return of receivable ETMEAR to Administrators | | | | | 22.3 | 26.5 | 22.3 | 26.5 |
| Return of receivable PSO to Administrators | | | | | 27.4 | 24.6 | 27.4 | 24.6 |
| Transmission Network Fees | | | | | | | | |
| Distribution Network Fees | | | | | 29.6 | 34.4 | 29.6 | 34.4 |
| Utilities & Maintenance | 2.1 | 0.7 | | | 1.0 | 0.9 | 3.1 | 1.6 |
| Third party fees | 0.9 | 0.5 | | | 2.9 | 1.7 | 3.7 | 2.1 |
| Taxes and duties | 0.4 | 0.3 | | | 0.1 | 0.2 | 0.5 | 0.5 |
| CO ₂ emissions rights | 66.6 | 43.2 | | | | | 66.6 | 43.2 |
| Provisions | (4.5) | (7.3) | | | (12.8) | (2.3) | (17.3) | (9.6) |
| Financial expenses | 5.4 | 4.2 | 7.3 | 9.0 | 0.9 | | 13.5 | 13.2 |
| Financial income | (1.0) | (0.9) | (0.9) | (0.8) | (2.2) | (2.8) | (4.1) | (4.4) |
| Other (income)/ expense, net | (1.1) | (0.5) | 0.1 | 0.2 | (5.3) | (4.0) | (6.2) | (4.3) |
| Devaluation of fixed assets _lignite | 15.8 | 26.8 | | | 0.2 | 0.3 | 16.0 | 27.1 |
| Devaluation of fixed assets | | | 0.3 | | | | 0.3 | |
| Impairment loss of marketable securities | | | | | | | | |
| Income from the spin-off the Distribution Network | (4.8) | | | | | | (4.8) | |
| Foreign currency gains/ (losses), net | (0.2) | | | | | | (0.2) | |
| Allocated Administration Expenses | 20.8 | 9.0 | | | 3.3 | 1.2 | 24.1 | 10.1 |
| Interdepartmental Expenses | | | | | | | | |
| Lignite yard & ash expenses | | | | | | | | |
| Change in stock | | | | | | | | |
| Energy | 1.8 | 1.5 | | | | | 1.8 | 1.5 |
| PROFIT (LOSS) BEFORE TAX | (27.2) | (8.6) | 22.4 | (3.5) | 54.5 | 65.6 | 49.7 | 53.5 |

* Any differences are due to decimal roundings.

| Other Non Interconnected Islands Unbundled Income Statement (incl. Rhodes) December 2021 (Amounts in millions of Euro) | GENERATION | | DISTRIBUTION NETWORK | | ELECTRICITY SUPPLY | | TOTAL | |
|--|--------------|--------------|----------------------|--------------|--------------------|--------------|--------------|--------------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| REVENUES | | | | | | | | |
| Revenues from 3rd Parties | | | | | | | | |
| Energy sales to customers | | | | | 227.8 | 170.6 | 227.8 | 170.6 |
| PSO's revenues from customers | | | | | 22.2 | 22.3 | 22.2 | 22.3 |
| Energy sales to wholesale market | 412.8 | 348.9 | | | | | 412.8 | 348.9 |
| Other Services to wholesale market | | | | | | | | |
| Network rentals | | | 13.2 | 15.5 | | | 13.2 | 15.5 |
| Customer's contribution | | 0.3 | 6.2 | 6.4 | | | 6.2 | 6.7 |
| ETMEAR's revenues | | | | | 21.0 | 21.4 | 21.0 | 21.4 |
| PSO's revenues from Administrators | | | | | 114.6 | 202.6 | 114.6 | 202.6 |
| Other Sales | 1.2 | 0.2 | 0.8 | 0.7 | 1.9 | 1.2 | 3.9 | 2.1 |
| Allocated Administration Revenues | 1.7 | 1.8 | | | 0.1 | 0.1 | 1.8 | 1.9 |
| Interdepartmental Revenues | | | | | | | | |
| Lignite yard & ash revenue | | | | | | | | |
| Energy | | | | | 1.5 | 1.2 | 1.5 | 1.2 |
| Lignite | | | | | | | | |
| REVENUES | 415.6 | 351.2 | 20.3 | 22.7 | 389.1 | 419.5 | 825.0 | 793.3 |
| Expenses (3rd Parties) | | | | | | | | |
| Payroll Cost | 35.3 | 40.2 | | | 1.5 | 1.7 | 36.8 | 41.9 |
| Own production lignite | | | | | | | | |
| Third party lignite - Hard coal | | | | | | | | |
| Natural Gas | | | | | | | | |
| Liquid fuel | 215.2 | 163.3 | 0.0 | | | | 215.2 | 163.3 |
| Materials & Consumables | 16.1 | 10.9 | 0.0 | | | 0.1 | 16.1 | 11.0 |
| Depreciations | 38.7 | 39.6 | 0.0 | 17.4 | 0.1 | 0.4 | 38.8 | 57.3 |
| Energy Purchases from third party | 1.4 | 0.3 | 0.0 | | 300.3 | 299.7 | 301.7 | 300.0 |
| Energy imports | | | | | | | | |
| Energy Purchases to wholesale market | | | | | 0.1 | 3.2 | 0.1 | 3.2 |
| Return of receivable ETMEAR to Administrators | | | | | 20.8 | 21.4 | 20.8 | 21.4 |
| Return of receivable PSO to Administrators | | | | | 22.1 | 25.1 | 22.1 | 25.1 |
| Transmission Network Fees | | | | | | | | |
| Distribution Network Fees | | | | | 28.9 | 29.2 | 28.9 | 29.2 |
| Utilities & Maintenance | 9.1 | 7.0 | | | 0.9 | 0.8 | 10.0 | 7.8 |
| Third party fees | 3.0 | 2.0 | | | 2.7 | 1.5 | 5.6 | 3.5 |
| Taxes and duties | 0.6 | 0.3 | | | 0.1 | 0.2 | 0.7 | 0.5 |
| CO ₂ emissions rights | 54.5 | 29.2 | | | | | 54.5 | 29.2 |
| Provisions | (15.9) | 16.2 | | | (9.4) | (1.8) | (25.3) | 14.4 |
| Financial expenses | 5.9 | 6.8 | 7.1 | 8.6 | 4.7 | | 17.7 | 15.5 |
| Financial income | (0.9) | (1.6) | (0.9) | (0.7) | (1.6) | (2.3) | (3.4) | (4.6) |
| Other (income)/ expense, net | 1.8 | 1.0 | (3.5) | 0.7 | (3.5) | (3.0) | (5.2) | (1.3) |
| Devaluation of fixed assets _lignite | 12.8 | 9.8 | | | 0.1 | 0.2 | 12.9 | 10.1 |
| Devaluation of fixed assets | | | | | | | | |
| Impairment loss of marketable securities | | | | | | | | |
| Income from the spin-off the Distribution Network | (4.4) | | | | | | (4.4) | |
| Foreign currency gains/ (losses), net | 1.4 | (0.1) | | | | | 1.4 | (0.1) |
| Allocated Administration Expenses | 28.6 | 16.1 | | | 2.7 | 0.9 | 31.3 | 17.0 |
| Interdepartmental Expenses | | | | | | | | |
| Lignite yard & ash expenses | | | | | | | | |
| Change in stock | | | | | | | | |
| Energy | 1.5 | 1.2 | | | | | 1.5 | 1.2 |
| PROFIT (LOSS) BEFORE TAX | 11.1 | 8.8 | 17.5 | (3.3) | 18.7 | 42.2 | 47.3 | 47.7 |

* Any differences are due to decimal roundings.

| Consolidated and Separate Balance Sheet as of December 31, 2021 (All amounts in millions of Euro) | COMPANY | | HEDNO | | OTHER COMPANIES | | ELIMINATIONS | | GROUP | |
|---|-----------------|-----------------|----------------|--------------|-----------------|--------------|------------------|------------------|-----------------|-----------------|
| | 31.12.2021 | 31.12.2020 | 31.12.2021 | 31.12.2020 | 31.12.2021 | 31.12.2020 | 31.12.2021 | 31.12.2020 | 31.12.2021 | 31.12.2020 |
| ASSETS | | | | | | | | | | |
| Non – Current Assets: | | | | | | | | | | |
| Tangible assets | 5,118.9 | 5,390.1 | 4,882.2 | 87.6 | 304.1 | 313.5 | (39.5) | 4,543.2 | 10,265.7 | 10,334.5 |
| Intangible assets, net | 333.8 | 87.6 | 4.4 | 2.0 | 13.2 | 13.6 | 8.6 | 8.9 | 360.0 | 112.1 |
| Right of use assets | 102.8 | – | – | – | – | – | 31.8 | – | 134.6 | – |
| Investments in subsidiaries | 1,241.5 | 221.6 | – | – | (0.0) | (0.0) | (1,241.5) | (221.6) | – | – |
| Investments in associates | 0.0 | 0.0 | – | – | 38.8 | 34.0 | (0.0) | (0.0) | 38.8 | 34.1 |
| Available for sale financial assets | 0.3 | 0.6 | – | – | 0.0 | 0.2 | (0.0) | (0.0) | 0.3 | 0.9 |
| Deferred tax assets | 731.8 | 761.1 | (328.6) | 54.0 | (13.6) | (17.7) | (7.2) | (594.7) | 382.5 | 202.7 |
| Other non- current assets | 13.7 | 16.0 | 0.0 | 0.0 | 11.6 | 6.6 | (21.4) | (8.4) | 3.9 | 14.3 |
| Total non-current assets | 7,542.9 | 6,477.1 | 4,558.0 | 143.7 | 354.2 | 350.4 | (1,269.2) | 3,727.3 | 11,185.9 | 10,698.4 |
| Current Assets: | | | | | | | | | | |
| Materials, spare parts and supplies, net | 430.1 | 455.2 | 174.0 | 172.9 | 23.1 | 25.0 | (17.4) | (22.7) | 609.9 | 630.4 |
| Trade receivables, net | 875.9 | 554.6 | 283.3 | 249.2 | 25.8 | 48.7 | (84.3) | (143.8) | 1,100.6 | 708.7 |
| Contract assets | 660.3 | – | – | – | – | – | – | – | 660.3 | – |
| Other receivables, net | 1,120.0 | 377.3 | 2.2 | 41.5 | 23.3 | 14.2 | 97.1 | (55.7) | 1,242.5 | 377.3 |
| Derivative Financial instruments | 76.9 | – | – | – | – | – | – | – | 76.9 | – |
| Income tax receivable | – | – | – | – | 0.1 | 0.1 | 4.7 | 2.7 | 4.8 | 2.7 |
| Other current assets | – | 214.7 | 228.0 | 257.5 | 15.9 | 9.0 | (243.9) | (87.5) | – | 393.7 |
| Cash and cash equivalents | 2,512.2 | 626.9 | 172.7 | 78.8 | 147.5 | 109.9 | (0.0) | (0.0) | 2,832.4 | 815.6 |
| Restricted Cash | 48.3 | 52.8 | – | – | – | – | 17.6 | 5.9 | 65.9 | 58.7 |
| Assets held for sale | – | 4,563.4 | – | – | – | – | – | (4,563.4) | – | – |
| Total Current Assets | 5,723.8 | 6,844.9 | 860.2 | 799.8 | 235.6 | 206.9 | (226.2) | (4,864.5) | 6,593.3 | 2,987.1 |
| Total Assets | 13,266.7 | 13,322.0 | 5,418.2 | 943.4 | 589.8 | 557.3 | (1,495.4) | (1,137.2) | 17,779.2 | 13,685.6 |
| EQUITY AND LIABILITIES | | | | | | | | | | |
| EQUITY: | | | | | | | | | | |
| Share capital | 947.4 | 575.4 | 991.2 | 37.6 | 199.8 | 400.0 | (1,191.0) | (437.5) | 947.4 | 575.4 |
| Share premium | 1,018.8 | 106.7 | – | – | 69.1 | 69.5 | (69.1) | (69.5) | 1,018.8 | 106.7 |
| Legal reserve | 128.3 | 128.3 | 6.1 | 5.1 | 4.2 | 3.9 | (10.3) | (9.0) | 128.3 | 128.3 |
| Fixed assets' statutory revaluation surplus included in share capital | (947.3) | (947.3) | – | – | – | – | – | – | (947.3) | (947.3) |
| Revaluation surplus | 3,000.6 | 4,594.4 | 159.7 | 42.4 | 319.0 | 319.0 | 1,684.6 | (269.5) | 5,163.9 | 4,686.4 |
| Other Reserves | 263.3 | 51.9 | 125.1 | – | 91.9 | 92.0 | (174.0) | (56.3) | 306.4 | 87.6 |
| Retained earnings | 249.0 | (1,780.5) | 14.7 | 121.1 | (389.2) | (626.8) | (1,413.2) | 734.1 | (1,538.7) | (1,552.1) |
| Total Equity attributable to owners of the Parent | 4,660.0 | 2,728.8 | 1,296.9 | 206.2 | 294.8 | 257.6 | (1,173.0) | (107.7) | 5,078.7 | 3,084.9 |
| NON-CONTROLLING INTEREST | – | – | – | – | – | – | 0.3 | 0.3 | 0.3 | 0.3 |
| Total Equity | 4,660.0 | 2,728.8 | 1,296.9 | 206.2 | 294.8 | 257.6 | (1,172.7) | (107.4) | 5,079.0 | 3,085.2 |
| Non-Current Liabilities: | | | | | | | | | | |
| Interest bearing loans and borrowings | 2,724.0 | 2,008.6 | 1,229.3 | – | 109.4 | 96.5 | (0.0) | 1,375.4 | 4,062.6 | 3,480.5 |
| Post retirement benefits | 119.6 | 129.4 | 75.4 | 89.7 | 14.3 | 13.5 | 0.0 | 0.2 | 209.4 | 232.8 |
| Provisions | 810.0 | 745.7 | 47.8 | 44.8 | 7.0 | 4.0 | (29.6) | (7.1) | 835.3 | 787.4 |
| Deferred tax liabilities | – | – | – | – | – | – | – | – | – | – |
| Financial lease liability | 94.8 | – | – | – | – | – | 24.6 | – | 119.5 | – |
| Deferred customers' contributions and subsidies | 533.9 | 556.0 | 1,945.5 | – | 7.2 | 11.6 | (0.0) | 1,860.2 | 2,486.6 | 2,427.8 |
| Long term financial liability from the securitization of receivables | 229.5 | – | – | – | – | – | – | – | 229.5 | – |
| Other non-current liabilities | 0.0 | 701.4 | 59.1 | 64.5 | 9.9 | 2.4 | (33.6) | (23.2) | 35.6 | 745.1 |
| Total Non-Current Liabilities | 4,511.8 | 4,141.0 | 3,357.2 | 199.0 | 147.9 | 128.1 | (38.5) | 3,205.4 | 7,978.4 | 7,673.4 |
| Current Liabilities: | | | | | | | | | | |
| Trade and other payables | 480.2 | 1,183.0 | 468.0 | 346.5 | 99.2 | 147.4 | (77.4) | (236.4) | 970.1 | 1,440.4 |
| Short term financial liability from the securitization of receivables | 150.6 | – | – | – | – | – | – | – | 150.6 | – |
| Short - term borrowings | 260.0 | 30.0 | – | – | 16.4 | 12.3 | (5.0) | (0.1) | 271.3 | 42.2 |
| Current portion of long - term borrowings | 207.1 | 409.1 | – | – | – | 0.2 | 146.6 | 155.2 | 353.6 | 564.6 |
| Short - term financial lease liability | 10.6 | – | 190.0 | – | 0.7 | – | (183.6) | – | 17.7 | – |
| Dividends payable | – | 0.0 | – | – | – | – | – | – | – | 0.0 |
| Income tax payable | 63.8 | 63.8 | 5.8 | 2.3 | 0.9 | 2.1 | (0.1) | (0.1) | 70.5 | 68.2 |
| Accrued and other current liabilities | 1,712.4 | 825.2 | 100.4 | 189.4 | 29.9 | 9.6 | (164.8) | (212.6) | 1,677.8 | 811.6 |
| Short term part of forecasting the dismantling and removal of facilities / equipment of Production Units, Mines and Wind Parks and rehabilitation of Mining areas | 80.6 | – | – | – | – | – | – | – | 80.6 | – |
| Contract Liabilities | 1,129.6 | – | – | – | – | – | – | – | 1,129.6 | – |
| Liabilities held for sale | – | 3,941.2 | – | – | – | – | – | (3,941.2) | – | – |
| Total Current Liabilities | 4,094.8 | 6,452.2 | 764.2 | 538.2 | 147.1 | 171.6 | (284.3) | (4,235.2) | 4,721.8 | 2,926.9 |
| Total Liabilities and Equity | 13,266.7 | 13,322.0 | 5,418.2 | 943.4 | 589.8 | 557.3 | (1,495.4) | (1,137.2) | 17,779.2 | 13,685.6 |

* Any differences are due to decimal roundings.

| Consolidated and Separate Statement of Income for the Year Ended December 31, 2021 (All amounts in thousands of Euro) | COMPANY | | HEDNO | | OTHER COMPANIES | | ELIMINATIONS | | GROUP | |
|---|------------------|------------------------|------------------|------------------|-----------------|-----------------|--------------------|--------------------|------------------|------------------------|
| | 31.12.2021 | 31.12.2020 restated | 31.12.2021 | 31.12.2020 | 31.12.2021 | 31.12.2020 | 31.12.2021 | 31.12.2020 | 31.12.2021 | 31.12.2020 restated |
| REVENUES | | | | | | | | | | |
| Revenue from energy sales | 4,987,108 | 3,910,362 | 955,164 | 910,440 | 385,371 | 158,067 | (1,311,975) | (1,031,542) | 5,015,668 | 3,947,327 |
| Revenue from natural gas | 1,161 | 472 | — | — | — | — | — | — | 1,161 | 472 |
| Other sales | 411,206 | 484,995 | 1,792,231 | 1,725,796 | 7,521 | 281 | (1,521,396) | (1,509,427) | 689,562 | 701,645 |
| | 5,399,475 | 4,395,829 | 2,747,395 | 2,636,236 | 392,892 | 158,348 | (2,833,371) | (2,540,969) | 5,706,391 | 4,649,444 |
| EXPENSES: | | | | | | | | | | |
| Payroll cost | 412,094 | 411,274 | 294,737 | 284,226 | 65,501 | 59,411 | (41,962) | (41,302) | 730,371 | 713,609 |
| Lignite | 21,323 | 20,997 | — | — | 19,781 | 28,588 | (0) | (1) | 41,104 | 49,584 |
| Liquid Fuel | 530,825 | 455,849 | — | — | 6,178 | 6,666 | (0) | 0 | 537,003 | 462,515 |
| Natural Gas | 910,068 | 297,858 | — | — | — | — | — | — | 910,068 | 297,858 |
| Depreciation and Amortization | 346,923 | 679,560 | 45,557 | 22,365 | 41,596 | 51,019 | 232,171 | (8,899) | 666,248 | 744,045 |
| Energy purchases | 1,487,577 | 1,215,330 | 1,565,985 | 1,617,764 | 157,777 | 20,406 | (1,924,617) | (1,735,638) | 1,286,722 | 1,117,863 |
| Materials and consumables | 71,650 | 58,363 | 101,328 | 99,581 | 7,269 | 9,798 | (58,604) | (56,819) | 121,643 | 110,923 |
| Transmission system usage | 129,257 | 135,775 | — | — | — | 61 | — | (0) | 129,257 | 135,836 |
| Distribution system usage | 220,588 | 223,802 | — | — | — | — | (220,588) | (223,802) | — | — |
| Utilities and maintenance | 109,651 | 122,850 | 621,511 | 520,325 | 20,502 | 18,632 | (571,452) | (462,038) | 180,212 | 199,769 |
| Third party fees | 89,035 | 79,800 | 61,339 | 41,911 | 10,613 | 3,339 | (19,175) | (11,790) | 141,812 | 113,260 |
| CO ₂ emission rights | 573,793 | 327,861 | — | — | 125,372 | 65,625 | (1) | 0 | 699,164 | 393,486 |
| Provision for Land restoration | — | — | — | — | — | — | — | — | — | — |
| Provision for risks | 105,430 | 43,074 | 3,046 | 413 | 4,101 | (624) | (23,729) | (4,256) | 88,847 | 38,608 |
| Provision for slow - moving materials | 24,272 | 62,455 | 872 | 1,624 | 618 | 22,257 | 0 | 0 | 25,762 | 86,336 |
| Allowance for doubtful balances | (108,938) | 36,652 | 2,694 | (1,586) | 11,455 | (77,348) | 35,049 | 104,228 | (59,740) | 61,946 |
| Loss (Gain) from financial derivatives of commodities | — | — | — | — | — | — | — | — | — | — |
| Financial expenses | 251,963 | 194,611 | 6,383 | 2,634 | 2,497 | 2,532 | (1,303) | (1,544) | 259,541 | 198,233 |
| Financial income | (65,222) | (81,824) | (273) | (416) | (483) | (1,165) | 6,684 | 23,298 | (59,294) | (60,108) |
| Devaluation of fixed assets _lignite | 88,000 | 124,426 | — | — | — | — | (88,000) | (124,426) | — | — |
| Devaluation of fixed assets | 78,675 | (130,912) | — | — | 6,220 | (14,407) | 22,680 | 20,000 | 107,575 | (125,319) |
| Income from PSO | — | — | — | — | — | — | — | — | — | — |
| Provisions from Devaluation of fixed assets | — | — | — | — | — | — | — | — | — | — |
| Other (income) expenses, net | 7,332 | 23,388 | 25,094 | 21,364 | 3,121 | 10,436 | 17,562 | 12,819 | 53,109 | 68,007 |
| Loss / (Gain) of associates and joint ventures, net | — | 2 | — | — | (4,350) | (2,425) | (0) | (0) | (4,350) | (2,423) |
| Income from the spin-off the Distribution Network | (52,301) | — | — | — | — | — | 52,301 | — | — | — |
| Impairment loss of marketable securities | — | — | — | — | — | — | — | — | — | — |
| Foreign currency (gain)/loss, net | 1,126 | (835) | — | — | 33 | (27) | (0) | (0) | 1,159 | (862) |
| | 5,233,121 | 4,300,356 | 2,728,274 | 2,610,205 | 477,803 | 202,775 | (2,582,984) | (2,510,170) | 5,856,213 | 4,603,166 |
| PROFIT / (LOSS) BEFORE TAX | 166,354 | 95,473 | 19,121 | 26,031 | (84,911) | (44,427) | (250,386) | (30,800) | (149,822) | 46,278 |

* Any differences are due to decimal roundings.

Appendix I – Unbundled Financial Statements

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 unbundled financial statements was approved by the 266/2014 and 162/2019 Decisions of the Regulatory Authority for Energy. Additionally, in the Non – Interconnected System the transactions of energy between PPC's Generation and Supply and HEDNO, are carried out according to RAE's Decision 641/2013.

2. ACCOUNTING UNBUNDLING METHODOLOGY

The methodology applied for the preparation of the unbundled financial statements consists of the following phases:

- Determination of activities into which the integrated electric utility should be unbundled
- Preparation of unbundled trial balances
- Preparation of unbundled balance sheets
- Preparation of the unbundled statements of income
- Quantification of inter-segment revenues and expenses among activities through the application of an internal pricing system

Determination of activities into which the integrated electric utility should be unbundled

The activities for unbundled financial statements are prepared, on a first level, are Mines, Generation, Distribution Network, Supply of Electricity, Supply of Natural Gas and Corporate. The Unbundled Income Statements include the Distribution Network Activity until 30.11.2021, due to its Spin-off from the Parent Company on November 30th, 2021. The Unbundled Balance Sheets do not include the Distribution Network Activity as its Spin-off was completed on December 31st, 2021. On December 31st, 2020, the Unbundled Income Statements have been restated according to the Note 44 of the Financial Statements.

On a second level, these activities are presented as follows:

- **Interconnected System**
 - Mines
 - Generation
 - Distribution network
 - Supply of Electricity
 - Supply of Natural Gas
- **System of Crete**
 - Generation
 - Distribution network
 - Supply of Electricity
- **System of other Non-Interconnected Islands**
 - Generation
 - Distribution network
 - Supply of Electricity

Mines

Mines include the lignite extraction activity carried out in the Lignite Center of West Macedonia.

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 of Electricity

Supply reflects the Company's activity which monitors relationships with final customers of electricity in the Interconnected System, the System of Crete and the System of Non-Interconnected Islands.

Supply of Natural Gas

Supply reflects the Company's activity which monitors relationships with final customers of natural gas in the Interconnected System.

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 center and the profit center represent an organizational entity, in which the assets and liabilities are recorded. In order for these trial balances to be generated, the following tasks are performed, which are applied per account and cost / profit center for the minimum account degree in General Accounting:

- Cost / profit centers are recorded in order to identify the boundaries of activities and then all cost / profit centers to be assigned to activities with which they are related to.
- The sum totals of the cost / profit centers and accounts are reconciled with the comprehensive trial balance of the Company.
- The trial balance accounts are codified and grouped into sections of the balance sheet and of the income statement based on Company's consolidated Financial Statements.

Preparation of unbundled balance sheets

At the end of each financial year, balance sheets are prepared for each of the four activities (Mines, Generation, Supply of Electricity and Supply of Natural Gas) in the Interconnected System. In the Crete System and in the Non - Interconnected Islands System the balance sheet includes only the activities of Generation and Supply of Electricity.

The balance sheet for each activity is prepared under the principle of independent accounting.

The accounts of each balance sheet are as follows:

- Direct, which include the direct charges and credits of the accounts of the relevant profit centers of the corresponding level of activity,
- Indirect of the administration departments, which derive from the administration departments of each activity and include its allocated balance sheet accounts.
- Indirect of the Corporate, which include the allocated balance sheet accounts, which are presented in a separate line on each activity's balance sheet.

Additionally, the Balance Sheets of PPC's subsidiaries are depicted separately.

Preparation of the unbundled statements of income

For each accounting period income statements are prepared for each of the five activities (Mines, Generation, Distribution Network, Supply of Electricity and Supply of Natural Gas) 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. Mines and Supply of Natural Gas are included only in the Interconnected System.

Income statement accounts of financial nature are allocated to activities based on the loans of each activity.

Then, income statement account balances that have remained in Corporate are allocated in the activities.

For the allocation of revenues and expenses to Activities the criterion is based on direct expenses of every Activity.

Upon completion of the above allocations, the Statements of income for each Activity are prepared. The Corporate expenses and revenues allocated to the activities are presented separately in a line item in each activity.

Quantification of inter-segment revenues and expenses among activities through the application of an internal pricing system

Within the framework of an integrated utility products and services are exchanged among its activities, which would be recorded if these activities would operate as independent entities.

In order for these products and services to be quantified and recorded, an internal pricing system is applied if necessary (where there is no external determination of internal exchanges). The most important services and products internally exchanged in PPC among its Activities, that are presented in the Unbundled Financial Statements are the following:

| Product/ Service | Activity which Renders | Activity which Receives |
|---|------------------------|-------------------------|
| Interconnected system | | |
| Lignite | Mines | Generation |
| Other Services | Mines | Generation |
| Self-consumption energy | Supply | Mines, Generation |
| System of Crete | | |
| Self-consumption Energy | Supply | Generation |
| System of other non-interconnected islands | | |
| Self-consumption Energy | Supply | Generation |

Each activity's revenues from product sales or services to another activity are quantified, through the internal pricing system. Also, the activity that receives the product/ service records the related cost.

The internal revenues – expenses for each activity are defined as follows:

In the interconnected system:

- The internal energy sales for self-consumption are calculated based on each Activity's metered consumption of energy with the average marginal price including the Return of receivable Public Service Obligations, Transmission System Tariffs and IPTO uplift charge.
- The Mines internal revenue is calculated in accordance of the agreement for the lignite supply between Mines and Generation. The lignite supply contract determines the internal lignite market, i.e the lignite sales of the activity of the Lignite General Division to the activity of the Generation General Division. The contract covers the consumption of the lignite stations on a continuous basis, as well as with the necessary stock for the specific period. The calculation of the relative amounts takes place on the monthly basis, taking into account the monthly consumption and the calorific value of the lignite delivered.

In the Non-Interconnected system:

- The internal energy sales are calculated based on each activity's metered consumption of energy priced by the average revenue of PPC's tariffs for the sale of electricity to Medium Voltage for Industrial Use customers.

ANALYSIS OF REVENUES - EXPENSES FROM GENERATION AND SUPPLY

| (in millions of €) | GENERATION | | SUPPLY | |
|-----------------------------------|------------|------|----------------|----------------|
| | 2021 | 2020 | 2021 | 2020 |
| INCOME | | | | |
| Energy sales | | | 5,380.0 | 4,320.9 |
| Competative charges | | | 3,169.5 | 2,962.5 |
| Revenue from low voltage sales | | | 2,247.2 | 2,312.5 |
| Revenue from medium voltage sales | | | 514.3 | 358.2 |
| Revenue from high voltage sales | | | 408.0 | 291.8 |
| Transmission system usage | | | 141.7 | 146.4 |
| Revenue from low voltage sales | | | 112.1 | 116.4 |
| Revenue from medium voltage sales | | | 13.7 | 13.1 |
| Revenue from high voltage sales* | | | 15.9 | 16.9 |
| Distribution system usage | | | 458.2 | 485.1 |
| Revenue from low voltage sales | | | 433.4 | 460.5 |
| Revenue from medium voltage sales | | | 24.7 | 24.6 |
| Revenue from other charges | | | 1.8 | 1.9 |
| Revenue from low voltage sales | | | 1.5 | 1.6 |
| Revenue from medium voltage sales | | | 0.3 | 0.3 |
| Unbilled revenue and discounts * | | | 847.1 | (84.3) |
| Revenue from PSO | | | 361.6 | 382.0 |
| Revenue from low voltage sales | | | 292.8 | 302.4 |
| Revenue from medium voltage sales | | | 59.2 | 68.2 |
| Revenue from high voltage sales | | | 9.7 | 11.4 |

| (in millions of €) | GENERATION | | SUPPLY | |
|---|----------------|----------------|----------------|----------------|
| | 2021 | 2020 | 2021 | 2020 |
| Revenue from the special fee for the reduction of CO ₂ emissions | | | 400.1 | 427.2 |
| Revenue from low voltage sales | | | 349.0 | 368.1 |
| Revenue from medium voltage sales | | | 37.1 | 36.2 |
| Revenue from high voltage sales | | | 9.1 | 12.0 |
| Provisions | | | 4.8 | 10.9 |
| Exports of Energy | | | 7.1 | 16.7 |
| Wholesale energy sales | 3,590.4 | 1,819.7 | | |
| Sales of energy to wholesale market | 2,794.6 | 937.6 | | |
| Sales of energy to HEDNO | 795.8 | 769.6 | | |
| Revenue from covering the generation variable cost recovery | 0.0 | 66.4 | | |
| Transitional Flexibility Assurance Mechanism | 0.0 | 31.9 | | |
| Ancillary services | 0.0 | 14.3 | | |
| Lignite sales | 1.1 | | | |
| GREENPASS sales | | | 0.1 | |
| Gas sales | | | 1.2 | 0.5 |
| Other sales | | | 24.1 | 25.5 |
| Revenue from reconnection fees | | | 1.3 | 1.7 |
| Other income from consumers | | | 1.1 | 1.3 |
| Commission from Municipal Levy and tax | | | 21.7 | 22.6 |
| EXPENSES | | | 4,808.7 | 3,242.0 |
| Purchases of energy- Interconnected System | | | 3,668.7 | 1,993.4 |
| Purchases of energy by wholesale market | | | 4,056.9 | 1,617.1 |
| Transitional Flexibility Assurance Mechanism | | | 0.0 | 33.7 |
| Coverage of the generation variable cost recovery | | | (0.1) | 58.6 |
| Charge according to the thermal units' variable cost | | | 0.2 | 104.2 |
| Ancillary services | | | (0.1) | 34.6 |
| Settlement of losses - clearances | | | (0.1) | 45.8 |
| Non-compliance charges | | | 0.1 | 19.8 |
| Fees to EXE | | | 4.3 | 0.0 |
| Hedging | | | (138.3) | 0.0 |
| Hedging, other expenses | | | 1.0 | 0.0 |
| Charge of electricity suppliers for RES account L.4759/2020 | | | 0.0 | 65.7 |
| Other expenses | | | (255.2) | 13.8 |

| (in millions of €) | GENERATION | | SUPPLY | |
|---|------------|------|--------------|--------------|
| | 2021 | 2020 | 2021 | 2020 |
| Energy imports | | | 54,9 | 129,7 |
| Energy purchases from non interconnected islands | | | 585,3 | 584,3 |
| Energy purchases from RES | | | 98,5 | 105,7 |
| Special fee for the reduction of CO₂ emissions | | | 401,3 | 428,9 |
| Revenue from the special fee for the reduction of CO ₂ emissions from interconnected system | | | 358,3 | 381,0 |
| Revenue from the special fee for the reduction of CO ₂ emissions from non interconnected islands | | | 43,0 | 47,9 |

* For the revenue resulting from unbilled and discounts of low voltage, there is no breakdown in competitive - monopoly charges to customers

TIME SCHEDULE FOR THE USE OF PROCEEDS FROM THE SHARE CAPITAL INCREASE

| (Amounts in thousands €) | ALLOCATED CAPITAL | ALLOCATED CAPITAL USED UNTIL 31.12.2021 | UNALLOCATED CAPITAL |
|--|-------------------|---|---------------------|
| A. Allocation of up to €1.284 billion of approximately €3.2 billion that the Company has budgeted for capital expenditures on renewable energy projects through 2024, including hydroelectric power generation and projects in adjacent markets, aiming to reach an installed RES capacity of 7.2 GW by 2024 | | – | |
| B. Allocation of up to €1.284 billion Of approximately €1.7 billion that the Company has budgeted for capital expenditures through 2024 on conventional power generation, supply business unit, the construction of a waste-to-energy plant, digitalization, telecommunications, electric vehicle charge-points. | | – | |
| C. Allocation for other general corporate and other investment purposes of amounts that are not material for the Group's financial conditions and to the extent reasonably necessary. | | – | |
| Total | 1,284,074 | – | 1,284,074 |
| Issuance costs | 65,926 | 65,926 | – |
| Grand Total | 1,350,000 | 65,926 | 1,284,074 |

Note that the unallocated capital is in bank account deposits of Company.

E – Use of proceed

PUBLIC POWER CORPORATION S.A.

General Commercial Registry: 786301000

Headquarters address: Chalkokondyli 30 - 104 32 Athens

Pursuant to the provisions of par.4.1.2 of the Athens Stock Exchange Regulation, the 25/17.07.2008 and the 06.12.2017 decisions of the BOD of Athens Stock Exchange and the Decision 8/754/14.04.2016 of the Capital Market Commissions BOD, it is disclosed that from the share capital increase of the Company by payment in cash, according to 19.10.2021 decision of the Extraordinary Shareholders Meeting and with the 29.10.2021 decision of the Board of Directors of the Company, capital of €1,350,000,000 was raised minus the issuance costs amounting to €65,927 thousand.

From the Share Capital Increase new common registered shares were issued with subscription value of €9,00 each and nominal value of €2.48 each, which were listed for trading in the main market of the Athens Stock Exchange on 16.11.2021. The Board of Directors held a meeting on 11.11.2021 and certified of the payment of the total amount of the Share Capital Increase. Until December 31, 2021, part of the raised Capital was allocated according to the use of proceeds as described in the Prospectus.

Athens 5 April 2022

CHAIRMAN AND
CHIEF EXECUTIVE
OFFICER

GEORGIOS I.
STASSIS

VICE
CHAIRMAN

PYRROS D.
PAPADIMITRIOU

CHIEF FINANCIAL
OFFICER

KONSTANTINOS A.
ALEXANDRIDIS

ACCOUNTING
DEPARTMENT
DIRECTOR

EFTHIMIOS A.
KOUTROULIS



2 — Related Party Transactions

DEI Blue. The drive required to advance into the future

2 – Related Party Transactions

Related Party Transactions for the Year 2021
Amounts in thousands of Euro

| | 31.12.2021 |
|--------------------------------------|----------------|
| Due from: | |
| PPC RENEWABLES S.A. | 1,814 |
| HEDNO S.A. | 221,202 |
| LIGNITIKI MEGALOPOLIS S.A. | 25,885 |
| LIGNITIKI MELITIS S.A. | 20,999 |
| ILIAKA PARKA ENA S.A | 13 |
| ILIAKA PARKA DIO S.A | 4 |
| ILIAKO VELOS ENA S.A | 143 |
| ARKADIKOS ILIOS ENA S.A | 11 |
| ARKADIKOS ILIOS DIO S.A | 3 |
| AMYNTAIO PV PARK ENA S.A | 2 |
| AMYNTAIO PV PARK DIO S.A | 2 |
| AMYNTAIO PV PARK TRIA S.A | 2 |
| AMYNTAIO PV PARK TESSERA S.A | 2 |
| AMYNTAIO PV PARK PENTE S.A | 2 |
| AMYNTAIO PV PARK EKSI S.A | 2 |
| AMYNTAIO PV PARK EPTA S.A | 2 |
| AMYNTAIO PV PARK OKTO S.A | 2 |
| AMYNTAIO PV PARK ENNEA S.A | 2 |
| PPC FINANCE PLC | 0 |
| PPC ELEKTRIK TEDARIK VE TICARET A.S. | 110 |
| PPC BULGARIA JSCO | 9 |
| PPC ALBANIA | 40 |
| EDS AD SKOPJE | 20,026 |
| TOTAL | 290,277 |

| | 31.12.2021 |
|--------------------------------------|----------------|
| Due to: | |
| PPC RENEWABLES S.A. | 399 |
| HEDNO S.A. | 380,849 |
| LIGNITIKI MEGALOPOLIS S.A. | 684 |
| LIGNITIKI MELITIS S.A. | 0 |
| ILIAKA PARKA ENA S.A | 0 |
| ILIAKA PARKA DIO S.A | 0 |
| ILIAKO VELOS ENA S.A | 0 |
| ARKADIKOS ILIOS ENA S.A | 0 |
| ARKADIKOS ILIOS DIO S.A | 0 |
| AMYNTAIO PV PARK ENA S.A | 0 |
| AMYNTAIO PV PARK DIO S.A | 0 |
| AMYNTAIO PV PARK TRIA S.A | 0 |
| AMYNTAIO PV PARK TESSERA S.A | 0 |
| AMYNTAIO PV PARK PENTE S.A | 0 |
| AMYNTAIO PV PARK EKSI S.A | 0 |
| AMYNTAIO PV PARK EPTA S.A | 0 |
| AMYNTAIO PV PARK OKTO S.A | 0 |
| AMYNTAIO PV PARK ENNEA S.A | 0 |
| PPC FINANCE PLC | 71 |
| PPC ELEKTRIK TEDARIK VE TICARET A.S. | 0 |
| PPC BULGARIA JSCO | 374 |
| PPC ALBANIA | 0 |
| EDS AD SKOPJE | 0 |
| TOTAL | 382,377 |

| | 31.12.2021 |
|---|------------------|
| Revenues from: | |
| SERVICES RENDERED TO PPC RENEWABLES S.A. | 2,998 |
| SERVICES RENDERED TO HEDNO S.A. | 1,567,808 |
| SERVICES RENDERED TO LIGNITIKI MEGALOPOLIS S.A. | 98,775 |
| SERVICES RENDERED TO LIGNITIKI MELITIS S.A. | 42,176 |
| SERVICES RENDERED TO ILIAKA PARKA ENA S.A | 49 |
| SERVICES RENDERED TO ILIAKA PARKA DIO S.A. | 47 |
| SERVICES RENDERED TO ILIAKO VELOS ENA S.A. | 138 |
| SERVICES RENDERED TO AMYNIAIO PV PARK ENA S.A. | 11 |
| SERVICES RENDERED TO AMYNIAIO PV PARK DIO S.A | 3 |
| SERVICES RENDERED TO AMYNIAIO PV PARK TRIA S.A | 2 |
| SERVICES RENDERED TO AMYNIAIO PV PARK TESSERA S.A | 2 |
| SERVICES RENDERED TO AMYNIAIO PV PARK PENTE S.A. | 2 |
| SERVICES RENDERED TO AMYNIAIO PV PARK EKI S.A. | 2 |
| SERVICES RENDERED TO AMYNIAIO PV PARK EPTA S.A | 2 |
| SERVICES RENDERED TO AMYNIAIO PV PARK OKTO S.A | 2 |
| SERVICES RENDERED TO AMYNIAIO PV PARK ENNEA S.A | 2 |
| SERVICES RENDERED TO PPC FINANCE PLC | 0 |
| SERVICES RENDERED TO PPC ELEKTRIK TEDARIK VE TICARET A.S. | 8 |
| SERVICES RENDERED TO PPC PPC BULGARIA JSCO | 115 |
| SERVICES RENDERED TO PPC ALBANIA | 0 |
| SERVICES RENDERED TO EDS AD SKOPJE | 12,751 |
| TOTAL | 1,724,897 |

| | 31.12.2021 |
|--|------------------|
| Expenses to: | |
| EXPENSES FROM SERVICES TO PPC RENEWABLES S.A. | 380 |
| EXPENSES FROM SERVICES TO HEDNO S.A. | 1,653,766 |
| EXPENSES FROM SERVICES TO LIGNITIKI MEGALOPOLIS S.A. | 928 |
| EXPENSES FROM SERVICES TO LIGNITIKI MELITIS S.A. | 0 |
| EXPENSES FROM SERVICES TO ILIAKA PARKA ENA S.A | 0 |
| EXPENSES FROM SERVICES TO ILIAKA PARKA DIO S.A. | 0 |
| EXPENSES FROM SERVICES TO ILIAKO VELOS ENA S.A. | 0 |
| EXPENSES FROM SERVICES TO AMYNIAIO PV PARK ENA S.A | 0 |
| EXPENSES FROM SERVICES TO AMYNIAIO PV PARK DIO S.A | 0 |
| EXPENSES FROM SERVICES TO AMYNIAIO PV PARK TRIA S.A | 0 |
| EXPENSES FROM SERVICES TO AMYNIAIO PV PARK TESSERA S.A | 0 |
| EXPENSES FROM SERVICES TO AMYNIAIO PV PARK PENTE S.A. | 0 |
| EXPENSES FROM SERVICES TO AMYNIAIO PV PARK EKI S.A. | 0 |
| EXPENSES FROM SERVICES TO AMYNIAIO PV PARK EPTA S.A | 0 |
| EXPENSES FROM SERVICES TO AMYNIAIO PV PARK OKTO S.A | 0 |
| EXPENSES FROM SERVICES TO AMYNIAIO PV PARK ENNEA S.A | 0 |
| EXPENSES FROM SERVICES TO PPC FINANCE PLC | 62 |
| EXPENSES FROM SERVICES TO PPC ELEKTRIK TEDARIK VE TICARET A.S. | 3,097 |
| EXPENSES FROM SERVICES TO PPC PPC BULGARIA JSCO | 19,262 |
| EXPENSES FROM SERVICES TO PPC ALBANIA | 0 |
| EXPENSES FROM SERVICES TO EDS AD SKOPJE | 350 |
| TOTAL | 1,677,845 |



DEI Blue presentation, Metropolitan Expo

