PUBLIC POWER CORPORATION S.A.

FINANCIAL REPORT
for the six-month period ended June 30th 2021

The attached Financial Report for the six-month period ended June 30th 2021, has been prepared **according to article 5 of Law 3556/2007**, has been approved by the Board of Directors of "Public Power Corporation S.A." on September 23rd 2021, and is available 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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I. STATEMENT OF MEMBERS OF THE BOARD OF DIRECTORS

STATEMENT OF MEMBERS OF THE BOARD OF DIRECTORS

(According to article 5, par.2 of Law 3556/2007)

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

hereby

WE DECLARE

that, to the best of our knowledge:

a) The accompanying interim Condensed Financial Statements of "Public Power Corporation S.A.", for the six month period ended June 30th 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 taken as a whole, according to the provisions of paragraphs 3 – 5, article 5 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 taken as a whole, as well as a description of the major risks and uncertainties that they have to deal with.

Athens September 23rd 2021

Chairman and C.E.O.	Member of the Board.	Member of the Board.
Georgios Stassis	George Venieris	Stefanos Kardamakis

II. REPORT OF THE BOARD OF DIRECTORS

PUBLIC POWER CORPORATION S.A.
SIX MONTH REPORT OF THE BOARD OF DIRECTORS
FOR THE PERIOD 1.1.2021 - 30.6.2021

This is a condensed report of financial information of "Public Power Corporation S.A." (the Parent Company) and its subsidiaries (the Group) for the first half of the current financial year, as well as, the major events of the period and their effect on the six month financial statements. There is, also, a description of the main risks and uncertainties that the Group might face in the second half of the financial year, the outlook for this half, as well as, the balances and transactions between PPC and its related parties.

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 six-month Report for the period ended on June 30th 2021 is available on the internet at the web site address https://www.dei.gr.

PPC Group H1 2021 financial results

- **Recurring EBITDA at €471.5 m in H1 2021 (from €457.3 m in H1 2020)**
- **Reduction of lignite fired generation to 23% of PPC's energy mix from 33% and increase of hydro and natural gas units generation by 108% and 54.7% respectively.**
- **Over 30% of debt has been linked with sustainability goals**

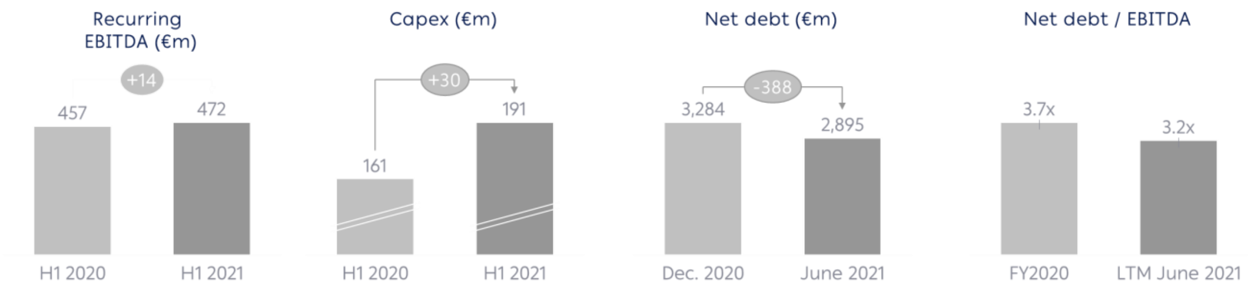
Key Group Financial Results

(in € m)			H1 2021	H1 2020	Δ (%)
Turnover		(1)	2,193.4	2,249.6	*(2.5)*
Operating expenses *		(2)	1,721.9	1,792.3	*(3.9)*
EBITDA recurring *		(3)=(1)-(2)	**471.5**	**457.3**	***3.1***
EBITDA margin recurring *		(4)=(3)/(1)	**21.5%**	**20.3%**	
One-offs	*Provision for personnel's severance payment*	(5)	*2.8*	*16.3*	
	Retroactive charge for special allowances from the implementation of the Collective Labour Agreement for the period 2021-2024		*34.7*		
	Credit invoice for 2012-2019 gas procurement cost			*(44.8)*	
EBITDA		(6)=(3)-(5)	**434.0**	**485.8**	***(10.7)***
EBITDA margin		(7)=(6)/(1)	**19.8%**	**21.6%**	
Depreciation, total net financial expenses and share of profits/(losses) in associated companies		(8)	408.6	424.5	*(3.7)*
Devaluation of assets		(9)	*11.6*	*10.1*	*14.9*
Pre-tax profits/(Losses)		(10)=(6)-(8)-(9)	13.8	51.2	*(73.0)*
Net income / (Loss)		(11)	**26.9**	**29.3**	***(8.2)***

* adjusted for one offs

For further information regarding definitions of ratios included in abovementioned figures, please refer to the Financial Report for the six - month period ended June 30, 2021, (Appendix: Definitions and reconciliations of Alternative Performance Measures - "APMs")

Evolution of key figures



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Profitability evolution

Recurring EBITDA for the Group amounted to **€471.5 m** in H1 2021 from **€457.3 m** in H1 2020 with the corresponding margin increasing to 21.5% from 20.3%.

The increased expense due to the rise of natural gas and CO_2 emission rights prices and consequently due to the increase of wholesale electricity market prices, negatively affected the operating profitability of the Supply Business. This negative impact was largely offset by the improvement of the energy mix of the Generation business, where an increase in electricity generation from hydro power plants and natural gas fired units was recorded. In parallel, our actions in H12021 for collection improvement had a positive effect on doubtful balances as it was already forecasted in our plan.

H1 2021 EBITDA, as it was the case in H1 2020, were also impacted by certain one-off items and amounted to €434 m compared to €485.8 m in H1 2020.

Net Income amounted to €26.9 m from €29.3m in H1 2020.

Analysis of Revenues & Operating Expenses of PPC Group

Revenues

Turnover for H1 2021, decreased by €56.2 m or 2.5% due to lower sales volume by 1,156 GWh or by 7.3% as a result of market share loss (5 percentage points) as domestic demand marked a slight increase by 0.4%.

Operating Expenses

Operating expenses before depreciation decreased in H1 2021 by €70.4 m (or by 3.9%) to €1,721,9 m compared to €1,792.3 m in H1 2020, mainly as a result of lower expenses for energy purchases, the reversal of bad debt provisions, as well as of the continuing reduction in payroll cost despite the increased expenses for fuel. Operating expenses before depreciation do not include the one-off impacts: 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.

Operating figures (generation – imports- exports)

In H1 2021, domestic electricity demand increased by 0.4% to 26,557 GWh compared to 26,450 GWh in H1 2020 as a result of the recovery of economic activity in Q2 2021 (due to the relaxation of the restrictive measures related to Covid-19). Total electricity demand (including pumping and exports) marked an increase by 5.9% due to higher Third Party exports (increase by 1,552 GWh or 282% compared to H1 2020).

PPC's average retail market share in the country, declined to 64.9% in H1 2021, compared to 69.9% in H1 2020. Specifically, the average retail market share in the Interconnected System was contained to 63.8% in June 2021 from 66.1% in June 2020, while PPC's average market share, per voltage, was 91.5% in High Voltage, 35.3% in Medium Voltage and 67.7% in Low Voltage compared to 94.5%, 30.5% and 70.6% in June 2020, respectively.

PPC's electricity generation and imports covered 44.2% of total demand in H1 2021 (40.9% in the Interconnected System), while the corresponding percentage in H1 2020 was 36.8% (32.9% in the Interconnected System), due to increased PPC electricity generation.

Specifically, hydro generation increased by 108% or 1,451 GWh, as a result of higher inflows in the hydro power plants' reservoirs during H1 2021 compared to H1 2020 (higher inflows in 2021 by 146% or 2,152 GWh).

Generation from PPC's natural gas units increased by 54.7% or 1,589 GWh, while on the other hand, lignite fired generation declined by 7.6% or 227 GWh due to higher CO_2 prices which render lignite - fired units less competitive.

At country level, there was an increase in RES production by 13.6% or 962 GWh. In addition, electricity imports decreased by 26.8% or 1,561 GWh.

Energy mix expenditure

Expenditure for liquid fuel, natural gas, PPC and third party fossil fuel, CO_2 and energy purchases increased by €106.4 m (9.9%) compared to H1 2020.

In detail:

- Liquid fuel expense remained practically stable at €225 m in H1 2021 compared to H1 2020, despite the 5.9% increase in generation from liquid fuel which was offset by the lower prices mainly of heavy fuel oil in the respective periods.

- Natural gas expense significantly increased by 94.4% to €218.3 m from €112.3 m due to the increase of the corresponding electricity generation as well as the increase of natural gas price.

- Energy purchases expense from the System (mainland) and the Network (non-interconnected islands) decreased by €172.7 m due to lower energy purchases volume, despite the increase of the Market Clearing Price (MCP) from €41.4/MWh in H1 2020 to €61.9/MWh in H1 2021.

- Expenditure for CO_2 emission rights increased to €296.9 m in H1 2021 from €171.2 m in H1 2020, primarily due to the increase of the CO_2 emission rights average price from €23.3/tn to €38.9/tn and to a lesser extent due to the increase of CO_2 quantities by 3.4%.

Payroll cost

Total payroll cost excluding the impact of one-off items decreased by €23 m. to €324.4 m in H1 2021 from €347.4 m in H1 2020. This reduction is mainly due to natural attrition (reduction by 1,456 employees, from 14,646 at the end of H1 2020 to 13,190 at the end of H1 2021). Total payroll cost, including capitalized expense amounted to €350 m in H1 2021 from €374.2 m in H1 2020.

Provisions

In H1 2021, a € 155.6 m reversal of bad debt provisions for customers was recorded compared to an increase of bad debt provisions of € 44.2 m in H1 2020, due to the improvement of the actual and expected collections of overdue debts, as a result of the implementation of a new credit policy, as well as the management of overdue debts, which was strengthened from the securitization programs that the Company recently implemented. The improved collections, are expected to continue with the maintenance of new policies, with a parallel reinforcement from the securitization programs.

One off items impacting EBITDA

EBITDA in H1 2021, as it was the case in H1 2020, were impacted by certain one-off items. Specifically:

- In H1 2021, EBITDA was negatively impacted by the €34.7 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 €2.8 m.
- Likewise, H1 2020 EBITDA had been negatively impacted by the provision for personnel's severance payment of €16.3 m, and 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 H1 2021 amounted to €434 m compared to €485.8 m in H1 2020.

Capex

Capital expenditure amounted to €190.9 m in H1 2021 compared to €160.6 m in H1 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)	**H1 2021**	**H1 2020**	***Δ***	***Δ (%)***
Mines	18.6	11.4	*7.2*	*63.2*
Conventional Generation	50.9	56.5	*-5.6*	*-9.9*
RES projects (*)	20.0	13.0	*7.0*	*53.8*
Distribution network	98.5	78.7	*19.8*	*25.2*
Other	2.9	1.0	*1.9*	*190.0*
Total	**190.9**	**160.6**	***30.3***	***18.9***

(*) Including capex for hydro power plants

Net Debt

Net debt stood at €2,895.3 m on 30.6.2021, reduced by €388.3 m compared to 31.12.2020 (€3,283.6 m). Within H1 2021, sustainability linked bonds totaling € 775 m were issued, which affected total debt and cash reserves, respectively.

Net Debt evolution is shown below:

(in € m)	**30.6.2021**	**31.12.2020**	**30.6.2020**
Gross Debt (1)	4,128.6	4,153.7	4,043.1
Cash and cash equivalents / Restricted cash*/ Other financial assets (2)	1,233.3	870.1	589.9
Net Debt (3) = (1) - (2)	2,895.3	3,283.6	3,453.2

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

Key financial results of the Parent Company PPC S.A.

(in € m)			H1 2021	H1 2020	Δ (%)
Turnover		(1)	2,054.2	2,137.8	*(3.9)*
Operating expenses *		(2)	1,538.7	1,583.7	*(2.8)*
EBITDA recurring *		(3)=(1)-(2)	**515.5**	**554.1**	***(7.0)***
EBITDA margin recurring *		(4)=(3)/(1)	**25.1%**	**25.9%**	
One-offs	*Provision for personnel's severance payment*	(5)	*2.8*	*13.5*	
	Retroactive charge for special allowances from the implementation of the Collective Labour Agreement for the period 2021-2024		*22.2*		
	Credit invoice for 2012-2019 gas procurement cost			*(44.8)*	
EBITDA		(6)=(3)-(5)	**490.5**	**585.4**	***(16.2)***
EBITDA margin		(7)=(6)/(1)	**23.9%**	**27.4%**	
Depreciation, total net financial expenses and share of profits/(losses) in associated companies		(8)	241.0	371.8	*(35.2)*
Devaluation of assets		(9)	*99.6*	*129.5*	*(23.1)*
Pre-tax profits/(Losses)		(10)=(6)-(8)-(9)	149.9	84.1	*78.2*
Net income / (Loss)		(11)	**168.2**	**61.4**	***173.9***

* adjusted for one offs

MAJOR EVENTS OF THE PERIOD

Significant events for the first six-month period of 2021 are presented in detail in Note 3 of the Financial Statements.

MAJOR RISKS - UNCERTAINTIES

The Group’s and the Parent Company’s activities are subject to various risks. Any of the following risks could have a material adverse effect on the Group’s and the Parent Company’s business, financial position or 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 macroeconomic conditions in Greece and the European Union

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

The degree to which the COVID-19 pandemic impacts the Group’s and the Parent Company’s results, cash flows, access to funding and financial position is outside of their control and will depend on future developments, such as the spread of Sars-Cov-2 or variants thereof, the success and pace of vaccination programs and the response of the local authorities and the global community, which are still highly uncertain and cannot be predicted. These developments may include, but are not limited to, the duration and spread of the COVID-19 pandemic, its severity, actions taken to contain it or mitigate its impact, the extent and effectiveness of economic stimulus taken to contain COVID-19 or mitigate its impact and how quickly, to what extent normal economic and business activity can resume and the possibility of experiencing a further lockdown period.

In response to the COVID-19 pandemic, the Group and the 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’s and the Parent Company’s staff and operations from the effects of the COVID-19 pandemic.

Risks related to the Greek and the European economic and political developments.

Substantially all of the Group’s and the Parent Company’s assets and operations are in Greece. As a result, macroeconomic developments and political conditions in Greece inevitably affect their business, results, financial position and prospects.

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

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’s and the Parent Company’s business, results and financial position. Furthermore, a potential disruption in gas supply could have a material adverse effect on their business as this could create an energy shortage and could impose the substitution of natural gas by diesel oil in some of their gas-fired units.

Risks related to the Group's and the Parent Company's business

Any negative impact on demand for electricity in Greece and the ability of the Group's and the Parent Company's customers to timely pay electricity bills, could materially and adversely affect their results of operations, financial condition and cash flows.

The Group's and the 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 the Group's and the Parent Company's industrial and commercial clients.

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

Risk relating to the non-implementation of the Group's key strategies.

The Group and the 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, changes in electricity and emission allowance and fuel prices and the regulatory framework, increases in generation, transmission and distribution costs, future developments affecting the electricity infrastructure within Europe, technological changes, energy services, competition in the markets in which they operate (or intend to expand into), political and economic developments affecting Europe and EU legal and regulatory requirements. They also face the risk of internal or political resistance against their key strategic initiatives by their employees, labor unions, local communities, political parties and/or other stakeholders. Any failure to successfully implement their key strategies within the desirable timeframe could have a material adverse effect on their business, results and financial position.

In addition, the Group and the Parent Company have undertaken in the past, and may continue to implement in the future, various initiatives in order to increase the productivity and operating efficiency of their power plants, as well as measures to decrease their operational costs. 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 actions may not fully materialize, or the Group and the 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 the industry, restrictions in hiring and retaining qualified personnel due to their status as a majority state-owned company, and the manner in which their profitability measures are viewed and accepted by their customers, their suppliers and their employees.

Risks related to the non-successful implementation of the Group's renewable energy project pipeline as envisaged.

For their renewable energy projects, the Group and the Parent Company must obtain, among other requirements, planning and other consents 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 licenses, 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 their business, operations, prospects, financial position and results. If the Group and the Parent Company are not able to fund their renewable energy projects at economically attractive prices there will be delays or even cancellation of certain of their projects.

Furthermore, all large-scale development projects are complicated and subject to a complex, overlapping legislative regime which involves, but is not limited to, grid connection rules, subsidy and capacity market support rules and wider electricity market rules. 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 and the Parent Company's compliance with such regimes. Any such risk could have a material adverse impact on their business operations, prospects, financial position and results.

Risk of exposure in competition in the wholesale and the retail market.

The Parent Company faces intense competition and share loss in the wholesale market, due to the increased penetration of renewables units in the System and the Distribution Network, increased electricity imports from neighboring countries and intense competition by third-party independent electricity producers, as well as low efficiency factors of aged power units in its generation portfolio. Potential changes in the competitive environment, through the introduction of new laws and/or regulatory mechanisms in the electricity market that benefit the Group's competitors may adversely affect its results and cash flows.

In addition, due to rising prices of CO2 emission allowances and the rigid environmental regulatory framework, the competitiveness of the Group's lignite production has been adversely affected. Until full lignite decommissioning has been achieved, the low competitiveness of the Group's lignite production could have a significant adverse effect on the Group's and the Parent Company's business, financial position and results. In addition, delays in the decommissioning schedule outside their control (e.g. due to a request of the System operator, RAE or the Greek government, following which they may have to keep any of their lignite units in operation or reserve without adequate remuneration) may also adversely affect the Group's and the Parent Company's results and cash flows.

The Parent Company is required to decrease its supply market share in Greece to below 50.0%. The Group and the Parent Company believe that large parts of the supply market will be unattractive to potential competitors due to low margins or challenging payment profiles. Accordingly, they anticipate that their existing and future competitors will attempt to "cherry-pick" the 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 the Parent Comapny in a competitive disadvantage vis-à-vis its competitors. More generally, the Parent Company in its electricity supply business, relies on its relationships with a number of large customers. Nevertheless, the average profit margin is higher with Low and Medium Voltage customers. Therefore, the loss of a large number of the Parent Company's Low and Medium Voltage customers could have a greater net negative impact on its profitability than the loss of High Voltage customers.

In the recent past, the Group'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 its business and results. While NOME-type auctions were abolished in October 2019, similar measures or other structural reforms are under discussion between the Greek authorities and the European Commission and may be imposed.

Tariff risk for the competitive activities.

Despite the deregulation of tariffs for all of the Parent Company's customers (with the exception of vulnerable customers), its ability and freedom to formulate its tariffs is limited by (i) the current socioeconomic conditions in Greece, (ii) the ability of its customers to cope with new tariffs and pay their bills and (iii) decisions of the regulator and/or strategic initiatives of the Greek government. If any new proposed tariff structures are not well received and accepted by the Parent Company's customers, their ability or intent to pay their electricity bills may be negatively impacted, which could in turn negatively affect the collectability of electricity bills. Moreover, if tariff increases affect the Parent Company's competitiveness by providing alternative suppliers with a competitive advantage against it with respect to the tariff policy they apply, the potential implications could negatively influence its business, financial position and results.

In addition, the Parent Company may face difficulties incorporating increased commodity costs, as well as costs related to electricity and emission allowances in electricity bills through increased tariffs. In this context, the Hellenic Republic or the Regulator 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 and may have an adverse effect on its results of operations and financial performance in the near and long term.

Furthermore, a significant part of the Group's revenue depends on regulated charges included within its tariffs, such as electricity distribution usage charges and PSOs. Such regulated charges are set by RAE. These regulatory policies and their related charges are regularly revised as they are susceptible to political and socioeconomic concerns. 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 such political and socioeconomic concerns. As a result, any changes in regulated charges that may affect the Group's electricity distribution revenues could have a material adverse effect on its business, results and financial position, as well as hamper its ability to raise equity or loans for funding its investment plans.

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

Risks related to the Group's and the Parent Company's relationships with industrial customers.

The Group and the 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 the amounts billed in relation to their electricity consumption, and their ability to engage with competitor suppliers, may have an adverse effect on the Group's and the Parent Company's business, financial position and results. Further, the outcome of any negotiations with such clients on financial and other terms for extending their contracts and the impact of such outcome to the Group's and the Parent Company's business with such customers or generally is uncertain.

Risks associated with the Group's expansion of operations.

The Group and the Parent Company continue to evaluate investment opportunities in the future, and they may expand their operations both domestically and in other countries or in new markets. Any failure to manage the risks and costs associated with expanding the Group's operations and the integration of future acquisitions could have a material adverse effect on its business, results and financial position. The Group and the Parent Company may also enter into joint venture arrangements where they grant protective rights to minority holders or otherwise hold interests in entities in which they own less than a majority of the equity or which they do not manage or otherwise control.

The Group and the Parent Company may be dependent on their joint venture partners to operate certain projects or entities and they may have limited influence and control over the performance and cost of operations of these entities.

The acquisition of businesses or assets may be connected to risks or liabilities of which the Group and the Parent Company were or may be unaware, or which they may not have correctly assessed or assumed, or against which they have not obtained full legal protection.

As part of their ongoing transformation, the Group and Parent Company are contemplating the reorganization of the Distribution Network assets and have initiated the process for the sale of a minority stake in HEDNO, their wholly-owned subsidiary that operates the Distribution Network. This strategic initiative is expected to result in the transfer of substantially all of the grid-related assets from PPC to HEDNO, and the sale of an up to 49.0% minority stake in the reorganized network operator to a joint venture partner. HEDNO will remain a Group's majority-owned subsidiary and will continue to be consolidated in the Group's results of operations and financial accounts, however, the management and operations of HEDNO might be subject to joint venture arrangements that may have an impact on the Group's continuing control over HEDNO's financial, strategic and operating decisions. The sale process for HEDNO commenced in December 2020 with the publication of a request for expressions of interest from bidders and, subject to further approvals, it is anticipated that the sale will be completed by the end of 2021. However, there can be no assurance that the sale will be completed on this timeframe or at all.

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 intra-day load curve. Currently, load peak demand appears more often in the winter period. Electricity generation may also depend on climate conditions, such as droughts or heat waves, which can limit power generation due to requirements to observe specific flow requirements for rivers downstream of facilities in connection with the cooling of power plants or due to the speed and direction of winds or of the availability of sunshine for the generation of renewable energy. In very extreme cases climate conditions might also create problems in the supply of LNG. Consequently, the Group's and the Parent Company's income reflects the seasonal character of the demand for electricity and may be adversely affected by significant variations in climate conditions. The Group and the Parent Company may need to compensate for a reduction in electricity generated by their units, especially at times of increased demand, by utilizing 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 and financial position.

Weather conditions are outside of the Group's control and, therefore, the Group and the Parent Company cannot guarantee that their hydropower plants will be able to meet their anticipated generation levels. If hydrological conditions result in droughts or other conditions that negatively affect hydroelectric generation business, the Group's results could be materially adversely affected.

Risks related to the effective performance of the equipment in the operation of the power plants and electricity and natural gas distribution networks.

The Group's and the 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 their activities. Accordingly, any significant expenses incurred by failures, defects or accidents relating to their operating equipment and infrastructure could have a material adverse effect on their business, financial position and results.

In addition, the Group and the 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. Furthermore, their power plants, their 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 the 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, 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 the Group's and the Parent Company's 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 them from distributing electricity from their power plants to end-consumers, which in turn could have a material adverse effect on the Group's and the Parent Company's business, results and financial position.

Risks related to defaults or delays by the Group's or the Parent Company's counterparties, as well as by financial institutions.

The Group and the Parent Company face the risk of potential default or delay by their counterparties, which include their partners, contractors, subcontractors and suppliers. Any default by counterparties may affect the cost and completion of the Group's and the Parent Company's 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 by their own means, which could have a material adverse effect on their business, results and financial position.

Additionally, the Group and the 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 perform their obligations. Should the counterparties to these arrangements fail to perform their obligations, the Group and the Parent Company may be required to enter into alternative hedging arrangements or honor 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 the 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 the 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.

Dependence on these relationships may impact the Group's and the Parent Company's ability to negotiate favorable 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 discontinued or terminated. If the Group and the Parent Company are unable to negotiate favorable contracts with their suppliers or service providers, or such suppliers or service providers are unable to fulfill their obligations, or discontinue business with them, and the Group and the Parent Company are unable to find other suitable replacements, their business, financial position or results may be adversely affected.

Additionally, as a large industrial organization and utility, the Group and the Parent Company retain relationships with customer advocacy groups, such as the Hellenic Federation of Enterprises (former Association of Greek Industrialists) and the Hellenic Union of Industrial Consumers of Energy. However, given the continuing fluid economic and financial environment, especially amidst the COVID-19 pandemic, and the ongoing reforms in the Greek economy and the energy market, there is no assurance that they will continue to maintain good relationships and communication with the regulator or customer advocacy groups, and any disruption in these relationships may adversely affect their business and reputation.

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

The Group and the Parent Company face risks relating to the construction of their electricity generation units, including risks relating to the availability of equipment from their 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 authorizations or legal actions brought by third parties in relation to, among others, their compliance with environmental laws and regulations.

Moreover, the Group and the 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 licenses, permits and financing. Various groups may publicly oppose certain development projects. This opposition, along with political developments, could hinder or prevent the development of such projects.

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 Group’s and the Parent Company’s 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 their ability to purchase liquid fuels, spare parts and materials and may increase their operating expenses.

The Group’s and the Parent Company’s operations are susceptible to industrial accidents, and their employees or third parties may suffer bodily injury or death as a result of such accidents. In particular, while the Group and the Parent Company believe that their equipment has been well designed and manufactured and is subject to rigorous quality 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 they 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 the Group’s and the Parent Company’s 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 its 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 neighboring residents. The Group and the Parent Company may be required to pay damages or fines, clean up environmental damage or dismantle power plants in order to comply with environmental or health and safety regulations.

They 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 the 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's and the Parent Company's business, financial condition and results of operations.

Risk from the absence of Fixed Asset insurance.

In addition to the risks of natural disasters, hazards such as fire, explosion, fuel spillage, releases into the environment, collapse, machinery failure and hydro dam leakage are inherent in the Group's and the 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 the Parent Company 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 the 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 are not insured. This has been primarily due to the high costs associated with obtaining insurance against these risks compared to the cost for remediating the damage should any of these risks occur, as well as the dispersed network of power plants. Additionally, the Group and the Parent Company do not maintain insurance against third-party liabilities with respect to the Distribution Network. During the construction period, major assets (except for networks) are insured by EPC contractors.

Any severe damage to the Group's and the Parent Company's key power plants, distribution assets or mining equipment could have a significant adverse impact on their business, financial position or results. Additionally, business interruptions due to labor 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. The Group and the 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.

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

The Group and the Parent Company cannot guarantee that failures in their Non-Interconnected Islands 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 Non-Interconnected Islands Network may have an adverse effect on the Group's and the Parent Company's business, financial position and results, as well as their reputation.

For all Non-Interconnected Islands thermal power plants the Group and the Parent Company risk not recovering their unamortized capital costs. In particular, for the thermal power plants to be set at cold reserve, they have an additional risk of not recovering their operating expenses. At the same time, the Group and the Parent Company cannot conclusively determine, at which point in time IPTO will assume full management responsibility over Crete's high voltage grid system and power units dispatching. The above may have an adverse effect (especially in the case of large islands such as Crete and Rhodes) on their business, financial condition and results of operations.

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

The Group and the Parent Company have encountered and may continue to encounter difficulties in retaining key qualified and highly specialized personnel across their business units and attracting new personnel. The inability in the future to attract or retain sufficient technical and managerial personnel could limit or delay their development efforts or negatively affect their operations, which could have an adverse effect on their business, financial position, prospects or results.

Experienced and capable personnel in the energy industry is in high demand and the Group and the Parent Company face significant competition to recruit such personnel. Their 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 at the same pace as their growth, could have a material adverse effect on their business, results and financial position.

The Group may face strikes.

Almost all of the Group's and the Parent Company's employees are members of labor unions. These unions are considered to be strong and politically influential, but the Group and the Parent Company believe that 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's and the Parent Company's employees may engage in industrial action that may disrupt their operations, which may have a material adverse effect on their business, financial position and results.

Risk associated with Information Technology (IT) security.

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

The Group and the 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 the Group and the Parent Company 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 on their business.

Risks related to climate change.

Climate change and the societal and political response to it may have a significant impact on the Group's and the Parent Company's activities. According to the guidance issued by the "Task Force on Climate-related Financial Disclosures," the task force set up by the G20's financial stability board to develop a voluntary framework for companies to discuss the financial impact of climate related risks and opportunities, the Group and the Parent Company divide climate-related risks into two major categories: a) risks related to the transition to a lower-carbon economy and b) 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 Group's and the Parent Company's operations and value of their thermal plants. While they are actively implementing their delignification strategy, the Group's and the Parent Company's renewable energy rollout is still in its nascent phase and they remain dependent on their conventional generation units for the bulk of electricity production. The Group and the Parent Company believe that they have the largest renewable energy project pipeline in Greece, totaling more than 6.0 GW, a portion of which will be rolled out at their depleted lignite fields, largely in parallel with the decommissioning of substantially all of their lignite-fired generation assets. It is expected that approximately 1.3 GW of this pipeline will commence operating commercially by 2023, with the total RES capacity reaching 1.5 GW (including the existing 0.2 GW) by the end of 2023. The majority of this new capacity will be from solar energy, with the remainder from wind, hydropower and other renewable technologies. If the Group and the Parent Company are not successful in the rollout of their renewable pipeline, they will face challenges from the anticipated hostile (vis-à-vis more traditional, carbon intensive utilities, such us) 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 that could significantly impact electricity demand, changes in hydrological conditions, affecting the Group's and the Parent Company's hydroelectric generation and the cooling and efficiency of their thermal power plants and changes in wind patterns and solar radiation affecting wind and solar generation and revenues. The increased incidence of extreme weather events caused by climate change could also significantly affect the Group's and the Parent Company's conventional and renewable generation, as well as the resilience and performance of the Distribution Network. While they follow and regularly assess such risks and their response to them at both management and board level, the Group and the Parent Company 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 position, business and results.

Risks related to the regulatory and legal framework

The Group and the Parent Company are subject to a regulatory framework in Greece and the EU that is complex and uncertain.

The laws, regulations and policies of the Hellenic Republic and the EU affect the Group's and the Parent Company's business, financial position and results. Regulation of the Greek electricity market has changed significantly following the implementation of regulatory and legal reforms designed to liberalize 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 supplementary regulations at any time, and Greek law and regulations may change in the future pursuant to decisions of the EU institutions with respect to relevant directives, laws and regulations. Any such action or changes by the European Commission may also lead to the withholding of certain benefits that the Group and the Parent Company had received in the past, such as immunity from enforcement proceedings or injunction measures against their assets or against their installations in relation to the performance of lignite mining, electricity generation, distribution, trading and supply activities. In addition, future changes in EU or Greek regulatory policies, including, for example, a determination that there is insufficient liberalization 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's and the Parent Company's business driven by the regulatory framework, may have a materially adverse effect on their business, financial position and results.

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 and 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 the 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 liberalization, could have a significant adverse effect on their business, financial position and results.

In particular the following main legislative dossiers 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 Group and the Parent Company are subject to the regulatory framework and requirements prescribed by applicable regulatory and administrative authorities, such as RAE. In view of their role as an electricity utility, our day-to-day operations inherently entail frequent communications and interaction with RAE for the purpose of ensuring compliance with the regulatory regime applying to their 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 their business and their operations, the Group and the Parent Company cannot give any assurances that they will be at all times in a position to fully and timely satisfy the regulatory, environmental, financial and any other requirements imposed by the Regulator.

Uncertain or unexpected decisions of governmental or regulatory authorities could have a material adverse impact on the Group's and the Parent Company's business, results and financial position.

The Group's and the 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 behavior 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's and the Parent Company's business, and any changes in law or regulation, or decisions by Governmental bodies or regulators, could negatively affect their business.

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

The Group and the Parent Company are subject to regulatory interventions and/or proceedings relevant to their 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 liberalizing the energy sector into a unified market across the EU, over the last decade the Group and the 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 their 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.

Current legislation provides that the Group and the Parent Company would have reduced their 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 mandated decrease in the generation market share has been achieved within this timeframe, the share in the supply market remains at 63.81% as of June 30, 2021 in the Interconnected System. Although the European Commission has acknowledged, in Greece's increased surveillance report of November 2020, a continued downward trend in such share, there has been no assessment by the Hellenic Competition Commission as to the feasibility of these targets and timeline as initially envisaged by Law 4336/2015 but not further specified in subsequent Law 4389/2016, and the Group and the Parent Company believe that a substantial portion of the supply market could be practically impervious to opening up given the challenging profitability and payment profiles of certain segments of the retail market. 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 be precluded that it may be made subject to further structural, financial or other measures towards this and/or be imposed with fines if it were to be found to have failed in timely reducing its supply market share or complying with any such measures. If any such circumstance was to occur, the Group's and the Parent Company's business, financial position and results could be adversely affected.

There have been several regulatory interventions with respect to PPC's exclusive access to lignite. As a result of Greece's conviction regarding its lignite power exclusivity, which is pending as of 2008, the Greek government has sought to procure divestment from certain lignite power plants, which was abandoned on July 18, 2019. Further to recent discussions between the Greek Ministry of Environment and Energy and the European Commission in relation to the Anti-Trust Case remedies, it was announced by the EU in a press release of September 10th 2021, that the measures (commitments) proposed by the Hellenic Republic to the EU on September 1st 2021, for the correction of the distortion created by the exclusive access of PPC to lignite electricity generation, were accepted and legally binding. Based on the above commitments, PPC SA has to sell on organized stock exchanges of energy derivatives - and in particular in the ERA (Greece) and the EEX (Germany) - quarterly forward electricity products, at prices that will result from the free trading of these products on the above period from the 4th quarter of 2021 until the withdrawal of the lignite-fired generation units (until the end of 2023 or, under certain conditions, until the end of 2024 at the latest). Due to the lignite withdrawal plan and the pricing of forward electricity products based on free stock trading, the activities, financial position and results of the Group and the Parent Company are not expected to be significantly affected by the above measures. However, there can be no assurance that the official decision of the European Commission and of the Greek law that will enter into force for these commitments will not include other factors, obligations or procedures that may adversely affect the Group's and the Parent Company's wholesale activities.

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 of the TFEU and is currently under way. With respect to this investigation, DG Competition has sent three (3) sets of official "Requests for Information" to PPC so far, one in January 2019, a second in November 2020 and a third in June 2021. The first two Requests have both been duly and timely replied by PPC, while the third one is in the process status and will be as well answered in a timely manner. There has been no definitive indication as to the timing of this investigation and there is no guarantee about its outcome and/or the possibility of extending the scope of this investigation to other market segments such as the electricity retail market. In case DG Competition decides that PPC has breached competition law, then penalties and/or judicial remedies may be imposed, which may have a significant adverse impact on the Group's and the Parent Company's business, financial position and results.

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

As long as the Greek government holds, directly or indirectly, at least 51.0% of PPC' share capital, the Group and the Parent Company will, in some respects, continue to be classified as public sector companies in Greece. As public sector companies, they will be subject to certain laws and regulations generally applicable to public sector companies in Greece affecting some aspects of their business which do not apply to their current competitors and are not likely to apply to future competitors and which may have a material adverse impact on their results of operations and may also affect their operational flexibility. The Group and the Parent Company cannot provide any assurance that in the future they will not continue to be subject to such laws and regulations.

In addition, certain of the Group's and the Parent Company's operations and some of their commercial decision-making have been and will likely continue being affected by the political and economic objectives of the Greek government which participates in their share capital through Hellenic Republic Asset Development Fund S.A. ("HRADF") and Hellenic Corporation of Assets and Participations S.A. ("HCAP") with a combined shareholding of 51.1%. Being an indirect majority shareholder, the Greek government may determine the Group's and the Parent Company's corporate governance and limit their operational flexibility. Despite the passing of Law 4643/2019 which lifted certain powers of the Greek government and allowed the Group and the Parent Company more flexibility to design their own hiring policies, including the use of incentives to attract executives from the private sector, and to develop their separate procurement methods, and introduced new corporate governance safeguards (such as the reinforcement of the role of their Audit Committee), the Greek Government may still exercise its rights as shareholder to exert influence over the Group and the Parent Company, which ultimately may limit their operational flexibility.

In particular, the Hellenic Republic indirectly exercises its rights as a shareholder in accordance with Greek corporate law and PPC's Articles of Incorporation (introduced pursuant to Presidential Decree 333/2000, as amended and in force). The Hellenic Republic exercises significant influence over the Group and is able to restrict its ability to undertake certain actions, including those which under Greek law and PPC's Articles of Incorporation require a qualified quorum and majority, i.e. a quorum of at least 50.0% (or 20.0% in case of a repeat general meeting) and the approval of two thirds of the shareholders represented in the general assembly, thus enabling HCAP and HRADF, and, indirectly, the Hellenic Republic, to resolve on such agenda issues. These issues include: (i) the change of the Company's nationality, (ii) the modification of the Company's business scope, (iii) the approval of an issue of convertible bonds, (iv) any increase in shareholders' obligations, (v) any increase of the Company's share capital, excluding capital increase through reserves capitalization or if otherwise provided by law, (vi) any change in the manner of distribution of profits, (vii) any restriction or elimination of any shareholders' pre-emption right provided in case of capital increase, not made by contribution in kind, or issuance of convertible bonds, (viii) any merger, division, conversion, revival, extension of duration, or dissolution of the Company, (ix) the granting or renewing of any powers of the Board of Directors in relation to any capital increase or issuance of convertible bond loans, (x) any decrease of the Company's share capital, with certain exceptions, and (xi) the amendment of the respective article of PPC's Articles of Incorporation, or as otherwise provided by the applicable legislation.

PPC's Articles of Incorporation provide that certain decisions submitted to shareholders for a vote are to be determined by a simple voting majority at any general assembly of its shareholders. Decisions subject to a simple majority of votes include: election of members of the Board of Directors and the Chief Executive Officer, the distribution of annual profits and the approval of the annual financial statements. Additionally, regarding the election of members of the Board of Directors, one of the members is nominated by the Minister of Economics to HCAP, and the other members are nominated by a HCAP nominating committee which comprises members of the HCAP board of directors. The controlling shareholder (in addition to the decisions referred to above) may also affect a number of important actions, including amendments to PPC's Articles of Incorporation.

HCAP's and HRADF's control over PPC and its subsidiaries is conducted according to the purposes described above and, within this context, there can be no assurance that the Group will not be subject to influence from the Hellenic Republic in the future to undertake obligations that reflect Hellenic government policies, especially with respect to energy regulation. Complying with such policies could significantly affect the Group's and the Parent Company's operating expenses and capital expenditures, which could in turn have a material adverse effect on their business, results of operations, financial condition, profitability and cash flows.

Licensing Risk.

Mining, generation, distribution and supply of electricity operations require various administrative authorizations, at local, regional and national levels. The procedures for obtaining and renewing these authorizations can be protracted and complex. Furthermore, the conditions attached to obtaining these authorizations are subject to change and may not be entirely predictable. 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 authorizations. Additionally, failure to obtain or renew the necessary licenses and permits might result in interruptions to some of their operations, including also their ability to obtain funding for their activities.

Furthermore, these licenses and permits, once granted, or the existing licenses and permits, once renewed, may, for example, have more stringent environmental conditions that will require the Group and the Parent Company to make additional and possibly unanticipated expenditures, which may have a material impact on financial performance and cash flow. Delays, high costs or the suspension of their industrial activities due to their inability to obtain, maintain, or renew authorizations, may also have a negative impact on the Group's and the Parent Company's business activities and profitability. In addition, they often invest resources on projects or activities prior to obtaining the necessary permits and authorizations, particularly in connection with feasibility studies and environmental studies, it is possible, however, to cancel a project or withdraw from activities if the Group and the Parent Company are unable to obtain the necessary licenses and permits. Any failure to obtain, maintain, renew or extend all the administrative authorizations necessary for the operation of their business and execution of their strategy, could have a material adverse effect on the Group's and the Parent Company's business, strategic and financial planning, results , financial position and cash flows.

In addition, the operations of PPC and HEDNO are regulated by the Energy Markets Law and there is a requirement to obtain a license from RAE. Article 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 PPC and HEDNO. By virtue of Articles 122 and 126, respectively, the license for exclusive ownership and the license for the operation of the Network have been issued by RAE (decisions no. 82/2014 and 83/2014, respectively). These two licenses restrictively define the competences of each of PPC and HEDNO and their obligations with respect to the Network, as well as their respective rights upon it. As a result, PPC's ownership right (as defined in License 82/2018) is very limited. Judicial decisions have already ruled upon this limited right and have released PPC from any liability for actions and omissions stemming from the management of the Distribution Network. However, there can be no assurance that the implementation of certain provisions of the licenses mentioned above may not have an adverse effect on the Group's and the Parent Company's business, financial position or results..

Health, Safety and Environmental Laws and Regulations.

The Group's 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 their business primarily relate to air emissions, water pollution and waste disposal. The principal by-products and gases released by their electricity generation activities are sulfur dioxide (SO2), nitrogen oxide (NOX), carbon dioxide (CO2), and particulate matter. The primary focus of environmental regulation applicable to the Group's and the Parent Company's business is to reduce those emissions.

The Group and the Parent Company may incur significant costs in complying with environmental legislation and regulation, which requires them to implement preventative or remedial measures. Costs of complying with these and other environmental requirements could have a material adverse effect on their business, results, financial position and cash flows. In some cases, environmental issues may require the Group and the Parent Company to restrict or even terminate existing operations or projects. Future laws or regulations may influence their business decisions and strategy, such as by discouraging the use of certain fuels or technologies or requiring them to upgrade or make significant environmental investments or pay for the use of water in hydropower plants and/or thermal power plants and could possibly have a material adverse effect on their business, strategic and financial planning, results, financial position and cash flows.

Due to the nature of the Group's 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 and financial position.

The Group and the Parent Company are also required to obtain environmental and safety permits for their operations from various governmental authorities. Certain permits require periodic renewal or review of their environmental terms as well as continuous monitoring and reporting of compliance with such terms. The Group and the Parent Company cannot give any assurance that they will be able to renew those permits or that material changes to their permits requiring significant expenditures on their end will not be imposed. Violations of applicable environmental laws and regulations or non-compliance with permits, that the Group and the Parent Company hold, could result in shut-downs of their power plants, fines or legal proceedings against them or other sanctions, in addition to negative publicity and significant damage to their reputation. Additionally, other obligations under applicable environmental laws and regulations, including soil decontamination, can also be extremely costly to comply with.

Environmental and health and safety laws are complex, change frequently and tend to become more stringent over time. As a result, the Group and the Parent Company may not at all times be in full compliance with all such applicable laws and regulations. While they have budgeted for future capital and operating expenditures in order to comply with current applicable environmental and health and safety laws, it is possible that any of these laws may change or become more stringent in the future or that new laws may be adopted (by way of example, new EU legislation may be adopted imposing additional capital expenditure requirements on the Group's and the Parent Company's power plants).

Furthermore, new laws may be adopted resulting in even more significant capital expenditure requirements including, but not limited to, complete shutdown of operations (for example, the recently adopted NECP legislation requires the closure of all lignite-based power generation activities). Therefore, costs of complying with current and future applicable environmental laws and obligations arising from past or future releases of, or exposure to, hazardous substances could have a material adverse effect on the Group's and the Parent Company's business, results, financial position and cash flows.

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 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, the Group and the Parent Company 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 their business, results, financial position and cash flows.

Risk associated with a deficit in the Special Account for Renewables

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 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.

Several regulatory interventions for the period 2012-2016 (including, among others, the special solidarity levy and reduction of RES sales prices) sought to achieve a zero deficit for the Renewables Special Account however, in November 2020, the Renewables Special Account recorded a deficit of €430.0 million, mainly as a result of the COVID-19 pandemic and the impact that it had on the ability of consumers to pay their power bills (including the ETMEAR component thereof), the decline of the SMP, which is the wholesale market price of electricity, and the price of CO2 emission allowances. On December 9, 2020 the Greek government imposed additional measures to fund the account. There is uncertainty as to whether or to what extent such measures may adversely affect the Group's and the Parent Company's results and cash flows and it cannot be precluded that their duration will be extended or that other measures will be put in place to address the deficiency of the Renewables Special Account to the detriment of their business, financial position and results.

Risks associated with the impact from the implementation of the EU Target Model in the wholesale electricity market.

The EU Target Model went live in Greece on November 1, 2020 replacing the pre-existing mandatory pool system. As with all regulatory reforms, and in line with the experience of EU Target Model roll-out in other EU jurisdictions, the impact on the market as a whole and/or on the Group's and the Parent Company's business, market position and results from the implementation of the model as such, or of any subsequent regulatory interventions that may seek to bring about technical or operational improvements on the model's implementation, is uncertain at this stage. Similarly, there is uncertainty as to the impact on their business and results from the process towards market integration with the electricity markets in neighboring countries and the competition the Group and the Parent Company may face as a result of such integration.

Risk from providing Public Service Obligations (PSOs).

Potential changes in compensation rights for the existing PSOs that we 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 the Group and the Parent Company may not be entitled to full compensation, may have an adverse effect on their costs, financial position, results and cash flows.

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 May 25, 2018. The GDPR implements more stringent operational requirements for processors and controllers of personal data, including, for example, expanded disclosures about how personal information is to be used, limitations on retention of information, mandatory data breach notification requirements and higher standards for data controllers to demonstrate that they have obtained valid consent for certain data processing activities. 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.

Litigations Risk.

The Group and the Parent Company are defendants in a significant number of legal proceedings arising from their operations which, if determined unfavorably, could have a material adverse effect on their business, financial position or results, or reputation.

In addition, the Group and the Parent Company are subject to laws, rules and regulations designed to protect the public interest, such as public procurement or environmental protection, including on account of the majority shareholder being the Hellenic Republic. Further, they 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 and they only recently introduced a central compliance department with a view to ensuring that their various operating units are in compliance with local, national and supranational laws and regulations.

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. 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's and the Parent Company's financial position, financial results and financing arrangements

The Group and the Parent Company are exposed to the risk related to the fluctuations of fuel, CO2 emission rights and electricity prices.

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. As supplier of electricity, the Parent Company is subject to exposure to increased Greek wholesale prices, which increases the cost for supplying energy to its customers.

The Parent Company's exposure to wholesale electricity market risk is determined by its net exposure, i.e. the quantity of energy needed to cover its supply needs that cannot be covered by own electricity production (i.e. its natural hedge) and therefore should be procured in the wholesale market. Hence, any change in both the Group's and the Parent Company's commercial and generation portfolio results in a fluctuating net exposure and consequently, as its supply market share is larger than their generation market share, rising wholesale electricity prices might have a material adverse effect in their results and financial position.

The price of natural gas significantly affects generation costs as well as the price at which the Parent Company purchases wholesale electricity. No assurance can be given that the Parent Company will be able to pass on any increases in fuel prices and/or wholesale power market prices to its customers by increasing tariffs.

While the Group's and the Parent Company's CO2 emissions have significantly decreased due to the lignite decommissioning plan in progress, they still need to purchase significant quantities of CO_2 emission rights every year and any upward movement of relevant prices could materially, directly or indirectly, affect their financial position, results and cash flows. Indicatively, it is mentioned that in the first half of 2021 the average price of CO_2 emission allowances ranged at € 38.4 / Mt, compared to the average price of € 23.3 / Mt that prevailed in the first half of 2020, a fact that significantly burdened energy mixture costs for the current period. The exposure to the risk of increasing CO2 emission rights prices is also linked to the Group's and the Parent Company's ability to incorporate these increases in their electricity tariffs. While the Parent Company has adopted an automatic mechanism (clause) for passing on increases in the cost of CO2 emission allowances in certain Low, Medium and High Voltage tariffs, the relevant may not be fully offset.

In order to limit the Group's and the Parent Company's exposure to these market risks, risk management policies providing principles for the hedging of price risk in line with limits and targets assigned by the top management have been adopted. Hedging activities typically entail the use of derivatives instruments aiming at reducing the risk. Nevertheless, exposure to these risks has not been eliminated and to adequately hedge against volatility in natural gas prices and volatility in wholesale power market prices may not be possible, either because of low liquidity in the Forward Power Market recently established in Greece, or because of other reasons. In addition, hedging contracts for the price of electricity, gas and other commodities are available in the market only for limited forward periods, hence not protecting against adverse price movements in the medium-long term. Consequently, 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's and the Parent Company's business prospects and results. Moreover, the execution of hedging activities through their participation in organized 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 and therefore could have a material adverse effect on the Group's and the Parent Company's business, results and financial position.

Credit Risk.

With respect to customer payments, the Parent Company has entered into settlement agreements providing for discounts to Low and Medium Voltage customers. Despite this, 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 bills that is legally obliged to collect in favor of third parties. The Parent Company's collection enforcement mechanisms have been and may be further affected by legal or regulatory measures.

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 securitizations backed by performing and non-performing customer receivables, having at the same time assigned the management and collection of such receivables to a specialized company, a fact that led to an improved collection rate of the receivables, mainly of overdue receivables from the sale of electricity to Low Voltage customers of the Parent Company during the first half of 2021. However, there can be no assurance that these actions will continue to have the positive effects observed during the current period, in order to contribute in the future to the reduction of outstanding receivables or to the increase of the collection of outstanding receivables from customers, if at all. Customers' inability to pay their bills on a timely basis combined with difficulty in collecting the overdue payments may have a material adverse impact on their financial position, results and cash flows.

Volatility in the Greek banking system may impair the Group's ability to obtain financing and increase its cost of debt.

A significant part of the Group's and the Parent Company's credit is provided by the Greek banking sector. The ability of the Greek banks to continue to provide credit to the Group and the Parent Company is dependent, among other factors, on their own capitalization and ability to access international financial markets or receive liquidity support from the ECB or the Bank of Greece. The Greek banking system's ability to seek funding from the international banking system and capital markets may still pose a risk to the Group's and the Parent Company's funding, which could have a material adverse effect on their business, financial condition and results.

In applying certain of the Group's accounting policies, estimates and assumptions are used, some of which may prove to be inaccurate.

In preparing the Group's and the Parent Company's financial statements, Management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenues and expenses. Actual results may ultimately differ from those estimates. The judgments and estimates applied could significantly affect applicable line items in the Group's and the Parent Company's financial statements.

Pursuant to the Group's and the Parent Company's revenue recognition policy, the amount of electricity supplied to Low Voltage customers is estimated on each balance sheet date. Unbilled revenue is estimated using certain assumptions with respect to the quantities of electricity consumed and may differ from actual amounts billed.

Given that the methodologies and assumptions that the Group's and The Parent Company's Management applies to reach estimates are inherently subjective and require a certain degree of judgment, no assurance can be given that the methodologies applied will be accurate or that actual results may ultimately differ from estimates applied.

Cash Flow Risk.

The Group and the Parent Company face cash flow 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 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 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 unauthorized reconnection of electricity supply in cases of electricity disconnection due to customer defaults.

In addition, the Group's and the Parent Company's ability to manage their working capital requirements and cash flow risk depends, in part, on maintaining positive working 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 cash flow risk, which may have a material adverse effect on their business, financial position and results.

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 cash flows.

The Group and the Parent Company operate in a capital-intensive business sector, and a significant increase in capital costs could have a material adverse effect on their business, financial position, prospects or results.

A significant increase in the costs of or delays in developing and constructing the Group's and the Parent Company's power plants, electricity networks or associated energy facilities or delays occurring after capital has been committed, could have a material adverse effect on their ability to achieve their growth targets and their business, financial position, prospects or results.

Although the Group and the 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 their planned capital expenditures. If the Group and the Parent Company are unable to raise such financing, they may have to reduce their planned capital expenditures. Any such reduction could have a material adverse effect on their long-term business, financial position, prospects or results. Additionally, the Group and the Parent Company may be required to make investments requested by RAE in the Distribution Network, which may result in increased capital expenditure requirements and adversely impact their cash flows.

Credit Rating Risk.

As of the date 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 by ICAP and BB- with a stable outlook by Fitch Ratings Inc. These ratings reflect the respective rating agencies' opinions of the Group's and the Parent Company's financial strength, operating performance and ability to meet their debt obligations as they become due.

The Group's 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 as well as to the Greek banking sector's credit rating. 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 the Group and the Parent Company 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 their business, results and financial position.

Risk from tax and other regulations.

The taxation regime for corporations in Greece is frequently revised and the Group's companies 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 harmonization of Greek and EU tax law and regulation may result in additional amounts being payable by the Group and the Parent Company, which could have a material adverse effect on their business, results, financial position and cash flows.

Even if the effect of these taxes and levies is passed onto the Group's and the Parent Company's customers, such taxes and levies may impact collection rates for 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 their cash flow. Conversely, if the Group and the Parent Company 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's and the Parent Company's costs and/or reduce turnover, thereby adversely impacting their business, financial position and results.

Risk from Potential Undertaking of Social Security Liabilities.

Despite the fact that the Parent Company believes it has no obligation under existing laws to cover any future differences between the total income of EFKA and its payment obligations assumed by the Hellenic Republic relating to PPC S.A. Personnel Insurance Organization, 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.

Interest rate risk and foreign currency risk.

The Group's and the Parent Company's debt obligations consist of bank loans, bonds and overdrafts. It is 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. As of December 31st 2020 no derivative transactions exist for loans or debt hedging

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. It should be noted that any undertaken hedging transactions may not provide full or adequate protection against these risks.

Risk 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's 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 the Group's and the Parent Company's control.

2H 2021 OUTLOOK

For the second half of 2021, the Company expects a significant increase in costs for the purchase of electricity, natural gas, liquid fuels and CO_2 emission rights in relation to both the corresponding first half of 2020, as well as the first half of 2021. This increase is due to the continuous price increases of natural gas, CO2 emission allowances and electricity purchases from the wholesale market. With the change that has been announced and has already been incorporated in the Company's tariffs, regarding the introduction of a clause connecting tariffs with price fluctuations in the wholesale energy market and the positive effect that this will have on the Company's revenues in the second half of 2021 , it is expected that the implementation of the clause and the consequent increase in revenue, will exceed the significant increase in costs for the purchase of raw materials and energy so as not to affect the operating profitability of the company.

The Company has started updating its Business Plan in order to incorporate the above effects, with a view to complete it in the coming months.

BALANCES AND TRANSACTIONS WITH RELATED PARTIES

The Parent Company's balances with its subsidiaries as of June 30th, 2021 and December 31st, 2020 are as follows:

	June 30, 2021 Amounts in '000 €		December 31, 2020 Amounts in '000 €	
	Receivables	**(Payables)**	**Receivables**	**(Payables)**
Subsidiaries				
PPC Renewables S.A.	1,634	-	1,275	-
HEDNO S.A.	549,273	(706,164)	496,022	(681,929)
LIGNITIKI MEGALOPOLIS S.A.	38,202	(216)	51,957	(709)
LIGNITIKI MELITIS S.A.	12,226	-	30,002	-
PPC Finance Plc.	-	(42)	-	(37)
PPC Elektrik	455	-	649	-
PPC Bulgaria JSCO	-	(997)	-	(1,537)
PPC Albania	-	-	-	-
EDS AD Skopje	3,983	(140)	395	(142)
Total	**605,773**	**(707,559)**	**580,300**	**(684,354)**

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

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

On June 30th, 2021, the Parent Company recognized a provision for expected credit losses on trade receivables for the subsidiaries "Lignitiki Megalopolis S.A." and "Lignitiki Melitis S.A." amounting to €38.0 mil. (31.12.2020: €51.2 mil.) and €12.2 mil. (31.12.2020: €30.0 mil.) respectively.

On March 19th 2021, the Parent Company signed a loan agreement with the 100% subsidiary Energy Deliver Solutions (AD) JSK Skopje amounting to €3.7 mil. with an interest rate of 3.8% maturing on June 30th, 2021 which was drawn by the subsidiary at the same date. On August 3, 2021 this financial liability towards the Parent Company was capitalized, increasing the subsidiary's share capital.

PPC's transactions with its subsidiaries for the period ended June 30th, 2021 and June 30th, 2020, respectively, are as follows:

	June 30, 2021 Amounts in '000 €		June 30, 2020 Amounts in '000 €	
	Invoiced to	**Invoiced from**	**Invoiced to**	**Invoiced from**
Subsidiaries				
PPC Renewables S.A.	1,385	-	1,087	-
HEDNO S.A.	791,040	(837,080)	848,137	(906,735)
LIGNITIKI MEGALOPOLIS S.A.	41,792	(583)	25,606	(256)
LIGNITIKI MELITIS S.A.	14,747	-	3,954	-
PPC Finance Plc	-	(13)	-	(3)
PPC Elektrik	8	(1,588)	268	(3,310)
PPC Bulgaria JSCO	105	(10,688)	-	(16,478)
PPC Albania	-	-	-	-
EDS AD Skopje	177	(322)	60	(67)
Total	**849,254**	**(850,274)**	**879,112**	**(926,849)**

Guaranties in favor of subsidiaries

As of June 30th, 2021, the Parent Company has provided a guarantee for a total credit line of up to €8.0 mil., through overdraft facilities, out of which PPC Renewables S.A. has used an amount of €447.0 thousands relating to letters of guarantee.

As of June 30th, 2021, the Parent Company provided guarantees, in respect of credit lines of the subsidiary Energy Delivery Solutions EDS AD (EDS) that amounted to €16.0 mil. for working capital needs. EDS Group has used from the above mentioned credit lines an amount of €9.8 mil.

As of June 30th, 2021, the Parent Company provided a corporate guarantee to EDS for the electricity supplier Energy Financing Team AG - St Gallen amounting to up to €2.0 mil., while from August 1st, 2021 this guarantee increased to the amount of up to €3.5 mil. From August 1st, 2021, the Parent Company provided a corporate guarantee to EDS for electricity supplier Alpik Energija amounting to up to €1.5 mil.

Moreover, as of June 30th, 2021 the Parent Company provided a corporate guarantee to PPC Bulgaria for electricity suppliers Alpik Energy and CEZ for an amount up to €2,215,080 and € 371,520 respectively.

Material Transactions and balances with other companies into which the Greek State participates

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

	1.1.2021 – 30.06.2021 Amounts in '000 €		1.1.2020 – 30.06.2020 Amounts in '000 €	
	Invoiced to	**Invoiced from**	**Invoiced to**	**Invoiced from**
ELPE	7,859	(43,423)	22,290	(38,796)
DEPA	61	(178,758)	178	(67,096)
DAPEEP S.A.	78,507	(175,588)	119,864	(250,133)
HEnEx S.A.	-	(1,911)	309,392	(702,073)
IPTO S.A.	1,812	(56,446)	105,133	(222,283)
ENEXCLEAR S.A.	846,125	(1,243,747)	-	-
LARCO S.A.	15,815	-	(17,465)	(1,044)

	June 30, 2021 Amounts in '000 €		December 31, 2020 Amounts in '000 €	
	Receivables	**(Payables)**	**Receivables**	**(Payables)**
ELPE	21,759	(22,286)	23,382	(21,499)
DEPA	-	(33,796)	-	(30,108)
DAPEEP S.A.	107,348	(299,136)	111,873	(430,562)
HEnEx S.A.	-	(13)	5	(8)
IPTO S.A.	102,365	(172,306)	154,375	(269,000)
ENEXCLEAR S.A.	8,548	(13,807)	8,552	(9,594)
LARCO S.A.	363,846	-	362,986	-

PPC's total receivables from LARCO S.A., relating to electricity bills, are fully provided for.

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

The Group's and the Parent Company's balances as of June 30th, 2021 and December 31st, 2020 with HCAP S.A. and the companies, in which HCAP S.A. participates, are presented below:

	GROUP		COMPANY	
	June 30, 2021		June 30, 2021	
	Amounts in '000 €		Amounts in '000 €	
	Receivables	(Payables)	Receivables	(Payables)
ATHENS INTERNATIONAL AIRPORT S.A.	992	(11)	970	(11)
ELTA S.A.	2,183	(2,451)	-	(2,451)
ELTA COURIER S.A.	2	(144)	1	(121)
EYDAP S.A.	4,176	(13)	4,176	-
ETVA INDUSTRIAL PARKS S.A.	321	(5)	321	-
THESSALONIKI INTERNATIONAL FAIR S.A.	87	-	87	-
ODIKES SYNGKOINONIES S.A.	9,077	(1)	9,077	-
PUBLIC PROPERTIES COMPANY S.A.	5,007	(2)	5,007	-
URBAN RAIL TRANSPORT S.A.	57,796	-	57,796	-
C.M.F.O. S.A.	10	-	10	-
O.A.S.A. S.A.	8	-	8	-
E.Y.A.TH. S.A.	2,528	-	2,527	-
A.E.DI.K	1	-	1	-
EYDAP NISON	1	-	1	-
MARINA ZEAS	1	-	1	-
HELLENIC SALTWORKS S.A.	7	-	7	-
TOTAL	**82,197**	**(2,627)**	**79,990**	**(2,583)**

	GROUP		COMPANY	
	December 31, 2020		December 31, 2020	
	Amounts in '000 €		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	-
A.E.DI.K	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 Group's and the Parent Company's transactions as of June 30th, 2021 and June 30th, 2020 with HCAP S.A. and the companies, in which HCAP S.A. participates, are presented below:

	GROUP 1.01.2021 – 30.06.2021 Amounts in '000 €		COMPANY 1.01.2021 – 30.06.2021 Amounts in '000 €	
	Invoiced to	Invoiced from	Invoiced to	Invoiced from
HCAP S.A.	8	-	8	-
ATHENS INTERNATIONAL AIRPORT S.A.	1,995	(25)	1,887	(25)
ELTA S.A.	8,403	(8,340)	2	(5,762)
ELTA COURIER S.A.	1	(141)	4	(103)
EYDAP S.A.	8,907	(51)	8,848	(39)
ETVA INDUSTRIAL PARKS S.A.	490	(11)	490	(9)
THESSALONIKI INTERNATIONAL FAIR S.A.	291	-	291	-
ODIKES SYNGKOINONIES S.A.	1,498	(5)	1,498	-
PUBLIC PROPERTIES COMPANY S.A.	764	(2)	685	-
URBAN RAIL TRANSPORT S.A.	9,199	-	9,199	-
C.M.F.O. S.A.	506	-	506	-
O.A.S.A. S.A.	18	-	18	-
E.Y.A.TH. S.A.	5,824	(5)	5,820	-
HELLENIC SALTWORKS S.A.	76	-	76	-
MANAGEMENT OF INDUSTRIAL PARK OF KASTORIA	2	-	2	-
GAIAOSE S.A.	7	-	7	-
A.E.DI.K	8	-	8	-
TOTAL	**37,997**	**(8,580)**	**29,349**	**(5,938)**

	GROUP 1.01.2020 – 30.06.2020 Amounts in '000 €		COMPANY 1.01.2020 – 30.06.2020 Amounts in '000 €	
	Invoiced to	Invoiced from	Invoiced to	Invoiced from
HCAP S.A.	7	-	7	-
ATHENS INTERNATIONAL AIRPORT S.A.	1,145	(53)	1,037	(53)
ELTA S.A.	8,265	(9,469)	21	(7,411)
ELTA COURIER S.A.	4	(90)	3	(42)
EYDAP S.A.	8,171	(79)	8,138	(58)
ETVA INDUSTRIAL PARKS S.A.	453	(9)	453	(9)
THESSALONIKI INTERNATIONAL FAIR S.A.	364	(2)	364	(2)
ODIKES SYNGKOINONIES S.A.	1,424	(7)	1,424	-
PUBLIC PROPERTIES COMPANY S.A.	886	-	886	-
URBAN RAIL TRANSPORT S.A.	8,594	-	8,594	-
C.M.F.O. S.A.	477	-	477	-
O.A.S.A. S.A.	17	-	17	-
CENTRAL MARKET OF THESSALONIKI S.A.	91	-	91	-
E.Y.A.TH. S.A.	5,763	(3)	5,763	-
HELLENIC SALTWORKS S.A.	71	-	71	-
MANAGEMENT OF INDUSTRIAL PARK OF KASTORIA	4	-	4	-
GAIAOSE S.A.	1	-	1	-
A.E.DI.K	9	-	9	-
TOTAL	**35,746**	**(9,712)**	**27,360**	**(7,575)**

Management remuneration

Management Members remuneration (Board of Directors' members and General Managers) for the periods ended on June 30th, 2021, and June 30th, 2020, is as follows:

	GROUP Amounts in '000 €		COMPANY Amounts in '000 €	
	30.06.2021	**30.06.2020**	**30.06.2021**	**30.06.2020**
Remuneration of the Board of Directors' members				
- Remuneration of executive members	472	350	240	218
- Remuneration of non-executive members	182	165	-	-
-Compensation / Extraordinary fees / Other Benefits	608	102	591	76
- Employer's Social Contributions	118	111	41	40
	1,380	**728**	**872**	**334**
Remuneration of the Deputy Chief Executive Officers and General Managers				
- Regular remuneration	963	522	702	439
- Employer's Social Contributions	160	104	117	86
-Compensation / Extraordinary fees	1,179	-	1,179	-
	2,302	**626**	**1,998**	**525**
Total	**3,682**	**1,354**	**2,870**	**859**

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

Remuneration of the members of the Board of Directors, the Deputy Chief Executive Officers and General Managers as of June 30th 2021 includes the additional incentives for 2020 and proportion of 2021 amounting to € 1.7 mil. based on the new remuneration policy that was approved by the Shareholders' Extraordinary General Meeting on June 4th 2021. Moreover, the provision of an additional incentive reward was approved in the form of free of charge equity settled stock awards. 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 (Note 3). The accounting policy that was adopted by the Group and the Parent Company is presented in Note 4.2.

APENDIX

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

ALTERNATIVE PERFORMANCE MEASURES ("APMs")

The Group and the Parent Company use Alternative Performance Measures («APMs") in taking decisions concerning the financial, operational and strategic planning, as well as for the evaluation and publication of their performance. These APMs serve to better understand the Group's and the Parent Company's financial and operating results, 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 assessing 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 or interim Financial Statement the effect and costs arising from events which have occurred during the reporting period and which have not affected the amounts of previous periods.

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

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

Operating Expenditure before tax, depreciation, amortization and impairment, net financial expenses, profit / (loss) from the sale of subsidiaries or associates 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 line "Operating expenses before depreciation and impairment" of the EBITDA measure. It is presented on Table B.

EBITDA Recurring (Operating Income before depreciation, amortization and impairment, net financial expenses and taxes, excluding one-off effects).

EBITDA Recurring serves to better analyze the Group's and the Parent Company's operating result, excluding the impact of one-off effects. For the six month period of 2021 the one-off effects that impacted EBITDA Recurring were : A) An actuarial expense for severance payment due to retirement of an amount of €2,752 th. for the Group and the Parent Company (negative effect) and B) A retroactive charge due to the recovery of special allowances from the implementation of the National Collective Bargaining Agreement 2021-2024 of an amount of €34,656 th. for the Group and 22,178 th. for the Parent Company (negative effect)..

For the six-month period of 2020 the one-off effects that impacted EBITDA Recurring were: a) A Return of an amount of €44,773 th. due to the revision of the cost of gas supply of DEPA from BOTAS for the years 2012-2019, following a decision of the International Court of Arbitration on the dispute between the two companies (positive effect) and b) an actuarial expense for severance payment due to retirement of an amount of €16,301 th. for the Group and 13,450 th. 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 and amortization, Financial Expense and Profit from Subsidiaries and Associates.

This Index is calculated as the net amount of the 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 Group's and the Parent Company's capital structure of 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 finally adding the unamortized portion of borrowing costs. Calculation of Net Debt is presented in Table F.

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

	Total Group 01.01-30.06.2021	Total Group 01.01-30.06.2020	Total Company 01.01-30.06.2021	Total Company 01.01-30.06.2020
	Amounts in '000€	Amounts in '000€	Amounts in '000€	Amounts in '000€
Total Turnover (1)	**2,193,439**	**2,249,580**	**2,054,164**	**2,137,807**
less :				
Operating expenses before depreciation and impairment (2)	1,759,414	1,763,828	1,563,636	1,552,416
Payroll cost	361,812	363,719	205,825	216,267
Lignite	35,957	(29,164)	24,337	(27,888)
Liquid Fuels	224,974	224,566	222,822	222,851
Natural Gas	218,252	112,328	218,252	112,328
Energy purchases	398,556	589,443	461,253	615,816
Materials and consumables	71,398	52,313	44,276	27,817
Transmission system usage	63,898	69,654	63,898	69,623
Distribution system usage	-	-	114,185	107,541
Utilities and maintenance	93,823	100,435	55,674	64,057
Third party fees	73,710	42,778	47,926	26,076
CO2 emission rights	296,901	171,203	246,306	146,912
Risk allowances	23,170	16,879	20,950	21,905
Provisions for impairment of materials	15,375	14,889	13,404	7,989
Provisions for bad debt	(155,576)	42,157	(187,283)	(30,323)
Other Losses / (Gains), Net	37,164	(7,372)	11,811	(28,555)
EBITDA (A) = [(1) - (2)]	**434,025**	**485,752**	**490,528**	**585,391**
EBITDA MARGIN [(A) / (1)]	**19.8%**	**21.6%**	**23.9%**	**27.4%**

TABLE B- Operating Expenses before tax, depreciation, amortization and impairment, total net financial expenses and profits / (losses) from affiliated companies without one off effects

	Total Group 01.01-30.06.2021	Total Group 01.01-30.06.2020	Total Company 01.01-30.06.2021	Total Company 01.01-30.06.2020	NOTES
	Amounts in '000€	Amounts in '000€	Amounts in '000€	Amounts in '000€	
Operating expenses before depreciation and impairment (2))	**1,759,414**	**1,763,828**	**1,563,636**	**1,552,416**	
less :					
Actuarial Expense for severance payment due to retirement	2,752	16,301	2,752	13,450	Note 15 Interim Report 2020 & 2021
Retroactive charge for special allowances from the implementation of the Collective Labour Agreement for the period 2021 - 2024	34,656	-	22,178	-	Note 3 Interim Report 2021
Clearing due to gas supply pipeline cost revision 2012-2019	-	(44,773)	-	(44,773)	Note 3 Interim Report 2020
Operating expenses before depreciation and impairment without one off effects	**1,722,006**	**1,792,300**	**1,538,706**	**1,583,739**	

TABLE C- EBITDA Recurring (Operating Income before depreciation, amortization and impairment, net financial expenses and taxes without one off effects).

	Total Group 01.01-30.06.2021	Total Group 01.01-30.06.2020	Total Company 01.01-30.06.2021	Total Company 01.01-30.06.2020	NOTES
	Amounts in '000€	Amounts in '000€	Amounts in '000€	Amounts in '000€	
EBITDA (1)	**434,025**	**485,752**	**490,528**	**585,391**	
Plus one off effects (2):	**37,408**	**(28,472)**	**24,930**	**(31,323)**	
Actuarial Expense for severance payment due to retirement	2,752	16,301	2,752	13,450	Note 15 Interim Report 2020 & 2021
Retroactive charge for special allowances from the implementation of the Collective Labour Agreement for the period 2021 - 2024	34,656	-	22,178	-	Note 3 Interim Report 2021
Clearing due to gas supply pipeline cost revision 2012-2019	-	(44,773)	-	(44,773)	Note 3 Interim Report 2020
EBITDA RECURRING WITHOUT ONE OFF EFFECTS (3) = [(1)+(2)]	**471,433**	**457,280**	**515,458**	**554,068**	
TOTAL TURNOVER (4)	**2,193,439**	**2,249,580**	**2,054,164**	**2,137,807**	
EBITDA RECURRING MARGIN WITHOUT ONE OFF EFFECTS [(3)/(4)]	**21,5%**	**20,3%**	**25,1%**	**25,9%**	

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

	Total Group 01.01-30.06.2021	Total Group 01.01-30.06.2020	Total Company 01.01-30.06.2021	Total Company 01.01-30.06.2020
	Amounts in '000€	Amounts in '000€	Amounts in '000€	Amounts in '000€
EBITDA	**434,025**	**485,752**	**490,528**	**585,391**
Less:				
Depreciation and impairment of tangible assets	338,881	359,298	177,209	329,793
Impairment of other assets	11,641	10,068	11,641	10,068
Impairment of lignite subsidiaries	-	-	88,000	119,426
EBIT (A)	**83,503**	**116,386**	**213,678**	**126,104**
Total Turnover (1)	**2,193,439**	**2,249,580**	**2,054,164**	**2,137,807**
EBIT Margin [(A) / (1)]	**3.8%**	**5.2%**	**10.4%**	**5.9%**

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

	Total Group 01.01-30.06.2021	Total Group 01.01-30.06.2020	Total Company 01.01-30.06.2021	Total Company 01.01-30.06.2020
	Amounts in '000€	Amounts in '000€	Amounts in '000€	Amounts in '000€
Depreciation, Financial Expense and Profit from Subsidiaries and Associates	**408,607**	**424,455**	**241,007**	**371,843**
Depreciation	338,881	359,298	177,209	329,793
Financial expense	107,981	99,039	106,197	97,269
Financial income	(35,186)	(32,074)	(41,415)	(54,894)
Net (profit)/loss from associates and joint ventures	(2,076)	(1,436)	-	-
Net loss/(profit) from FX differences	(993)	(372)	(984)	(325)

TABLE F – Net Debt

	Group			Company		
	30.06.2021	**31.12.2020**	**30.06.2020**	**30.06.2021**	**31.12.2020**	**30.06.2020**
	Amounts in '000€	**Amounts in '000€**	**Amounts in '000€**	**Amounts in '000€**	**Amounts in '000€**	**Amounts in '000€**
Long-term borrowing	3,614,340	3,480,453	3,532,137	3,514,713	3,383,968	3,436,391
Current portion of long term borrowing	421,693	546,802	408,478	421,703	546,812	408,488
Short term borrowing	9,689	42,152	14,279	-	30,000	-
Cash and cash equivalents	(1,186,552)	(815,640)	(534,006)	(907,788)	(626,940)	(419,906)
Restricted cash	(46,070)	(53,535)	(55,151)	(37,926)	(47,636)	(55,151)
Financial Assets at fair value through comprehensive income	(711)	(866)	(804)	(554)	(646)	(606)
Unamortized portion of borrowing costs	82,890	84,235	88,297	82,890	84,235	88,297
TOTAL	**2,895,279**	**3,283,601**	**3,453,230**	**3,073,038**	**3,369,793**	**3,457,513**

Athens, September 23rd 2021

For the Board of Directors

The President and CEO | The Vice-President

Georgios I. Stassis | Pyrros D. Papadimitriou

III. CERTIFIED AUDITORS' ACCOUNTANTS' REVIEW REPORT

ERNST & YOUNG (HELLAS)
Certified Auditors-Accountants S.A.
8B Chimarras str., Maroussi
151 25 Athens, Greece

Tel: +30 210 2886 000
Fax:+30 210 2886 905
ey.com

THIS REPORT IS A FREE TRANSLATION OF THE GREEK ORIGINAL

To the Board of Directors of Public Power Corporation S.A.

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed separate and consolidated statement of financial position of Public Power Corporation S.A. (the "Company") and its subsidiaries ("the Group") as at 30 June 2021, and the related condensed separate and consolidated statements of comprehensive income, changes in equity and cash flows for the six-month period then ended, as well as the selected explanatory notes that comprise the interim financial information, which is an integral part of the six-month financial report of Law 3556/2007.

Management is responsible for the preparation and presentation of this interim condensed financial information in accordance with International Financial Reporting Standards as adopted by the European Union and applied to interim financial reporting (International Accounting Standard "IAS 34"). Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements (ISRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing as incorporated in Greek Law and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial information is not prepared, in all material respects, in accordance with IAS 34.

Report on other legal and regulatory requirements

Our review has not identified any material inconsistency or error between the other information contained in the six-month financial report prepared in accordance with article 5 Law 3556/2007 with the accompanying financial information.

Maroussi, 23 September 2021

VASSILIOS KAMINARIS
CERTIFIED AUDITOR ACCOUNTANT
S.O.E.L. R.N. 20411

ERNST & YOUNG (HELLAS)
CERTIFIED AUDITORS ACCOUNTANTS S.A.
CHIMARRAS 8B, 15125 MAROUSSI
S.O.E.L. R.N. 107

PUBLIC POWER CORPORATION S.A.

Interim Condensed Consolidated and Separate
Financial Statements
for the six-month period ended
June 30th 2021

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

The attached interim condensed Separate and Consolidated Financial Statements have been approved by the Board of Directors of "PUBLIC POWER CORPORATION S.A.", **on September 23rd 2021, and are available on the internet, at the web site address www.dei.gr**.

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.
General Commercial Registry: 786301000
Chalkokondyli 30 - 104 32 Athens

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PUBLIC POWER CORPORATION S.A.

INTERIM CONDENSED CONSOLIDATED AND SEPARATE STATEMENT OF INCOME
FOR THE SIX-MONTH PERIOD ENDED JUNE 30th 2021

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

	Note	GROUP		COMPANY					
		01.01.2021 – 30.06.2021	01.01.2020 – 30.06.2020	01.01.2021 – 30.06.2021	01.01.2021 – 30.06.2021	01.01.2021 – 30.06.2021	01.01.2020 – 30.06.2020	01.01.2020 – 30.06.2020	01.01.2020 – 30.06.2020
		Total Group	Total Group	Total Company	Continuing Operations	Discontinued Operations	Total Company	Continuing Operations*	Discontinued Operations*
REVENUES:									
Revenue from energy sales	5	1,855,200	1,923,157	1,836,956	1,836,956	-	1,905,028	1,905,028	-
Revenue from natural gas sales		765	316	765	765	-	316	316	-
Other sales	5	337,474	326,107	216,443	167,388	49,055	232,463	184,986	47,477
		2,193,439	**2,249,580**	**2,054,164**	**2,005,109**	**49,055**	**2,137,807**	**2,090,330**	**47,477**
EXPENSES:									
Payroll cost		361,812	363,719	205,825	205,825	-	216,267	216,267	-
Lignite		35,957	(29,164)	24,337	24,337	-	(27,888)	(27,888)	-
Liquid Fuels		224,974	224,566	222,822	222,822	-	222,851	222,851	-
Natural Gas		218,252	112,328	218,252	218,252	-	112,328	112,328	-
Depreciation and amortization		338,881	359,298	177,209	177,209	-	329,793	201,541	128,252
Energy purchases		398,556	589,443	461,253	461,253	-	615,816	615,816	-
Materials and consumables		71,398	52,313	44,276	44,276	-	27,817	27,817	-
Transmission system usage		63,898	69,654	63,898	63,898	-	69,623	69,623	-
Distribution system usage		-	-	114,185	231,594	(117,409)	107,541	248,109	(140,568)
Utilities and maintenance		93,823	100,435	55,674	55,674	-	64,057	64,057	-
Third party fees		73,710	42,778	47,926	47,926	-	26,076	26,076	-
Emission allowances	14	296,901	171,203	246,306	246,306	-	146,912	146,912	-
Provisions for risks		23,170	16,879	20,950	20,950	-	21,905	21,905	-
Provision for impairment of materials		15,375	14,889	13,404	13,404	-	7,989	7,989	-
Provisions for doubtful receivables	15	(155,576)	42,157	(187,283)	(187,283)	-	(30,323)	(30,323)	-
Financial expenses		107,981	99,039	106,197	81,006	25,191	97,269	70,452	26,817
Financial income		(35,186)	(32,074)	(41,415)	(41,415)	-	(54,894)	(54,894)	-
Impairment loss on Lignite Subsidiaries	8	-	-	88,000	88,000	-	119,426	119,426	-
Impairment loss on assets	15	11,641	10,068	11,641	11,641	-	10,068	10,068	-
Other (income)/expenses, net		37,164	(7,372)	11,811	14,640	(2,829)	(28,555)	(24,733)	(3,822)
(Gains) from associates		(2,076)	(1,436)	-	-	-	-	-	-
(Gains) from Foreign currency		(993)	(372)	(984)	(984)	-	(325)	(325)	-
		2,179,662	**2,198,351**	**1,904,284**	**1,999,331**	**(95,047)**	**2,053,753**	**2,043,074**	**10,679**
PROFIT BEFORE TAX		**13,777**	**51,229**	**149,880**	**5,778**	**144,102**	**84,054**	**47,256**	**36,798**
Income tax	7	13,166	(21,891)	18,321	(127,528)	145,849	(22,630)	(25,377)	2,747
NET PROFIT		**26,943**	**29,338**	**168,201**	**(121,750)**	**289,951**	**61,424**	**21,879**	**39,545**
Attributable to:									
Owners of the Parent		26,923	29,318						
Non – controlling interests		20	20						
Earnings per share, basic and diluted		0.12	0.13						
Weighted average number of shares		**232,000,000**	**232,000,000**						

-The accompanying notes are an integral part of the interim, condensed, consolidated and separate financial statements.
- *Some figures of the Parent Company are restated compared to those published in the interim condensed financial statements as of June 30th 2020, so as to include the figures of the Discontinued Operations (See Note 6).

PUBLIC POWER CORPORATION S.A.
INTERIM CONDENSED CONSOLIDATED AND SEPARATE STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIOD ENDED JUNE 30th 2021
(All amounts in thousands of Euro)

	Note	GROUP		COMPANY					
		01.01.2021 – 30.06.2021	01.01.2020 – 30.06.2020	01.01.2021 – 30.06.2021	01.01.2021 – 30.06.2021	01.01.2021 – 30.06.2021	01.01.2020 – 30.06.2020	01.01.2020 – 30.06.2020	01.01.2020 – 30.06.2020
		Total Group	**Total Group**	**Total Company**	**Continuing Operations**	**Discontinued Operations**	**Total Company**	**Continuing Operations**	**Discontinued Operations**
Net Profit / (Loss) for the period		**26.943**	**29.338**	**168.201**	**(121.750)**	**289.951**	**61.424**	**21.879**	**39.545**
Other Comprehensive income / (loss)									
Other Comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods									
Reclassification of hedging transactions through other comprehensive income		(14,110)	-	(14,110)	(14,110)	-	-	-	-
Gains from the valuation of hedging transactions	15	113,879	-	113,879	113,879	-	-	-	-
Deferred tax on gains from the valuation of hedging transactions		(10,868)	-	(10,868)	(10,868)	-	-	-	-
Foreign currency differences		(300)	(86)	-	-	-	-	-	-
Net Other Comprehensive (loss) / income to be reclassified to profit or loss in subsequent periods		**88,601**	**(86)**	**88,901**	**88,901**	**-**	**-**	**-**	**-**
Other Comprehensive (loss) / income not to be reclassified to profit or loss in subsequent periods									
Profit/(Loss) from financial assets at fair value through comprehensive income		(155)	(447)	(93)	(93)	-	(273)	(273)	-
Deferred tax on tangible assets due to tax rate change		123,354	-	123,354	79,840	43,514	-	-	-
Revaluation of fixed assets		-	2,097	-	-	-	2,097	2,097	-
Deferred tax on revaluation of fixed assets		-	(504)	-	-	-	(504)	(504)	-
Deferred tax on provision for decommissioning and dismantling due to tax rate change		(2,494)	-	(2,494)	(2,494)	-	-	-	-
Deferred tax on actuarial gains/(losses) due to tax rate change		(1,828)	-	(1,828)	(1,828)	-	-	-	-
Net Other Comprehensive (loss) / income not to be reclassified to profit or loss in subsequent periods		**118,877**	**1,146**	**118,939**	**75,425**	**43,514**	**1,320**	**1,320**	**-**
Other Comprehensive income for the period after tax		**207,478**	**1,060**	**207,840**	**164,326**	**43,514**	**1,320**	**1,320**	**-**
Total Comprehensive income / (loss) for the period after tax		**234,421**	**30,398**	**376,041**	**42,576**	**333,465**	**62,744**	**23,199**	**39,545**
Attributable to:									
Owners of the Parent		**234,401**	**30,378**						
Non-controlling interests		**20**	**20**						

- The accompanying notes are an integral part of the interim, condensed, consolidated and separate financial statements.

PUBLIC POWER CORPORATION S.A.
INTERIM CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30th 2021
(All amounts in thousands of Euro)

	Note	GROUP		COMPANY	
		30.06.2021	31.12.2020	30.06.2021	31.12.2020
ASSETS					
Non – Current Assets :					
Property, plant and equipment, net	15	10,101,385	10,269,886	5,231,227	5,352,700
Intangible assets, net	15	159,296	112,116	135,038	87,601
Right of use assets		60,261	64,575	32,204	37,447
Investments in subsidiaries		-	-	221,611	221,611
Investments in associates		38,341	34,063	37	37
Financial assets measured at fair value through comprehensive income		711	866	554	646
Other non – current assets		8,678	14,268	14,730	15,977
Deferred tax asset		330,908	202,673	696,035	761,055
Derivative financial instruments	15	2,314	-	2,314	-
Total non – current assets		**10,701,894**	**10,698,447**	**6,333.750**	**6.477.074**
Current Assets :					
Materials, spare parts and supplies, net		622,183	630,364	427,482	455,174
Trade receivables		885,765	708,679	719,715	554,619
Contract assets		407,100	372,475	407,100	372,475
Other receivables	15	454,256	393,716	314,245	214,723
Derivative financial instruments	15	52,323	4,803	52,323	4,803
Income tax receivable		8,266	2,728	-	-
Cash and cash equivalents		1,186,552	815,640	907,788	626,940
Restricted cash		50,597	58,702	42,454	52,803
Total		**3,667,042**	**2,987,107**	**2,871,107**	**2,281,537**
Total Assets from Discontinued Operations	6	-	-	4,682,042	4,563,389
Total current assets		**3,667,042**	**2,987,107**	**7,553,149**	**6,844,926**
Total Assets		**14,368,936**	**13,685,554**	**13,886,899**	**13,322,000**
EQUITY AND LIABILITIES					
Equity :					
Share capital		575,360	575,360	575,360	575,360
Share premium		106,679	106,679	106,679	106,679
Legal reserve		128,317	128,317	128,317	128,317
Fixed assets' statutory revaluation surplus		(947,342)	(947,342)	(947,342)	(947,342)
Revaluation surplus		4,804,174	4,686,388	4,713,032	4,594,433
Other reserves	15	174,223	87,605	138,832	51,852
Retained earnings		(1,522,431)	(1,552,136)	(1,610,068)	(1,780,536)
Total Equity attributable to the Owners of the Company		**3,318,980**	**3,084,871**	**3,104,810**	**2,728,763**
Non – controlling interests		**315**	**295**	**-**	**-**
Total equity		**3,319,295**	**3,085,166**	**3,104,810**	**2,728,763**
Non – Current Liabilities :					
Long - term borrowings	12	3,614,340	3,480,453	2,211,398	2,008,603
Employee benefits		234,903	232,757	132,449	129,371
Provisions		805,018	787,422	761,043	745,694
Deferred tax liability		4,329	-	-	-
Financial lease liability		44,378	48,198	21,794	26,975
Contract liabilities		2,289,672	2,274,035	444,122	450,745
Subsidies		145,818	153,720	100,541	105,259
Long term financial liability from the securitization of receivables	3	318,520	123,465	318,520	123,465
Other non – current liabilities		33,571	22,515	38	38
Total non – current liabilities		**7,490,549**	**7,122,565**	**3,989,905**	**3,590,150**
Current Liabilities:					
Trade and other payables		1,193,814	1,428,758	876,173	1,171,262
Short term financial liability from the securitization of receivables	15	158,470	11,688	158,470	11,688
Dividends payable		-	12	-	12
Income tax payable		70,163	68,155	63,348	63,778
Short – term borrowings		9,689	42,152	-	30,000
Current portion of long - term borrowings	12	421,693	546,802	280,339	397,115
Short – term financial lease liability		18,561	17,791	11,918	11,996
Accrued and other current liabilities		934,803	811,588	891,955	825,186
Short-term contract liabilities	3	751,899	550,877	751,899	550,877
Total		**3,559,092**	**3,477,823**	**3,034,102**	**3,061,914**
Total Liabilities from Discontinued Operations	6	-	-	3,758,082	3,941,173
Total Current Liabilities		**3,559,092**	**3,477,823**	**6,792,184**	**7,003,087**
Total Equity and Liabilities		**14,368,936**	**13,685,554**	**13,886,899**	**13,322,000**

-The accompanying notes are an integral part of the interim, condensed, consolidated and separate financial statements.

PUBLIC POWER CORPORATION S.A.
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED JUNE 30th 2021

(All amounts in thousands of Euro)

						GROUP Other reserves						
	Share Capital	Share Premium	Legal Reserve	Revaluation Surplus	Fixed Assets Statutory Revaluation Surplus	Fair Value of financial assets through comprehensive income	Foreign Exchange Differences, Tax-free and Other Reserves	Other Reserves Total	Retained Earnings	Total	Non-Controlling Interest	Total Equity
Balance, January 1st, 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**
Net Profit/(Loss) for the period	-	-	-	-	-	-	-	-	29,318	29,318	20	29,338
Other total income for the period after tax	-	-	-	1,593	-	(447)	(86)	(533)	-	1,060	-	1,060
Total Comprehensive income / (loss) for the period, after tax	**-**	**-**	**-**	**1,593**	**-**	**(447)**	**(86)**	**(533)**	**29,318**	**30,378**	**20**	**30,398**
Transfers from retirements of fixed assets	-	-	-	(17,480)	-	-	-	-	17,480	-	-	-
Other movements	-	-	-	-	-	-	-	-	(299)	(299)	-	(299)
Balance, June 30th, 2020	**575,360**	**106,679**	**128,317**	**4,737,567**	**(947,342)**	**6**	**51,349**	**51,355**	**(1,581,520)**	**3,070,416**	**275**	**3,070,691**
Balance, January 1st, 2021	**575,360**	**106,679**	**128,317**	**4,686,388**	**(947,342)**	**69**	**87,536**	**87,605**	**(1,552,136)**	**3,084,871**	**295**	**3,085,166**
Net profit for the period	-	-	-	-	-	-	-	-	26,923	26,923	20	26,943
Other comprehensive income/ (loss) for the period after tax	-	-	-	120,860	-	(155)	86,773	86,618	-	207,478	-	207,478
Total Comprehensive income/(loss) for the period, after tax	**-**	**-**	**-**	**120,860**	**-**	**(155)**	**86,773**	**86,618**	**26,923**	**234,401**	**20**	**234,421**
Disposals of property, plant and equipment	-	-	-	(3,074)	-	-	-	-	3,074	-	-	-
Other movements	-	-	-	-	-	-	-	-	(292)	(292)	-	(292)
Balance, June 30th, 2021	**575,360**	**106,679**	**128,317**	**4,804,174**	**(947,342)**	**(86)**	**174,309**	**174,223**	**(1,522,431)**	**3,318,980**	**315**	**3,319,295**

- The accompanying notes are an integral part of the interim, condensed, consolidated and separate financial statements.

PUBLIC POWER CORPORATION S.A.
INTERIM CONDENSED SEPARATE STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED JUNE 30th 2021
(All amounts in thousands of Euro)

COMPANY

						Other reserves				
	Share Capital	Share Premium	Legal Reserve	Revaluation Surplus	Fixed Assets Statutory Revaluation Surplus	Fair Value of financial assets through comprehensive income	Tax-free and Other Reserves	Other Reserves Total	Retained Earnings	Total Equity
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**
Net Profit/(Loss) for the period	-	-	-	-	-	-	-	-	61,424	61,424
Other total income for the period after tax	-	-	-	1,593	-	(273)	-	(273)	-	1,320
Total Comprehensive income / (loss) for the period, after tax	**-**	**-**	**-**	**1,593**	**-**	**(273)**	**-**	**(273)**	**61,424**	**62,744**
Transfers from retirements of fixed assets	-	-	-	(17,480)	-	-	-	-	17,480	-
Other movements	-	-	-	-	-	-	-	-	-	-
Balance, June 30th, 2020	**575,360**	**106,679**	**128,317**	**4,643,110**	**(947,342)**	**(123)**	**26,476**	**26,353**	**(1,783,914)**	**2,748,564**
Balance, January 1st, 2021	**575,360**	**106,679**	**128,317**	**4,594,433**	**(947,342)**	**(82)**	**51,934**	**51,852**	**(1,780,536)**	**2,728,763**
Net profit for the period	-	-	-	-	-	-	-	-	168,201	168,201
Other comprehensive income/ (loss) for the period after tax	-	-	-	120,860	-	(93)	87,073	86,980	-	207,840
Total Comprehensive income/(loss) for the period, after tax	-	-	-	120,860	-	(93)	87,073	86,980	168,201	376,041
Disposals of property, plant and equipment	-	-	-	(2,261)	-	-	-	-	2,261	-
Other movements	-	-	-	-	-	-	-	-	6	6
Balance, June 30th, 2021	**575,360**	**106,679**	**128,317**	**4,713,032**	**(947,342)**	**(175)**	**139,007**	**138,832**	**(1,610,068)**	**3,104,810**

- The accompanying notes are an integral part of the interim, condensed, consolidated and separate financial statements.

PUBLIC POWER CORPORATION S.A.
INTERIM CONDENSED CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS FOR THE SIX-MONTH PERIOD ENDED JUNE 30th 2021

(All amounts in thousands of Euro)

	Note	GROUP		COMPANY	
		01.01.2021-30.06.2021	01.01.2020-30.06.2020	01.01.2021-30.06.2021	01.01.2020-30.06.2020 (restated)*
Cash flows from operating activities					
Profit before tax from continuing operations		13,777	51,229	5,778	47.256
Profit before tax from discontinuing operations		-	-	144,102	36.798
Profit before tax		**13,777**	**51,229**	**149,880**	**84.054**
Adjustments:					
Depreciation and amortization		335,698	356,595	175.090	199.011
Depreciation of right-of-use assets		11,084	12,159	6.837	8.756
Impairment loss on assets		11,641	10,068	11.641	10.068
Impairment loss on the shareholding of Lignite Subsidiaries		-	-	88.000	119.426
Amortization of customers' subsidies		(7,901)	(9,456)	(4.718)	(6.225)
Income from long-term contract liabilities		(45,109)	(44,045)	(124)	(124)
Share of (profit) of associates		(2,076)	(1,436)	-	-
Interest income and dividends		(35,186)	(32,074)	(41.415)	(54.894)
Sundry provisions		(107,440)	101,864	(143.536)	24.396
Foreign exchange gains losses on loans and borrowings		984	325	984	325
Unbilled revenue		(21,762)	125,609	(21.762)	125.609
Disposals of property, plant and equipment and intangible assets		1,375	1,310	(829)	154
Amortization of loans' issuance fees		4,012	1,500	4.012	1.500
Interest expense		71,798	80,002	46.454	52.897
Operating profit before working capital changes		**230,895**	**653,650**	**270.514**	**564.953**
(Increase)/decrease in:					
Trade receivables		12,135	(211,705)	(120.299)	(111.597)
Other receivables		(126,610)	109,860	(149.458)	117.616
Inventories		(7,206)	(26,721)	14.289	(16.651)
(Increase)/decrease in:					
Trade payables		(88,162)	(298,167)	(60.147)	(302.629)
Other non – current liabilities		403,413	366,115	391.762	369.433
Accrued and other liabilities excluding interest		192,053	(117,614)	159.876	(178.215)
Restricted cash		8,105	9,550	10.349	9.550
Discontinued operations		-	-	9.653	120.788
Net Cash from Operating Activities		**624.623**	**484,968**	**526,539**	**573,248**
Investing Activities					
Interest and dividends received		35,186	32,074	34.649	54.894
Capital expenditure for property, plant and equipment and intangible assets	15	(239,430)	(197,710)	(139.210)	(110.468)
Proceeds from long-term contract liabilities		67,245	26,242	-	-
Investments in subsidiaries and associates	8	(4,278)	(1,278)	(30.000)	(119.426)
Discontinued operations		-	-	(5.257)	(48.374)
Net Cash used in Investing Activities		**(141.277)**	**(140,672)**	**(139,818)**	**(223,374)**
Financing Activities					
Net change in short-term borrowings		(32,463)	(4,351)	(30.000)	-
Proceeds from long-term borrowing	12	781,816	165,515	777.616	12.415
Principal payments of long-term borrowing	12	(767,312)	(166,158)	(683.257)	(69.342)
Principal lease payments of right-of-use assets		(11,184)	(13,110)	(7.703)	(9.411)
Interest paid and loans' issuance fees		(83,279)	(79,103)	(57.168)	(51.129)
Dividends paid		(12)	-	(12)	-
Discontinued operations		-	-	(105.349)	(17.962)
Net Cash used in Financing Activities		**(112.434)**	**(97,207)**	**(105,873)**	**(135,429)**
Net increase in cash and cash equivalents		370.912	247,089	280,848	214,445
Cash and cash equivalents at the beginning of the period		815.640	286,917	626,940	205,461
Cash and cash equivalents at the end of the period		**1.186.552**	**534,006**	**907,788**	**419,906**

- The accompanying notes are an integral part of the interim, condensed, consolidated and separate financial statements
- *Some figures of the Parent Company are restated compared to those published in the interim condensed financial statements as of June 30th 2020, so as to include the figures of the Discontinued Operations (See Note 6).

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SELECTED DISCLOSURE NOTES

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's 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 June 30th, 2021, the number of personnel employed by the Group was 13,190 (2020: 14,646). On June 30th, 2021, 93 employees of the Group (2020: 90), have been transferred to several State agencies (ministries, organizations, etc.), out of which, 87 were compensated by PPC (2020: 86). The total payroll cost of such employees, for the six month period ended June 30th, 2021 amounted to € 1,864 (2020: € 1,746). Additionally, on June 30th, 2021, Group's transferred employees in EFKA (Greek Single Social Security Institution) amounted to 201 (2020: 230) for which payroll cost amounted to € 4,246 (2020: € 4,872).

PPC Group generates electricity in its own power generating stations of the Parent Company, from its wholly owned subsidiaries "LIGITIKI 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 that are managed by its wholly owned subsidiary "Hellenic Distribution Network Operator (HEDNO S.A.)". PPC Group has also developed an urban fibre optics network. 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 THE 1ST QUARTER OF 2021.

A1. Electricity Markets

- With RAE's Decision 54/2021 (OG B' 531/10.02.2021), the submission of energy quantities with a negative sign for the Balancing Market was suspended, until technical restrictions in the Peloponnese Transmission System were resolved.
- 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.
- With effect from 14/04/2021, decision No. 9 of the Hellenic Energy Exchange (HEnEX) regulated technical trading issues in the Energy Financial Market (Derivatives Market) of the HEnEX, concerning the change of price limits and the imposition of new ones, the implementation of the Automatic Variability Control Mechanism for Annual, Quarterly and Monthly Contracts.
- With Decision 4/906/10.3.2021 (OG B΄1465 / 13.04.2021) the Board of Directors of the Hellenic Capital Market Commission granted to E.X.E. SA Exemptions from pre-transaction transparency obligations regarding derivatives on energy commodities (futures/ futures on energy commodities).
- 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.
- With Decision 239/2021 (OG B΄2153 / 25.05.2021), RAE approved the definition of fallback procedures for the capacity calculation for the region of South East Europe (SEE CCR), in accordance with article 44 of Regulation (EU) 2015/ 1222.

PUBLIC SERVICE OBLIGATIONS (PSOs)

- RAE, with Decision No. 218/2021 (OG B΄908/09.03.2021), approved the readjustment of the limit of the maximum annual charge of the Electricity Customers to cover Public Service Obligations (PSOs) provisions for the year 2021, amounting to € 779,890, according to par. 7, Article 55 of L. 4001/2011.
- With the Decision 64830 EX 2021 (OG B΄2378 / 07.06.2021), HEDNO received on 30.06.2021 an amount of seventy million euros (70,000,000.00 €) to cover the cost of Public Service Obligations of electricity sector.

2. LEGAL FRAMEWORK (CONTINUED)

A2. Hellenic Electricity Transmission System (HETS) and Hellenic Electricity Distribution Network (HEDN)

- RAE Decision 178/2021 (OG 1280 /01.04.2021, number 2), approved the transfer of € 36,369,871.74 from the uplift Account "Revenues from the Transmission Rights of the Interconnections" for the reduction of Transmission System Charges.
- 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%.
- 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.
- RAE with its Decision 492/2021 (OG BΔ2749 / 28.06.2021), approved the Charges for the Use of the Hellenic Electricity Transmission System for System Customers and Medium and Low Voltage Customers of the Interconnected Network, while it exempted Medium and Low Voltage agricultural Customers, night energy consumption of Low Voltage Customers, as well as energy consumption of beneficiaries of COT A.
- RAE with its Decision 495/2021 (OG B΄2792 / 30.06.2021), established the Methodology for Calculating the Allowed and Required Revenue of the Administrator of the Hellenic Electricity Transmission System.
- RAE with its Decision 1593A / 2020 (OG B΄2925 / 05.07.2021) amended the decision 1151A / 2019 (Government Gazette B΄1339 / 13.04.2020) for the Guaranteed Services to Consumers of HEDNO.
- With Decision 525/2021, RAE approved the designation of four projects as "Major importance Projects", the provision of additional return for those projects and determined the useful life of each project for the calculation of depreciation.
- With Decision 632/2021, RAE approved the Allowed Revenue for the 1st Regulatory Period 2021-2024, as well as the Required Revenue for 2021 of the Hellenic Electricity Distribution Network (HEDN) and the budget of the Administrator of Non-Interconnected islands. The Allowed Revenue of HEDN amounts to € 775,984 thousand in 2021, € 781,851 thousand in 2022, € 780,897 thousand in 2023 and € 804,837 thousand in 2024. The Regulated Asset Base of HEDN for the first year of the Regulatory Period (2021) was set at € 2,909,210 thousand, while the approved Claimed Revenue of HEDN amounts to € 777,313 thousand. It is noted that from the final settlement of revenues from the charges of HEDN for the year 2019, a total under-recovery of the Required Revenue 2019 amounting to € 18,057 thousand was recognized, which will be gradually recovered starting from 2021 and within an eight-year period.

2. LEGAL FRAMEWORK (CONTINUED)

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.

Law 4821/2021(OG A 134/31.07.2021) (Note 16) determined:

- The transitional provisions for the operation of the electrical interconnection of Peloponnese - Crete and in particular a) during the transitional period from 3.7.2021 to 30.09.2021 and b) from 1.10.2021 (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.
- 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.

A3. Other Issues of the Electricity Market

- By RAE's Decision No. 1654/2020, the Base Charge of ETMEAR of article 143 par. 3b of law 4001/2011 was determined from 01.01.2021 as in force, at €17 /MWh.
- The Decision of ΥΠΕΝ/ΔΗΕ/25936/310 (OG Β΄1160/26.03.2021) amended the Decision of ΥΠΕΝ/ΓΔΕ/76979/4917/2019 "Determination of the Charges of the Special Fee for the Reduction of CO2 Emissions by consumer category". As beneficiaries of reduced ETMEAR charges, more enterprises are considered (Table B) for the period 1.1.2019 to 31.12.2021 at a rate of the base charge equal to 53% and a unit charge equal to 9.01€/MWh. In addition, the beneficiaries of Table A may not bear an ETMEAR charge per meter less than the product of the annual consumption of the meter in MWh of 0.3€/MWh (minimum charge on an annual basis).

2. LEGAL FRAMEWORK (CONTINUED)

- The Decision of ΥΠΕΝ/ΔΗΕ /47286/638 (OG B’ 2033/ 19.05.2021) amended the ministerial decision ΥΠΕΝ/ΔΗΕ/74949/926/ 30.7.2020 (Β '3152) “Procedure for the inclusion of Beneficiaries in Categories of Reduced Charges of Special Tax for the Reduction of Gaseous Pollutant Emissions (ETMEAR)”, as among other things, provided modifications for the Information System of Reduced Charges ETMEAR of DAPEEP SA, which includes a separate Subsystem of Agricultural Use Benefits, for the supposed Price of Electricity ETIE for which DAPEEPA calculates for the procedure and schedule of inclusion of consumptions of Potential Beneficiaries in a Reduced Charges Scheme of ETMEAR.
- By RAE’s Decision No 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 new Renewables special levy, the extraordinary charge for electricity suppliers and the distributed load of COGEN units.
- With the Decision ΥΠΕΝ/ΔΗΕ/23189/264 (OG B'987/12.02.2021) the amendment of the Decision Δ5/ΗΛ/Β/Φ.1.21/οικ. 23824/23.12.2013 was decided regarding "Criteria and procedure for inclusion in a specific "Solidarity Services Invoice" (B' 3274), as applicable. The Network Operator or the Operator of the Non-Interconnected Islands shall keep a register of the bodies which received the Solidarity Services Invoice (hereinafter the Solidarity Services Register), for possible data auditing and automation reasons.
- By virtue of RAE Decision 130/2021, a license for the generation of electricity at Komotini area from a 665 MW combined cycle power plant running of natural gas was granted to PPC SA. The validity period of the license is set at 35 years providing for the operation of the unit until 31.12.2024.
- With the Decision n. ΥΠΕ / ΔΑΠ / 42138/552 (OG Β΄1960 / 14.05.2021), the Regulation of Geothermal Works was approved, which is applied in every infrastructure/land for which the respective rights exist and in which works of research, exploitation or management of geothermal potential are carried out, as well as any other issues related to rational activity, health and safety and environmental protection
- Decision RAE 381A/ 2021 (OG Β΄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.
- 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, the alignment of EU policy with the political mandates of the Green Agreement and EU climate legislation.
- 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.

2. LEGAL FRAMEWORK (CONTINUED)

B. NATURAL GAS MARKET

B1. Natural Gas Market

Auctions for the sale of Natural Gas by DEPA S.A.

- With Decision No 723/21.12.20 (OG B’ 731/25.02.2021) of the Competition Committee the request of DEPA for its exemption from the obligation to implement a program for the supply of natural gas quantities through electronic auctions was accepted.

B2. Natural Gas Networks

National Natural Gas System (NNGS)

- 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.
- RAE Decision 242/2021 (OG BΔ1958 / 14.05.2021) approved the updated list of relevant points of the National Gas Transmission System (NSRF) with the integration of the entry point "Nea Mesimvria".
- With Decision 471/2021 (OG BΔ2697 / 24.06.2021) RAE approved the Distribution of Products of Related Delivery Capacity at the Interconnection Point between the National Gas Transmission System (NSRF) and the TAP pipeline in Nea Mesimvria Gas 2021-2022.
- With RAE Decision 469/2021 (OG BΔ2726 / 25.06.2021), the Annual Planning of Load Balancing Services of ESMFA for the year 2022 was approved, according to the suggestion of DESFA SA.
- With the RAE Decisions 438/2021 (OG B΄3039 / 09.07.2021) and 439/2021 (OG B΄3034 / 09.07.2021) the Gas Compensation Studies of the NSRF were approved and the Compensation of Operational Needs of LNG Installation for the year 2022, as well as how to cover them through tender procedures.

Natural Gas Distribution Network

- By virtue of Decisions RAE 1747/2021, 175/2021 and 177/2021, the company under the name "HELLENIC NATURAL GAS DISTRIBUTION HELLENIC NATURAL GAS DISTRIBUTION COMPANY SOLE SHAREHOLDER SA", "HENGAS SA", was certified as Distributor Network Operator.
- By virtue of RAE Decision 1615/2020 (OG B΄844 / 04.03.2021), the Development Program of the company under the name "Public Enterprise of Gas Distribution Networks S.A." (DEDA) was approved for the period 2021-2025 as the Distribution Network of the Rest of Greece.
- With RAE Decision 216/2021 (OG B΄877/ 05.03.2021), the Preventive Action Plan was approved regarding the measures to ensure the security of supply with natural gas.
- With the Decision RAE 245A / 2021 (Government Gazette B΄2292 / 01.06.2021), the List of Auxiliary and Priced Services of the Distribution Networks of Thessaloniki and Thessaly and their unit prices were approved, according to the provisions of article 13 of the Natural Gas Distribution Network Management Code (B '1507/2018) for the year 2021.
  - With RAE Decision 422/2021 (Government Gazette B΄2794 / 30.06.2021) the First Revision of the Regulation of Measurements of Natural Gas Distribution Networks was approved, due to the issuance of a Distribution Network Management License to the company "HENGAS A.E.".

2. LEGAL FRAMEWORK (CONTINUED)

B3. Other issues of the Natural Gas Market

- By virtue of RAE Decision 214/2021 (OG B' 1249/31.03.2021), the company under the name NRG SUPPLY AND TRADING ENERGY S.A. was appointed as the Gas Supplier of Last Resort for a period of two years.

C1. Electromobility

- Law 4710/2020 "Promotion of electromobility and other provisions" establishes the regulatory framework for the electromobility market and regulates the framework for expanding the use of low and zero emission vehicles and developing the recharging infrastructures (establishment of incentives for electromobility e.g. tax incentives, incentives for licensing units to produce electric vehicles, imposition of an environmental tax and a ban on the importation of old, polluting used vehicles, incentives to create free parking spaces for electric vehicles).

3. SIGNIFICANT EVENTS

Effects of the COVID-19 Pandemic

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.

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. 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. In particular in Greece, during the first half of 2021, a small 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 gas, contributed to the increase of the energy balance cost of both Greece and PPC for this period.

3. SIGNIFICANT EVENTS (CONTINUED)

The overall final economic impact from 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. However in any case, the Group's and the Parent Company's Management monitors constantly the developments of COVID-19 pandemic and evaluates any possible further effects on the operation, financial position and results of the Group and the Parent Company, and stays alert to take further appropriate precautionary measures to safeguard the Group's and the Parent Company's liquidity and business activities.
The actions and estimates made by the Group and the Parent Company are reported in detail in the Annual Financial Report of the year 2020.

Collection of a prepayment from the Greek State for electricity consumption of its entities for the year 2021

On December 30th, 2020 and on February 26th, 2021 according to the Decision of Ministry of Finance 2/82824 ΔΛΤΠ(Α)/ 22.12.2020 (OG B' 5721/24.12.2020), the Greek State paid to the Parent Company the amounts of € 200 mil. and € 390.5 mil. respectively totaling to an advance payment of €590.5 mil., as a prepayment for the electricity consumption of its entities for the year 2021 based on a five year agreement signed with the Greek State on June 14th, 2018. On June 30th, 2021, Contract Liabilities with customers of the Group and the Parent Company are increased by € 201 mil. compared to December 31st, 2020, due to the collection by the Greek State of € 200 mil. on February 26th, 2021, while their settlement is expected within the third quarter of 2021.

Commercial policy

PPC introduces a new Credit Policy, in accordance with the Electricity Supply Code, in the framework of which it intensifies its actions with the ultimate goal of reducing debts and increasing receipts. Finally, it expands and establishes new electronic and telephone bill collection services for the better access of its customers to the collection channels

Already, since the second semester of 2020, Commercial policy has already adapted to the new competitive environment by 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.

3. SIGNIFICANT EVENTS (CONTINUED)

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% are been introduced on energy bills, depending on the tariff.

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.

Issuance of Sustainability-Linked Senior Notes due 2026

The Parent Company raised on March 18th, 2021, through the Offering of senior notes with a sustainability clause, an amount of Euro 650 mil., at a coupon price of 3.875% and maturity in 2026 with an issue price of 100%. On March 24, 2021, through an additional Offering of senior notes with a sustainability clause, the Parent Company raised an amount of Euro 125 mil., at a coupon price of 3.875% and maturity in 2026, with an issue price of 100.75% and an implied yield of 3.672%, which corresponds to savings of 0.205 % compared to the initial coupon.

The Notes were issued pursuant to Article 59, paragraph 2, and Article 74 of Greek law 4548/2018, and Article 14 of Greek law 3156/2003, are governed by New York law and are listed on the Official List of Euronext Dublin. The proceeds from the sustainability-linked senior notes were used for repayment of existing debt, for general corporate purposes and to pay the costs and expenses related to the Offering.

Both Notes have a sustainability clause according to which in case of failure to achieve a reduction of CO_2 emissions allowances by 40% in December 2022 compared to those of December 2019, the interest rate will increase from March 30, 2023 by 0.50%.

New 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 € 34.7 mil. and € 22.2 mil. as of June 30th, 2021 respectively.

3. SIGNIFICANT EVENTS (CONTINUED)

Signing of a Bond Loan Agreement by Iliaka Parka Dytikis Makedonias 1 S.A., a 100% subsidiary of PPC Renewables S.A.

Iliaka Parka Dytikis Makedonias 1 S.A. (100% subsidiary of the 100% subsidiary PPC Renewables S.A.), signed on 8.4.2021 a loan agreement for an amount of € 8.7m in the form of a Greek bond loan for the construction of a 15MW PV park in Ptolemaida, a prefecture in Kozani, a region in Northern Greece. This tranche is part of a broader financing arrangement to construct a PV portfolio of 230 MW total installed capacity in this area, for which National Bank of Greece S.A. and Eurobank S.A. are acting as Bondholders, while the European Investment Bank has been provided the right to also participate in the financing scheme for the total portfolio of 230MW.

Securitization of trade receivables overdue more than 90 days from the sale of electricity

The Parent Company on April 9th, 2021 signed the securitization agreements for trade receivables overdue more than 90 days and until June 30th, 2021 draw the amount of Euro 325,020,000 due on 2026 with interest rate of 6.8% for an amount of securitized trade receivables of nominal amount Euro 1.645 bil. and received also subordinated Bonds amounting to Euro 145.4 mil. with interest rate of 8%. Investors are Carval Investors and Deutsch Bank AG and funds are managed by PIMCO. The issuer of the transaction is PPC Zeus DAC and the servicer is PPC, while Qualco acts as a sub-servicer.

This Program is backed by a portfolio of customer trade receivables under active and non-active contracts with one or more receivables over 90 days past due. The program has a total duration of 5 years and includes a 2 years revolving period and a period of 3 years during which the capital will be repaid from the proceeds of the above receivables (self-amortizing period).

A financial liabitlity has been recognized by the Parent Company towards PPC Zeus DAC, which has been entitled to issue notes of an amount of Euro 325 mil. for the securitization of the abovementioned trade receivables. On June 30th, 2021 the securitized receivables continue to appear in the Statement of Financial Position, as the criteria of IFRS 9 for de-recognition are not met, amounting to Euro 1.645 bil. nominal amount and to Euro 161.7 mil. accounting amount (after provision for expected credit losses). Finally, the criteria of IFRS for the consolidation of the special purpose vehicle PPC Zeus DAC are not met.

Shareholding of 5% of the photovoltaic projects that will be constructed by PPC SA in Western Macedonia and Megalopolis

In May 2021,in the framework of the Sustainable Development policy that PPC has adopted, PPC announced, the participation of the citizens 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%.

3. SIGNIFICANT EVENTS (CONTINUED)

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 additional incentives for 2020 and proportion of 2021 amounted to Euro 2.4 mil. and are included in Payroll Cost in the Statement of Income for the period ended on June 30, 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 4.2.

In the context of the above plans for the free of charge share-based Rights, the Group and the Parent Company are expected to purchase their own shares based on the provisions of article 49 of Law 4548/2018.

4. BASIS OF PREPARATION OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

4.1 BASIS OF PREPARATION

Basis of preparation of financial statements

The accompanying interim condensed consolidated and separate financial statements for the six-month period ended June 30th, 2021 have been prepared in accordance with IAS 34 “Interim Financial Reporting” which determines the form and the content of the interim financial statements. Due to the fact that the accompanying financial statements do not include all the information and disclosures required in the annual financial statement, they should be read in conjunction with the latest annual financial statements as at December 31st, 2020 made publicly available.

The accompanying financial statements have been prepared under the historical cost convention except for tangible fixed assets (excluding mines land and lakes), financial assets that are measured at fair value through other comprehensive income, Derivative financial instruments that are measured at fair and Assets Held for Sale that are measured at the lower of their carrying amount and their fair value less costs to sell assuming that PPC and its subsidiaries will continue as a going concern. The financial statements are presented in thousands of Euro and all values are rounded to the nearest thousand, except when otherwise indicated.

The interim condensed consolidated and separate financial statements for the six-month period ended June 30th, 2021, have been prepared under the going concern principal as Management does not intend to liquidate the Group or the Parent Company or to cease their transactions and under no circumstances is forced to do so.

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

Approval of Financial Statements

The Parent Company’s Board of Directors approved the accompanying financial statements on September 23rd 2021.

4.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The preparation of the interim condensed consolidated financial statements in accordance with IFRS requires the use of significant accounting judgements and estimates. In addition, it requires the exercise of judgment by the Management in the process of application of the accounting principles. Significant estimates from Management for the application of the Company's accounting policies are highlighted where necessary. The estimates and judgments made by Management are described in detail in the financial statements as of December 31, 2020 and are continuously evaluated and based on empirical data and other factors including expectations for future events that are considered to be expected under reasonable circumstances.

The Group proceeded to change the method of calculating the provision for expected credit losses of low voltage customers (Note 15).

4.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

Furthermore, the General Assembly of the Shareholders of June 4, 2021 decided the provision of an additional incentive reward for the 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) (Note 3). As such, the Group and the Parent Company included in their accounting policies the below:

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.

A) New standards, amendments to standards and interpretations adopted

The accounting principles on the basis of which the interim separate and consolidated financial statements were prepared 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 significant impact on the interim condensed separate and consolidated financial statements for the six month period ended June 30th, 2021. Moreover, new standards, amendments to standards and interpretations were published that are compulsory for accounting periods commencing on January 1st, 2021 and thereafter.

4.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

- **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. Furthermore, the amendments to IFRS 4 are designed to allow insurers who are still applying IAS 39 to obtain the same reliefs as those provided by the amendments made to IFRS 9. 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.

- **Decision of the IFRS Interpretations Committee, on "Allocation of service benefits (IAS 19)":**

The Committee for the Interpretation of International Financial Reporting Standards issued in May 2021 the final decision on its agenda entitled "Distribution of benefits in periods of service (IAS 19)" (which includes explanatory material regarding the distribution of benefits in periods of service) defined benefit plan analogous to that defined in article 8 of L.3198 / 1955 as regards the provision of compensation due to retirement (the "Scheduled Benefits Program of Labor Law"). This explanatory information differentiates the way in which it was applied in Greece in the past, the basic principles and rules of IAS 19 in this regard, and therefore, in accordance with the provisions of the “IASB Due Process Handbook (para. 8.6)”, entities that prepare their financial statements in accordance with IFRS are required to amend their Accounting Policy accordingly.

4.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

Based on the above, the final decision of the Committee's agenda will be treated as a Change in Accounting Policy. The adoption of the above decision will be made in accordance with paragraphs 19-22 of IAS 8. The Group examines the effects of this decision in order to complete its assessment by the end of the year, in order to reflect retrospectively the effects on its financial statements as at 31 December 2021.

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 2 Statement of Practice: Disclosure of Accounting Policies (Amendments)**

  The Amendments apply to annual periods beginning on or after 1 January 2023 with earlier application permitted. The amendments provide guidance on the application of material crises to accounting policy disclosures. In particular, amendments to IAS 1 replace the requirement to disclose "significant" accounting policies with the requirement to disclose "material" accounting policies. Instructions and illustrative examples are also added to the Practice Statement to assist in applying the concept of materiality to judgements made in the accounting policy disclosures. The amendments have not yet been adopted by the European Union. The Group is in the process of assessing the impact of the application of these amendments to its financial statements.

- **IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (Amendments)**

  Amendments take effect for annual reference periods beginning on or after 1 January 2023 with earlier application permitted and applicable to changes in accounting policies and changes in accounting estimates made on or after the beginning of this period. The amendments introduce a new definition of accounting estimates, defined as monetary amounts in financial statements that are subject to measurement uncertainty.

  The amendments also clarify what changes in accounting estimates are and how they differ from changes in accounting policies and error corrections. The amendments have not yet been adopted by the European Union. The Group is in the process of assessing the impact of the application of the amendments to its financial statements.

4.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

- **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 Group is in the process of assessing the effect of applying the amendments to its financial statements.

- **IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (Amendments)**
  The amendments are effective for annual reporting periods beginning on or after January 1, 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. The Group is in the process of assessing the effect of applying 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 recognize such sales proceeds and related cost in profit or loss.

4.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

- **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 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 Management of the Group will examine its earlier application, if there are effects related to COVID-19 on its leases.

- **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.

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

5. REVENUES AND SEASONALITY OF OPERATIONS

Revenues are analyzed as follows:

	Group		Company	
	01.01.2021 - 30.06.2021	**01.01.2020 - 30.06.2020**	**01.01.2021 - 30.06.2021**	**01.01.2020 - 30.06.2020**
Electricity and natural gas sales				
- High voltage	202,943	186,391	191,962	173,763
- Medium voltage	210,795	218,748	212,165	219,961
- Low voltage	1,432,803	1,511,296	1,432,829	1,511,304
- Renewable Energy Sources	8,659	6,722	-	-
- Revenues from natural gas sales	765	316	765	316
	1,855,965	**1,923,473**	**1,837,721**	**1,905,344**
- Customers' contributions	45,141	43,932	124	124
- Public Service Obligations	26,082	80,138	26,082	80,237
- Distribution Network Revenues	122,985	96,565	-	-
- Income from the sale of electricity from NII thermal units	120,310	82,523	120,310	82,523
- Other	22,956	22,949	20,872	22,102
	337,474	**326,107**	**167,388**	**184,986**
Total from Continuing Operations	**2,193,439**	**2,249,580**	**2,005,109**	**2,090,330**
- Discontinued Operations	-	-	49,055	47,477
Total	**2,193,439**	**2,249,580**	**2,054,164**	**2,137,807**

Seasonality of operations

PPC's operation is subject to seasonality due to the increased demand for electricity during the summer and winter months, a trend which is not reflected in its operating results as these are affected by external factors (e.g. fuel prices, hydrological conditions etc.).

6. DISCONTINUED OPERATIONS (DISTRIBUTION NETWORK)

On December 15th 2020, PPC's Board of Directors approved the Invitation to submit an Expression of Interest (EoI) for the sale of a minority stake of PPC's participation to the 100% subsidiary HEDNO S.A., 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 February 19th, 2021, the first phase of the Tender process for the acquisition of the 49% of HEDNO's share capital was completed. On April 6th,2021, the Parent Company completed the process of reviewing the submitted expressions of interest and invited the nine parties selected, to participate in the second phase of the process. In the second phase, the qualified parties provided access and conducted a due diligence, with the aim to submit binding financial offers for the acquisition of the 49% of the share capital of HEDNO.

6. DISCONTINUED OPERATIONS (DISTRIBUTION NETWORK) (CONTINUED)

For the completion of this transaction, a spin-off of PPC's Distribution network branch and contribution to its 100% subsidiary HEDNO will take place, for an exchange of new shares pursuant to 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).
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.
The Board of Directors, with its relevant Decisions on June 15, 2021 and on June 29, 2021, has approved the date of the spin-off of the Distribution network branch, the Accounting Statement of Transformation, the Valuation Report prepared by two certified Auditors-accountants, the Draft Demerger Deed and the Report to the General Meeting of the shareholders, all of which have already been posted on the website of the General Commercial Register. The date of the spin-off of the Distribution network branch was set on March 31, 2021.

Following the spin-off process, HEDNO's share capital will be increased by the fair value of PPC's contributed net assets which was determined at Euro 953,662,960 by the June 29, 2021 Valuation Report of the assets and liabilities of the Distribution Network branch as of March 31, 2021.
With the completion of the spin-off, HEDNO will proceed with the issuance of new shares, that will be granted to PPC. Consequently, a transfer will follow to the preferred investor of the 49% minority stake of PPC's shareholding to HEDNO. This transfer will not affect PPC's control over its subsidiary according to relevant provisions of IFRS 10.

The Board of Directors has determined that the spin-off of the Distribution Network branch and its contribution to HEDNO will only take place pursuant to the approval of the sale transaction to the preferred investor of the 49% of HEDNO's shares, by the competent corporate Bodies and the General Meeting of the Shareholders, which will decide for both the sale and the spin-off of the Distribution Network branch.
Based on the above, the Group's and the Parent Company's Management has classified on December 31,2020 the Assets and Liabilities of the Distribution Network branch as assets Held for Sale (Discontinued Operations) only to its separate financial statements, as on Group level the value of the distributed net Assets and the net assets of the 100% subsidiary HEDNO, is expected to be recovered through their continuing use by the Group rather than through the sale transaction proceeds of the 49% on HEDNO's shareholding.

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

6. DISCONTINUED OPERATIONS (DISTRIBUTION NETWORK) (CONTINUED)

Pursuant to IFRS 5 para 15, on June 30, 2021 and on December 31, 2020 before the classification of the contributed net assets of the Distribution Network as “Held for Sale”, an impairment assessment was carried out, in order to be measured at the lower of their carrying amount and their recoverable amount, which is the fair value less costs to sell. The impairment test was carried out through a valuation by an independent valuator using the discounted cash flow method. The carrying values of net assets were lower than their recoverable amount and therefore no adjustment was made.

Furthermore, due to the classification of the assets and liabilities of the Distribution Network as Assets held for sale, the contributed assets and liabilities are presented as of June 30, 2021 and December 31, 2020 in the separate statement of the financial position in the current assets and liabilities as ‘’Assets and Liabilities Held for Sale’’ and in the separate Income Statement as of June 30, 2021 and 2020 as results from ‘’Discontinued Operations’’ as the criteria of IFRS 5 are met.

As of June 30th, 2021 the contributed property, plant and equipment as well as the contributed Subsidies are presented in the Statement of Financial Position at their net book value without accounting for their depreciation and amortization for the first semester of 2021 in accordance with the provisions of IFRS 5. If the Parent Company had accounted for depreciation and amortization, those would amount to Euro 131,684,133.34 for property, plant and equipment and to euro (1,025,300.69) for the subsidies.

Below we present a table of total assets and liabilities Held for Sale of the Parent Company as of June 30th, 2021 and December 31st, 2020:

Parent Company	**Note**	**30.06.2021**	**31.12.2020**
Assets			
Non- Current Assets			
Property, plant and equipment, net		4,647,440	4,562,397
Intangible assets, net		-	-
		4,647,440	**4,562,397**
Current Assets			
Trade Receivables		-	992
Other receivables		34,602	**-**
		34,602	**992**
Total Assets		**4,682,042**	**4,563,389**
Non – Current Liabilities :			
Long - term borrowings	12	1,303,315	1,375,365
Deferred tax liabilities		396,041	587,550
Contract liabilities		1,845,550	1,823,290
Subsidies of Property, plant and equipment		37,045	37,045
		3,581,951	**3,823,250**
Current Liabilities :			
Trade and other payables		34,767	1,943
Accrued and other liabilities		-	(33,717)
Current portion of long - term borrowings	12	141,364	149,697
Current Liabilities :		**176,131**	**117,923**
Total Liabilities		**3,758,082**	**3,941,173**
Net Assets		**923,960**	**622,216**

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

6. DISCONTINUED OPERATIONS (DISTRIBUTION NETWORK) (CONTINUED)

In the separate financial statements of the Parent Company, the trade receivables, other receivables and trade and other payables with the subsidiary HEDNO S.A. are presented net (after netting).

Cash flow on assets Held for Sale is stated in the following table:

	01.01.2021-30.06.2021
Profit before tax from discontinued operations	144,102
Cash flow from operational activities	9,653
Cash flow from expenditure activities	(5,257)
Cash flow from financing activities	(105,349)
Total	**43,149**

7. INCOME TAXES (CURRENT AND DEFERRED)

	Group		Company	
	30.06.2021	**30.06.2020**	**30.06.2021**	**30.06.2020**
Current income taxes	2,652	852	-	-
Deferred income tax	(15,818)	21,039	(18,321)	22,630
Total income tax	**(13,166)**	**21,891**	**(18,321)**	**22,630**

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 June 30th, 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".

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

7. INCOME TAXES (CURRENT AND DEFERRED) (CONTINUED)

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 audit for the issuance of the tax certificate for the year 2020 is in progress, while the Management estimates that no additional tax liabilities are expected for the Group and the Parent Company that will have a significant impact on the financial statements until its issuance.

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	2015
PPC Renewables S.A.	Greece	2015
HEDNO S.A.	Greece	2015
Arkadikos Ilios 1 S.A.	Greece	2015
Arkadikos Ilios 2 S.A.	Greece	2015
Iliako Velos 1 S.A.	Greece	2015
Amalthia Energiaki S.A.	Greece	2015
SOLARLAB S.A.	Greece	2015
Iliaka Parka Ditikis Makedonias 1 S.A.	Greece	2015
Iliaka Parka Ditikis Makedonias 2 S.A.	Greece	2015
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 ENERGIAKH S.A.	Greece	2015
Geothermikos Stochos SOLE SHAREHOLDER S.A.	Greece	2017
Geotherminkos Stochos 2 SOLE SHAREHOLDER S.A.	Greece	2020
WINDARROW MOUZAKI ENERGY S.A.	Greece	2018
EDS AD Skopje	Republic of North Macedonia	2012
EDS DOO Belgrade	Serbia	2016
EDS International SK SRO	Slovakia	2012
EDS International KS LLC	Kosovo	2016
LIGNITIKI MELITIS S.A.	Greece	2018
LIGNITIKI MEGALOPOLIS S.A.	Greece	2018

For the unaudited tax years the Group establishes a provision on the basis of the findings of prior tax audits

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

8. INVESTMENTS IN SUBSIDIARIES

The direct subsidiaries of the Parent Company and the value of the investment are as follows:

	Company	
	30.06.2021	**31.12.2020**
HEDNO S.A.	56,982	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	6,600	6,600
LIGNITIKI MELITIS S.A.	-	-
LIGNITIKI MEGALOPOLIS S.A.	-	-
	221,611	**221,611**

The consolidated financial statements include the financial statements of PPC and its subsidiaries (full consolidation).

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 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.

On June 30th, 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.

8. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

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 the first half of 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 June 30th, 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 €12.2 mil. and € 30.0 mil. as of June 30th, 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 €38.0 mil. and € 51.2 mil. as of June 30th, 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 period ended on June 30th, 2021 are reduced (income) by €31.0 mil. (30.06.2020: income €71.2 mil.).

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

8. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The subsidiaries of the Group are as follows:

	Ownership Interest		Country and Year	
Subsidiaries	**30.06.2021**	**31.12.2020**	**of Incorporation**	**Principal Activities**
PPC Renewables S.A.	100%	100%	Greece, 1998	RES
HEDNO S.A.	100%	100%	Greece, 1999	HEDN
Arkadikos Ilios 1 S.A.	100%	100%	Greece, 2007	RES
Arkadikos Ilios 2 S.A.	100%	100%	Greece, 2007	RES
Iliako Velos 1 S.A.	100%	100%	Greece, 2007	RES
Amalthia Energiaki S.A.	100%	100%	Greece, 2007	RES
SOLARLAB S.A.	100%	100%	Greece, 2007	RES
Iliaka Parka Ditikis Makedonias 1 S.A.	100%	100%	Greece, 2007	RES
Iliaka Parka Ditikis Makedonias 2 S.A.	100%	100%	Greece, 2007	RES
PPC FINANCE PLC	100%	100%	UK, 2009	Financing Services
PPC Bulgaria JSCo	85%	85%	Bulgaria, 2014	Supply of electricity
PPC Elektrik Tedarik Ve Ticaret A.S.	100%	100%	Turkey, 2014	Supply of electricity
PHOIBE ENERGIAKI S.A	100%	100%	Greece, 2007	RES
PPC ALBANIA	100%	100%	Albania, 2017	Supply of electricity
GEOTHERMIKOS STOCHOS SOLE SHAREHOLDER COMPANY S.A.	100%	100%	Greece, 2017	RES
GEOTHERMIKOS STOCHOS II SOLE SHAREHOLDER COMPANY S.A. *	100%	100%	Greece, 2020	RES
WINDARROW MOUZAKI ENERGY S.A.	100%	100%	Greece, 2018	RES
EDS AD Skopje	100%	100%	Republic of North Macedonia, 2012	Supply of electricity
EDS DOO Belgrade	100%	100%	Serbia, 2016	Supply of electricity
EDS International SK SRO	100%	100%	Slovakia, 2012	Supply of electricity
EDS International KS LLC	100%	100%	Kosovo, 2016	Supply of electricity
LIGNITIKI MELITIS SOLE SHAREHOLDER COMPANY S.A.	100%	100%	Greece, 2018	Generation of electricity
LIGNITIKI MEGALOPOLIS SOLE SHAREHOLDER COMPANY S.A.	100%	100%	Greece, 2018	Generation of electricity

**On July 27th, 2020, the 100% subsidiary "Geothermikos Stochos II Sole Shareholder Geothermal Power Company S.A.", was established with a share capital of €25,000.*

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

9. INVESTMENTS IN ASSOCIATES

The Group's and the Parent Company's associates as of June 30th, 2021 and December 31st, 2020 are as follows (equity method):

	Group		Company	
	30.06.2021	31.12.2020	30.06.2021	31.12.2020
PPC Renewables ROKAS S.A.	2,310	2,238	-	-
PPC Renewables TERNA Energiaki S.A.	2,372	2,601	-	-
PPC Renewables NANKO Energy – MYHE Gitani S.A.	2,460	1,888	-	-
PPC Renewables MEK Energiaki S.A.	424	625	-	-
PPC Renewables ELTEV AIFOROS S.A.	2,629	2,468	-	-
PPC Renewables EDF EN GREECE S.A.	7,659	7,256	-	-
Aioliko Parko LOYKO S.A.	6	7	-	-
Aioliko Parko MBAMBO VIGLIES S.A.	5	6	-	-
Aioliko Parko KILIZA S.A.	11	12	-	-
Aioliko Parko LEFKIVARI S.A.	8	9	-	-
Aioliko Parko AGIOS ONOUFRIOS S.A.	15	16	-	-
OROS ENERGIAKI L.T.D.	320	224	-	-
GREENESCO ENERGIAKI S.A.	288	-	-	-
VOLTERRA LYKOVOUNI SOLE SHAREHOLDER COMPANY S.A.	8,969	8,112	-	-
VOLTERRA K-R SOLE SHAREHOLDER COMPANY S.A.	8,272	8,575	-	-
BALIAGA IKE	792	-	-	-
TEIXIO IKE	825	-	-	-
PIVOT SOLAR SOLE SHAREHOLDER COMPANY IKE	953	-	-	-
WASTE SYCLO S.A.	23	26	37	37
Total	**38,341**	**34,063**	**37**	**37**

The full list of the Group's and the Parent Company's associates are as follows:

Associates	Note	Ownership Interest 30.06.2021	Ownership Interest 31.12.2020	Country and year of Incorporation	Principal Activities
PPC Renewables ROKAS S.A.		49.00%	49.00%	Greece, 2000	RES
PPC Renewables TERNA Energiaki S.A.		49.00%	49.00%	Greece, 2000	RES
PPC Renewables NANKO Energy – MYHE Gitani S.A.		49.00%	49.00%	Greece, 2000	RES
PPC Renewables MEK Energiaki S.A.		49.00%	49.00%	Greece, 2001	RES
PPC Renewables ELTEV AIFOROS S.A.		49.00%	49.00%	Greece, 2004	RES
PPC Renewables EDF EN GREECE S.A.		49.00%	49.00%	Greece, 2007	RES
EEN VOIOTIA S.A.	1	46.56%	46.56%	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
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
BALIAGA IKE	3	45.00%	-	Greece, 2020	RES
TEIXIO IKE	3	45.00%	-	Greece, 2020	RES
PIVOT SOLAR SOLE SHAREHOLDER COMPANY IKE	3	45.00%	-	Greece, 2021	RES

1. It is consolidated by the affiliated company PPC Renewables EDF EN GREECE SA, as it participates with a percentage of 95% in its share capital
2. The Subsidiary of PPC Renewables SA, AMALTHIA ENERGY SA acquired 49% of this company.
3. The participation of PPC Renewables SA in the above companies started to exist from 7/5/2021 under a contract.

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

10. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

The Parent Company's balances with its subsidiaries as of June 30th, 2021 and December 31st, 2020 are as follows:

	June 30, 2021		December 31, 2020	
	Receivables	**(Payables)**	**Receivables**	**(Payables)**
Subsidiaries				
PPC Renewables S.A.	1,634	-	1,275	-
HEDNO S.A.	549,273	(706,164)	496,022	(681,929)
LIGNITIKI MEGALOPOLIS S.A.	38,202	(216)	51,957	(709)
LIGNITIKI MELITIS S.A.	12,226	-	30,002	-
PPC Finance Plc.	-	(42)	-	(37)
PPC Elektrik	455	-	649	-
PPC Bulgaria JSCO	-	(997)	-	(1,537)
PPC Albania	-	-	-	-
EDS AD Skopje	3,983	(140)	395	(142)
Total	**605,773**	**(707,559)**	**580,300**	**(684,354)**

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

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

On June 30th, 2021, the Parent Company recognized a provision for expected credit losses on trade receivables for the subsidiaries "Lignitiki Megalopolis S.A." and "Lignitiki Melitis S.A." amounting to €38.0 mil. (31.12.2020: €51.2 mil.) and €12.2 mil. (31.12.2020: €30.0.0 mil.) respectively.

On March 19th 2021, the Parent Company signed a loan agreement with the 100% subsidiary Energy Deliver Solutions (AD) JSK Skopje amounting to €3.7 mil. with an interest rate of 3.8% maturing on June 30th, 2021 which was drawn by the subsidiary at the same date. On August 3, 2021 this financial liability towards the Parent Company was capitalized, increasing the subsidiary's share capital.

PPC's transactions with its subsidiaries for the period ended June 30th, 2021 and June 30th, 2020, respectively, are as follows:

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

10. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

	June 30, 2021		June 30, 2020	
	Invoiced to	Invoiced from	Invoiced to	Invoiced from
Subsidiaries				
PPC Renewables S.A.	1,385	-	1,087	-
HEDNO S.A.	791,040	(837,080)	848,137	(906,735)
LIGNITIKI MEGALOPOLIS S.A.	41,792	(583)	25,606	(256)
LIGNITIKI MELITIS S.A.	14,747	-	3,954	-
PPC Finance Plc	-	(13)	-	(3)
PPC Elektrik	8	(1,588)	268	(3,310)
PPC Bulgaria JSCO	105	(10,688)	-	(16,478)
PPC Albania	-	-	-	-
EDS AD Skopje	177	(322)	60	(67)
Total	**849,254**	**(850,274)**	**879,112**	**(926,849)**

Guaranties in favor of subsidiaries

As of June 30th, 2021, the Parent Company has provided a guarantee for a total credit line of up to €8 mil., through overdraft facilities, out of which PPC Renewables S.A. has used an amount of €447.0 thousands relating to letters of guarantee.

As of June 30th, 2021, the Parent Company provided guarantees, in respect of credit lines of the subsidiary Energy Delivery Solutions EDS AD (EDS) that amounted to €16.0 mil. for working capital needs. EDS Group has used from the above mentioned credit lines an amount of €9.8 mil.

As of June 30th, 2021, the Parent Company provided a corporate guarantee to EDS for the electricity supplier Energy Financing Team AG - St Gallen amounting to up to €2.0 mil., while from August 1st, 2021 this guarantee increased to the amount of up to €3.5 mil. From August 1st, 2021, the Parent Company provided a corporate guarantee to EDS for electricity supplier Alpik Energija amounting to up to €1.5 mil.

Moreover, as of June 30th, 2021 the Parent Company provided a corporate guarantee to PPC Bulgaria for electricity suppliers Alpik Energy and CEZ for an amount up to €2,215,080 and € 371,520 respectively.

Material Transactions and balances with other companies into which the Greek State participates

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

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

10. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

	1.1.2021 – 30.06.2021		1.1.2020 – 30.06.2020	
	Invoiced to	Invoiced from	Invoiced to	Invoiced from
ELPE	7,859	(43,423)	22,290	(38,796)
DEPA	61	(178,758)	178	(67,096)
DAPEEP S.A.	78,507	(175,588)	119,864	(250,133)
HEnEx S.A.	-	(1,911)	309,392	(702,073)
IPTO S.A.	1,812	(56,446)	105,133	(222,283)
ENEXCLEAR S.A.	846,125	(1,243,747)	-	-
LARCO S.A.	15,815	-	(17,465)	(1,044)

	June 30, 2021		December 31, 2020	
	Receivables	(Payables)	Receivables	(Payables)
ELPE	21,759	(22,286)	23,382	(21,499)
DEPA	-	(33,796)	-	(30,108)
DAPEEP S.A.	107,348	(299,136)	111,873	(430,562)
HEnEx S.A.	-	(13)	5	(8)
IPTO S.A.	102,365	(172,306)	154,375	(269,000)
ENEXCLEAR S.A.	8,548	(13,807)	8,552	(9,594)
LARCO S.A.	363,846	-	362,986	-

PPC’s total receivables from LARCO S.A., relating to electricity bills, are fully provided for.

In addition to the above-mentioned transactions, PPC enters into commercial transactions with many state-owned entities, both profit and non for profit, within its normal course of business (sale of electricity, services received, etc.). All transactions with state-owned entities are performed at arm’s length terms and are not disclosed, with the exception of transactions that the Group and the Parent Company enter into with the Hellenic Corporation of Assets and Participations S.A. (HCAP S.A.) and the companies in which HCAP S.A. participates.
The Group’s and the Parent Company’s balances as of June 30th, 2021 and December 31st, 2020 with HCAP S.A. and the companies, in which HCAP S.A. participates, are presented below:

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

10. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

	GROUP June 30, 2021		COMPANY June 30, 2021	
	Receivables	(Payables)	Receivables	(Payables)
ATHENS INTERNATIONAL AIRPORT S.A.	992	(11)	970	(11)
ELTA S.A.	2,183	(2,451)	-	(2,451)
ELTA COURIER S.A.	2	(144)	1	(121)
EYDAP S.A.	4,176	(13)	4,176	-
ETVA INDUSTRIAL PARKS S.A.	321	(5)	321	-
THESSALONIKI INTERNATIONAL FAIR S.A.	87	-	87	-
ODIKES SYNGKOINONIES S.A.	9,077	(1)	9,077	-
PUBLIC PROPERTIES COMPANY S.A.	5,007	(2)	5,007	-
URBAN RAIL TRANSPORT S.A.	57,796	-	57,796	-
C.M.F.O. S.A.	10	-	10	-
O.A.S.A. S.A.	8	-	8	-
E.Y.A.TH. S.A.	2,528	-	2,527	-
A.E.DI.K	1	-	1	-
EYDAP NISON	1	-	1	-
MARINA ZEAS	1	-	1	-
HELLENIC SALTWORKS S.A.	7	-	7	-
TOTAL	**82,197**	**(2,627)**	**79,990**	**(2,583)**

	GROUP December 31, 2020		COMPANY 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 OF INDUSTRIAL PARK OF KASTORIA	1	-	1	-
A.E.DI.K	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)**

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

10. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

The Group's and the Parent Company's transactions as of June 30th, 2021 and June 30th, 2020 with HCAP S.A. and the companies, in which HCAP S.A. participates, are presented below:

	GROUP		COMPANY	
	1.01.2021 – 30.06.2021		1.01.2021 – 30.06.2021	
	Invoiced to	Invoiced from	Invoiced to	Invoiced from
HCAP S.A.	8	-	8	-
ATHENS INTERNATIONAL AIRPORT S.A.	1,995	(25)	1,887	(25)
ELTA S.A.	8,403	(8,340)	2	(5,762)
ELTA COURIER S.A.	1	(141)	4	(103)
EYDAP S.A.	8,907	(51)	8,848	(39)
ETVA INDUSTRIAL PARKS S.A.	490	(11)	490	(9)
THESSALONIKI INTERNATIONAL FAIR S.A.	291	-	291	-
ODIKES SYNGKOINONIES S.A.	1,498	(5)	1,498	-
PUBLIC PROPERTIES COMPANY S.A.	764	(2)	685	-
URBAN RAIL TRANSPORT S.A.	9,199	-	9,199	-
C.M.F.O. S.A.	506	-	506	-
O.A.S.A. S.A.	18	-	18	-
E.Y.A.TH. S.A.	5,824	(5)	5,820	-
HELLENIC SALTWORKS S.A.	76	-	76	-
MANAGEMENT OF INDUSTRIAL PARK OF KASTORIA	2	-	2	-
GAIAOSE S.A.	7	-	7	-
A.E.DI.K	8	-	8	-
TOTAL	**37,997**	**(8,580)**	**29,349**	**(5,938)**

	GROUP		COMPANY	
	1.01.2020 – 30.06.2020		1.01.2020 – 30.06.2020	
	Invoiced to	Invoiced from	Invoiced to	Invoiced from
HCAP S.A.	7	-	7	-
ATHENS INTERNATIONAL AIRPORT S.A.	1,145	(53)	1,037	(53)
ELTA S.A.	8,265	(9,469)	21	(7,411)
ELTA COURIER S.A.	4	(90)	3	(42)
EYDAP S.A.	8,171	(79)	8,138	(58)
ETVA INDUSTRIAL PARKS S.A.	453	(9)	453	(9)
THESSALONIKI INTERNATIONAL FAIR S.A.	364	(2)	364	(2)
ODIKES SYNGKOINONIES S.A.	1,424	(7)	1,424	-
PUBLIC PROPERTIES COMPANY S.A.	886	-	886	-
URBAN RAIL TRANSPORT S.A.	8,594	-	8,594	-
C.M.F.O. S.A.	477	-	477	-
O.A.S.A. S.A.	17	-	17	-
CENTRAL MARKET OF THESSALONIKI S.A.	91	-	91	-
E.Y.A.TH. S.A.	5,763	(3)	5,763	-
HELLENIC SALTWORKS S.A.	71	-	71	-
MANAGEMENT OF INDUSTRIAL PARK OF KASTORIA	4	-	4	-
GAIAOSE S.A.	1	-	1	-
A.E.DI.K	9	-	9	-
TOTAL	**35,746**	**(9,712)**	**27,360**	**(7,575)**

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

10. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

Management remuneration

Management Members remuneration (Board of Directors' members and General Managers) for the periods ended on June 30th, 2021, and June 30th, 2020, is as follows:

	GROUP Amounts in '000 €		COMPANY Amounts in '000 €	
	30.06.2021	**30.06.2020**	**30.06.2021**	**30.06.2020**
Remuneration of the Board of Directors' members				
- Remuneration of executive members	472	350	240	218
- Remuneration of non-executive members	182	165	-	-
-Compensation / Extraordinary fees / Other Benefits	608	102	591	76
- Employer's Social Contributions	118	111	41	40
	1,380	**728**	**872**	**334**
Remuneration of the Deputy Chief Executive Officers and General Managers				
- Regular remuneration	963	522	702	439
- Employer's Social Contributions	160	104	117	86
-Compensation / Extraordinary fees	1,179	-	1,179	-
	2,302	**626**	**1,998**	**525**
Total	**3,682**	**1,354**	**2,870**	**859**

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

Remuneration of the members of the Board of Directors, the Deputy Chief Executive Officers and General Managers as of June 30th 2021 includes the additional incentives for 2020 and proportion of 2021 amounting to € 1.7 mil. based on the new remuneration policy that was approved by the Shareholders' Extraordinary General Meeting on June 4th 2021. Moreover, the provision of an additional incentive reward was approved in the form of free of charge equity settled stock awards. 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 (Note 3). The accounting policy that was adopted by the Group and the Parent Company is presented in Note 4.2.

11. SHARE CAPITAL

Under Law 2773/1999 and P.D. 333/2000, PPC was transformed, into a société anonyme.

On June 30th, 2021 and December 31st, 2020 PPC's share capital amounted to €575,360 divided into 232,000,000 common shares of a nominal value of Euro two and forty-eight cents (€2.48) each.

On June 30th, 2021 and December 31st, 2020 the Hellenic Corporation of Assets and Participations S.A. (HCAP) holds directly 34.123% of PPC's shares and indirectly 17% through HRADF.

The total percentage of voting rights of HCAP S.A. is 51.123%. The total percentage of the Greek State, remains indirectly, as above to 51.123%.

12. LOANS AND BORROWINGS

During the period January 1st, 2021 to June 30th, 2021, the Parent Company proceeded to debt repayments of loan installments amounting to €763.7 mil. (out of which €80.5 mil. concerned the Liabilities Held for Sale), including an amount of €37.5 mil. as a prepayment of future loan installments due to the drawdown of €150.0 mil. resulting from the securitization of trade receivables from electricity sales and €575.0 mil. as an early payment of future loan installments from the proceeds of the Sustainability-Linked Senior Notes due 2026 that amounted to €775.0 mil.

During the period January 1st, 2021 to June 30th, 2021 the subsidiary PPC Renewables S.A. proceeded to debt repayments of loan installments amounting to €1.1 mil.

During the period January 1st, 2021 to June 30th, 2021, the Parent Company, drew an amount of €2.6 mil. from a Bond Loan of a total amount of €680.0 mil., with a consortium of foreign banks supported by the German Export Credit Insurance Organization ''Euler Hermes'', for financing part of the construction cost of the new Lignite Unit "Ptolemaida V".

During the period January 1st, 2021 to June 30th, 2021, the Parent Company proceed with loan modifications and as a result a gain of €11.5 mil. was recognized, which is included in financial income.

A further analysis of the long term borrowing of the Group and the Parent Company is presented in the table below:

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

12. LOANS AND BORROWINGS (CONTINUED)

	GROUP		COMPANY	
	30.06.2021	**31.12.2020**	**30.06.2021**	**31.12.2020**
- Bank Loans	2,025,157	2,128,863	1,940,158	2,043,862
- Bonds Payable	2,093,766	1,982,627	2,079,148	1,971,153
Unamortized portion of loans issuance fees & Loss from the loan modifications	(82,890)	(84,235)	(82,890)	(84,235)
Transfers to Liabilities Held for Sale (Note 6)	-	-	(1,444,679)	(1,525,062)
Total Long-Term Borrowing	**4,036,033**	**4,027,255**	**2,491,737**	**2,405,718**
Less current portion:				
- Bank Loans	280,682	289,015	280,682	289,015
- Bonds Payable	157,532	274,216	157,542	274,226
Unamortized portion of loans issuance fees & Loss from the loan modifications	(16,521)	(16,429)	(16,521)	(16,429)
Transfers to Liabilities Held for Sale (Note 6)	-	-	(141,364)	(149,697)
Total Short-Term portion of loans and borrowings	**421,693**	**546,802**	**280,339**	**397,115**
Total Long- Term portion of loans and borrowings	**3,614,340**	**3,480,453**	**2,211,398**	**2,008,603**

Credit rating of PPC from rating agencies

On June 30th, 2021, PPC's credit rating from S&P is set to "B+" with positive outlook, from Fitch to "BB-" with stable outlook and from ICAP to "D".

Compliance with financial ratios

On June 30th, 2021, the Group is in compliance with the financial ratios included in its loan agreements.

13. FAIR VALUE AND FAIR VALUE HIERARCHY

Fair value and fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuing technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value and are not based on observable market data.

During the reporting period there were no transfers between level 1 and level 2 fair value measurement, and no transfers into and out of level 3 fair value measurement.

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

13. FAIR VALUE AND FAIR VALUE HIERARCHY (CONTINUED)

The following tables compare the carrying amount of the Group's and the Parent Company's financial assets that are carried at amortized cost and their fair value:

	Carrying amount		**Fair value**	
Group	**30.06.2021**	**31.12.2020**	**30.06.2021**	**31.12.2020**
Financial Assets				
Trade receivables	885,765	708,679	885,765	708,679
Restricted cash	50,597	58,702	50,597	58,702
Cash and cash equivalents	1,186,552	815,640	1,186,552	815,640
Financial Liabilities				
Long-term borrowings	4,036,033	4,027,255	4,036,033	4,027,255
Long- term financial liabilities from the securitization of trade receivables	318,520	123,465	318,520	123,465
Trade payables	1,193,814	1,428,758	1,193,814	1,428,758
Short- term financial liabilities from the securitization of trade receivables	158,470	11,688	158,470	11,688
Short-term borrowing	9,689	42,152	9,689	42,152

	Carrying amount		**Fair value**	
Parent Company	**30.06.2021**	**31.12.2020**	**30.06.2021**	**31.12.2020**
Financial Assets				
Trade receivables	719,715	554,619	719,715	554,619
Restricted cash	42,454	52,803	42,454	52,803
Cash and cash equivalents	907,788	626,940	907,788	626,940
Financial Liabilities				
Long-term borrowings	2,491,737	2,405,718	2,491,737	2,405,718
Long-term financial liabilities from the securitization of trade receivables	318,520	123,465	318,520	123,465
Trade payables	876,173	1,171,262	876,173	1,171,262
Short- term financial liabilities from the securitization of trade receivables	158,470	11,688	158,470	11,688
Short-term borrowing	-	30,000	-	30,000

The fair value of trade receivables and trade payables approximates their carrying amounts.
The fair value of the remaining financial assets and financial liabilities is based on future cash flows discounted using either direct or indirect observable inputs and are included in Level 2 of the fair value hierarchy.

As of June 30th, 2021, the Group and the Parent Company held the following financial instruments measured at fair value:

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

13. FAIR VALUE AND FAIR VALUE HIERARCHY (CONTINUED)

	Carrying amount		Fair value Hierarchy
Financial Assets	**30.06.2021**	**31.12.2020**	
Group			
Financial Assets at fair value through Other Comprehensive Income	711	866	Level 1
Derivative Financial Instruments	54,637	4,803	Level 1
Parent Company			
Financial Assets at fair value through Other Comprehensive Income	554	646	Level 1
Derivative Financial Instruments	54,637	4,803	Level 1

There were no transfers between Level 1 and 2 fair value hierarchy, and transfers to / from Level 3 fair value measurement of financial receivables and liabilities for the six month period ended June 30th, 2021.

14. COMMITMENTS, CONTINGENCIES AND LITIGATION

OWNERSHIP AND INSURANCE OF PROPERTY

1. The National Cadastral process is in progress. The Parent Company has already completed its Real Estate's recording. Those properties are recorded in total in the Land Registries throughout Greece in the Cadastral Offices and at the same time the Cadastral process is monitored, and all pending issues from this process are settled (it has been completed for about 50% of the Country). In this context, 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 Cadastral), where the Company owns a significant number of properties.

2. 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 case of non-prosperity, for the properties in question, PPC has the right till December 2021 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, process which had been suspended due to pandemic, while it started again in northern Greece.

3. Agricultural land acquired by the Parent Company through expropriation in order to be used for the construction and operation of hydroelectric power plants, must be transferred to the State at no charge, following a decision of the Parent Company's Board of Directors and a related approval by the Ministry of Development, if such land is no longer needed by the Parent Company for the fulfilment of its purposes according to article 9, of Law 2941/01.

14. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

4. According to article 168 par.1 of Law 4759/20, the article 15 of Law 4273/14 was abolished, according to which the land expropriation of PPC was declared in favor of the Greek State and under PPC's expenses so thus, those expropriations will be declared in favor and under the expenses of PPC.

5. There are 16 applications pending for the removal of expropriations concerning abolished HV Transmission Lines through the settlement of rights in rem.

6. The Group does not carry any form of insurance coverage on its fixed assets in operation (except for its information technology infrastructures), and as a result if a sizable damage occurs to its properties, it might affect its profitability. Materials and spare parts as well as liability risks against third parties are not insured as well.

LITIGATION AND CLAIMS

The Group is a defendant in several legal proceedings arising from its operations. The total amount claimed as at June 30th, 2021, amounts to € 914.0 mil. (31.12.2020: € 886.0 mil.) as further detailed below:

1. ***Claims with contractors, suppliers and other claims:***

   A number of contractors and suppliers have raised claims against the Group. These claims are either pending before courts or under arbitration and mediation proceedings. The total amount involved is € 434.0 mil. (31.12.2020: € 435.0 mil.). In most cases the Group has raised counter claims, which are not reflected in the accounting records, until the time of collection.

2. ***Fire incidents and floods:***

   A number of individuals have raised claims against the Group for damages incurred as a result of alleged electricity-generated fires and floods. The total amount involved is € 88.0 mil. (31.12.2020: € 63.0 mil.).

14. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

3. *Claims by employees:*

A number of the Groups' Employees are claiming the amount of € 70.0 mil. (31.12.2020 : € 67.0 mil.), for allowances and other benefits that according to the employees should have been paid by PPC.

4. PPC's lawsuit against ETAA / Department of Engineers and Public Works Contractors (former TSMEDE)

ETAA / Department of Engineers and Public Works Contractors (former TSMEDE) by its Decision 7/2012 has imposed on PPC the amount of € 27.4 mil. applying article 4 of L. 3518/2006, relating to employer contributions due to the Main pension Branch for the period 01.01.2007 – 30.04.2012 and pertaining to the engineers insured before 01.01.1993 to the above-mentioned Insurance Fund, that have been employed by PPC for the above-mentioned period.

Against the above mentioned 7/2012 decision of the Insurance Fund in question, PPC has filed legally and timely the 05.09.2012 appeal to the Athens Administrative Court of First Instance. The discussion of the appeal took place on 03.11.2014. The preliminary ruling 11872/2016 was issued, which obliges TSMEDE to produce to the Court the documents referred to the judgment and then the case will be discussed again in order to issue a final decision. Already the case was determined to be discussed at the hearing on 9.04.2019 and was postponed. Thus, numerous cases filed were postponed, the last one was filed in 09.03.2021, which was postponed for 14.12.2021.

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.

14. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

Of the above amounts, only the amount of € 82 mil. concerns 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 , 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.

The 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 relate to specific 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. A joint appeal has already been filed by IPTO, HEDNO and DAPEEP (to the extent that they become successors to ETMEAR and other regulated charges).

14. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

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, 2020. 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 € 883.0 thousands with which, EMO claimed that its new claims arose from the second settlement of the Deficit for 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.

14. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

7. *Claims of third parties against real estate properties*

As of June 30th, 2021, there are claims from third parties against the Parent Company's properties with a net book value of € 13.2 mil. (31.12.2020: € 13.2 mil.), for which the Parent Company has established adequate provision.

Against all the above, the Group and the Parent Company have established a provision that as of June 30th, 2021 amounts to € 350.0 mil. and € 308.0 mil. respectively (31.12.2020: € 334.0 mil. for the Group and € 294.0 mil. for the Parent company) which is considered adequate towards expected losses that may arise after final settlement 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. asked PPC S.A. to intervene in favor of HEDNO S.A. in the trial in which EMO claims from HEDNO S.A. overdue amounts from invoices issued. In particular, EMO S.A. with its lawsuit claims amounts with interest from partially paid and unpaid invoices which incorporate receivables from the RES Special Account in the Non-Interconnected Islands (mainly debts from ETMEAR, PVs on rooftops, RES Generation in the Non-Interconnected Islands and balancing of the Special Account in the Non-Interconnected Islands).

The claim from EMO's part amounts to approximately € 140.0 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 discussed on 22.09.2022.

Corrective settlements of IPTO, concerning the Special Account of art. 143, of Law 4001/2011

According to L.4152/2013, RES energy purchases in the Interconnected System are 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.

14. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

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.

Old Bank of Crete

The dispute with the former "Bank of Crete" is dating back to 1989, when the bank was under liquidation. More precisely, by a mandatory action of the then Trustee of the Bank, PPC's deposits were mandatorily converted to stake-holding in the share capital of the Bank and to obligatory credit to the Bank. PPC filed a lawsuit in 1991 against the bank asking to be compensated for GRD 2.2 billion approximately, (€ 6.5 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 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 bn. 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 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 establishes 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.

14. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

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 PPC against the Bank.

However, if PPC’s appeal is rejected, then the assumptions of the decision taken by the Court of Appeals 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 electricity supply to LARCO (Decision No. 11/11.2.2020), under the following conditions: a) the full and timely payment of electricity bills upon the entry into force of the law and b) the signing of an 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 on time the relevant electricity bills until now. Due to the expiration of the Electricity Supply Contract on 31.12.2020, PPC has already sent its proposals to LARCO regarding the pricing terms for 2021, while the relevant negotiations are in progress.

14. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

It is noted that a provision of expected credit loss has been established for the net receivables from LARCO of € 363.9 mil. as of June 30th, 2021 (31.12.2020: € 362.0 mil.).

Following the invitation of the Special Administrator dated 22.04.2021 for the temporary announcement of claims of creditors of LARCO in accordance with the provisions of par. 7 (i) of article 21 of Law 4664/2020, PPC in terms of its claim was announced on time on 24.5.2021 (ie within one month from the publication of the invitation) and is expected to be classified in the non-privileged claims which can receive up to 10% of the auction amount (which is proportionally distributed to the creditors of this category).

PPC's claims from HALYVOURGIKI S.A.

PPC filed an application for a payment order before the Court of First Instance in Athens against the company under the name "HALYVOURGIKI S.A.", in which PPC claimed from HALYVOURGIKI to pay the total amount of € 30.5 mil. plus interest from the day following the expiry of the final bill issued after the termination of the Electricity Supply Contract between PPC S.A. and HALYVOURGIKI S.A. and until repayment.

The payment order No. 1769/2019 of the Single-Member Court of First Instance in Athens was issued which orders "HALYVOURGIKI S.A." to pay to PPC the above total amount, plus the amount of € 15 for court costs. PPC notified the payment order in question to "HALYVOURGIKI S.A." and further, on March 15th, 2019, proceeded to serve the writ of garnishment for conservative seizure in the banks under the above payment order against "HALYVOURGIKI S.A."

Subsequently, on March 22nd, 2019, a Caveat and an Application for Suspension were served to PPC with a request for a temporary injunction of "HALYVOURGIKI S.A." against PPC S.A. During the discussion of the request for a temporary injunction, which was heard on March 26th, 2019, the request was rejected.

PPC, at the request of "HALYVOURGIKI S.A.", proceeded to a partial withdrawal of imposed precautionary seizure toward the Bank EUROBANK up to the amount corresponding to the payroll cost of that company's employees.

On the Caveat of "HALYVOURGIKI S.A." against PPC S.A. which was discussed on October 2nd, 2019, the Multimember Court of First Instance in Athens by its decision No. 1080/2020, accepted partially the above caveat, annulling partially the Payment Order No. 1769/2019 for the amount of € 7,167,365.19, and confirming the above Payment Order for the remaining amount.

PPC notified the above decision number 1080/2020, to "HALYVOURGIKI S.A." on 8.3.2021, in order for the legal deadlines for the exercise of legal remedies to run, and filed an appeal on 14.5.2021 against "HALYVOURGIKI SA" and the above decision of the Athens Court of First Instance, for which the determination of a court hearing is imminent. Based on the relevant investigation of the PPC's Legal Department, the other party has not filed an appeal in the legal case within the legal deadline.

14. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

Furthermore, on February 15th, 2019, "HALYVOURGIKI S.A." filed against PPC an appeal for arbitration before the ICC (INTERNATIONAL COURT OF ARBITRATION) “due to PPC’s failure to comply with the obligations under the “Shareholders Agreement of 2009” between PPC S.A. and "HALYVOURGIKI S.A.", requesting PPC to be condemned to pay the amount of two hundred and seventy million (270,000,000.00) 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 (1,000,000.00) 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 € 1,000,000.00 and to be condemned to pay the total court costs of the Arbitration.

Subsequently, following the exemption requests against the appointment of the proposed arbitrators, the two appointed Arbitrators, in their joint letter to the Arbitration Court dated May 14th, 2019, stated that they were unable to jointly appoint a Third Arbitrator and requested from the Arbitration Court to appoint the Third Arbitrator, pursuant to Article 12 par. 5 of the International Arbitration Rules ICC Rules 2017. Furthermore, (on August 10th, 2019) the Parties submitted their comments on the appointment of Third Arbitrator in the trial in question.

Finally, the Arbitration Court has sent to the Parties a proposal for the appointment of an Arbitrator, which has been lawfully submitted to the Parties its Independence Declaration citing the cases in which the Arbitrator has been involved in relevant legal proceedings and the Court invited the Parties, until September 10th, 2019, to submit any objections to the appointment of the said Arbitrator. Neither PPC nor "HALYVOURGIKI S.A." raised any objections. Therefore, the ICC Court ratified the appointment of the said Third Arbitrator. Following this, on October 16th, 2019, the first meeting of the Arbitration Court was held where the TERMS OF REFERENCE of the Arbitration were agreed.

PPC suggested the Bifurcation of the case, meaning that there will be an interim decision of the Court regarding the Responsibility claimed by the Plaintiff-Claimant and if the Court’s Decision is in favor of this claim, then this decision should be followed by an examination of possible damages and amounts. The Court, by its decision, accepted the Bifurcation while the time frame regarding the procedure of evidence was set until October 2020.

More specifically, "HALYVOURGIKI S.A." submitted its Proposals-Memorandum (Statement of Claim on Liability) on February 14th, 2020 and PPC on May 4th, 2020. In addition, in October 2020 the submissions from both sides of the Parties’ Additions – Rebuttals as well as the hearing process took place. Subsequently and before the ruling of the Court, the Referee appointed by the applicant resigned. According to the ICC Arbitration Rules, at this stage it is possible for a decision of the Arbitration Court to be issued by the two remaining members. However, on February 4, the applicant ("HALYVOURGIKI SA") suddenly submitted an application for the exclusion of the appointment of the arbitrator appointed by PPC and of the third arbitrator as well.

14. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

The Parties, as well as the arbitrators, have been summoned by the International Court of Arbitration of the ICC (International Court of Arbitration of the International Chamber of Commerce) to submit opinions on the requests for the rejections of arbitrators. The applicant further on 4.3.2021, filed additional requests for exemption of the above Arbitrators. The Court again asked the parties involved to submit their views until 11.03.2021. The parties submitted their views on time. In addition, on 29.04.2021 the Court extended the deadline for the issuance of the arbitral decision until 31.05.2021.

On 12.05.2021, the ICC Court informed the parties for its decision to reject the above requests for exemption that "HALYVOURGIKI S.A." filed against the above Arbitrator and the Third Arbitrator and the approval of the draft Decision of the Arbitration Court submitted on behalf of the two Arbitrators on the appeal of "HALYVOURGIKI S.A." against PPC and announced that the official decision on the appeal will be notified within the legal deadline (ie until 31.5.2021), as soon as it receives the signatures from the Arbitrators of the Arbitration Court.

Subsequently, on 26.05.2021, the Arbitration Court notified the Parties of its Decision, by which it completely rejected the appeal dated 15.2.2019 of "HALYVOURGIKI S.A." (Case with number 24270/AYZ) and vindicated PPC.

In particular, and in accordance with the operative part of this Decision, all claims and requests of "HALYVOURGIKI S.A." are rejected and "HALYVOURGIKI S.A." is condemned to pay to PPC USD 350,000.00 and Euro 288,373.14 for its court costs and arbitration costs. This Decision was served to "HALYVOURGIKI S.A." on 01.06.2021. It should be noted that the arbitral decision is subject to an action for annulment before the Court of Appeal of the ICC Arbitration Court (Paris) within a month from its service. It should be noted, however, that the time-limit for bringing an action for annulment as well as the action for annulment itself is without prejudice to the judgment given in the above Decision of the Arbitration Court in favor of PPC and consequently, no provision for a claim against PPC from the above mentioned case will be established.

Furthermore, following a request by National Bank of Greece (NBG) (February 23, 2021) before the Court of first instance for "HALYVOURGIKI S.A." to be included in a status of special administration of art. 68-77 of Law 43077/2014 and the hearing that took place on 05.04.2021, PPC as well as the PiraeusBank and AlphaBank, exercised additional intervention in favor of the applicant Bank (NBG) and against "HALYVOURGIKI S.A.". A Decision is expected for the inclusion of the company in the special regime.

Subsequently, Decision number 990/2021 of the above court was issued that rejected the application as abusively filed and with no substance, including the additional interventions made. It is noted that, according to the lawyers representing NBG, an appeal will be filed, which will be notified to PPC.

14. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

Other High Voltage Tariffs (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 pricing terms for the year 2021, while negotiations between the parties took place. New Supply Contracts have already been signed with most of the large High Voltage industrial customers, while the relevant negotiations are in progress with the rest.

However, it is noted that regarding the previous pricing of the company ALOUMINION (now MYTILINEOS S.A. - GROUP OF COMPANIES), on the one hand the Court of the European Union issued the final decision [C-332/18 P] on December 11th, 2019, which confirmed the legality of the Commission's decision 2012/339/EC of July 13th, 2011, regarding the state aid SA.26117 - C 2/2010 (ex NN 62/2009), which was implemented by Greece, through PPC, in favor of Alouminion of Greece S.A. (EU 2012, L 166, p. 83) and ordered the legal recovery of state aid amounting to € 17.4 mil. due to the implementation of a favorable tariff for the period January 5th, 2007- March 6th, 2008. On the other hand, three cases (T-639/14 RENV, T-352/15 and T-740/17) are pending before the General Court of the European Union regarding the corresponding PPC's appeals for the annulment of the (corresponding) European Union's decisions, with which put (respective) PPC's complaints for violations of state aid's provisions against RAE's (346/2012, of May 9th, 2012) and the Arbitration Court's decision in the file, which set a temporary PPC electricity price for the ex Alouminion of Greece S.A., €42 / MWh and the special Arbitration Court's decision (1/2013, of October 31st, 2013), which amended the above RAE's decision No. 346/2012 by reducing the price for the supply of electricity to Alouminion for the period from July 1st, 2010 to December 31st, 2013 at a gross amount of €40.7 / MWh, i.e. a net amount of €36.6 / MWh. The discussion of the above three cases before the General Court of the European Union took place on October 8th, 2020, and the relevant decisions are expected to be issued.

PPC's relation to its personnel's Social Security Funds

Despite the fact that under the current legislation the Group does not have any obligation to cover in the future any deficit between revenues and expenses to PPC's personnel Social Security Funds, there can be no assurance that this regime will not change in the future. PPC S.A. has not established a provision for the subject in question.

PPC's audit by the European Commission's Directorate-General for Competition

In February 2017, the European Commission's Directorate-General for Competition conducted a dawn raid audit to PPC in accordance with Article 102 of the Treaty on the Functioning of the European Union Regulation and pursuant to the relevant decision of the Commission dated 01.02.2017, for alleged abuse of a dominant position on the wholesale market for the generation of electricity from 2010 and onwards.

In March 2021, the European Commission announced that it has opened a formal antitrust investigation to assess PPC's activity in the Greek wholesale electricity market. This investigation is in process.

14. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

ENVIRONMENTAL OBLIGATIONS

Key uncertainties that may impact the final level of environmental investment which the Group will be required to undertake, over the forthcoming decade, include:

1. During 2017, the Joint Ministerial Decision regarding the Environmental Terms for HPP Messochora was issued under which PPC is obliged to undertake protection projects for the preservation 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, the contested decision (AEPO) lost its legal basis as it did not grant a reappraisal of the environmental conditions approved by the contested decision as to their compatibility with the approved updates of River Basin Management Plans (RBMP) of Western Central Greece and Thessaly, as well as the forecasts of the Revised Regional Spatial Planning Framework of the Region of Thessaly. It is noted here that the canceled AEPO had examined and documented the environmental, social and economic feasibility of the project, and justified as well as the inclusion of the project in par. 4 in exceptions to the objectives of Directive 2000/60 EC and the construction of the project as a purely energy project and not related to Acheloos Partial Diversion projects.

   PPC 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 about the inclusion 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 compatibility 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 positive opinion that the Hydroelectric Project (HEP) is compatible with the Spatial Plan of Thessaly. The positive opinion of the Council is a necessary step for the issuing process of the new Decision for the Approval of Environmental Terms.

   The drafting of the Environmental Impact Assessment Study was completed and submitted for approval to the competent Public Authorities on April 29, 2021.

   The issuance of the new AEPO is estimated to be completed on October 2021, if everything is launched with immediate procedures, with an estimation of the operation of the Project within 2024.

14. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

On June 20, 2021 the aggregate expenditure for the project amounts to €281.7 mil. (following an impairment of €8.0 mil.), while it is estimated that an additional amount of approximately €83.2 mil. will be required in order for the project to be completed, including the required expropriations in the area of the project as well as in the area of the relocation of the new Village.

2. In December 2010, the new Directive (2010/75/EU) was issued for industrial emissions (Industrial Emissions Directive – IED), revising Directives IPPC and 2001/80/EC, which is effective from January 6th, 2011. Following the provisions of Article 32 of Directive 2010/75/EU, a Transitional National Emissions Reduction Plan (TNERP) for the period 2016-2020 was elaborated and officially submitted by Greece to the EU at the end of 2012. The TNERP was approved by the EU on November 26th, 2013. In December 2013, PPC submitted to the Ministry of Environment and Energy an application for limited changes to the TNERP, along with its declaration to use the limited life-time derogation (Article 33 of the Directive) for certain Power Plants.

   After the approval from the Ministry of Environment and Energy, the revised TNERP was resubmitted on March 18th, 2014 by the Greek authorities and was approved by the EU on July 7th, 2014.

   Finally, according to the above, SES Agios Dimitrios, as well as the Units of Meliti and Megalopolis 3 and 4 are included in the TNERP, while SES Amyntaion and Kardia have used the limited life-time derogation.

   The duration of TNERP was from 01.01.2016 to 30.06.2020 and PPC fully complied with its objectives in the entire period. Upon expiration of TNERP, Units I and II of Agios Dimitrios used the limited life-time derogation (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 in order to continue their operation have been completed or are in the final stage of completion. The time delay that has occurred in some of them is mainly due to the restrictive measures to deal with the pandemic.

   From the Units that used the limited life-time derogation, SES Amyntaion and SES Kardia ceased permanently their operation.

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.

14. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

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 €3.6 mil., the environmental part corresponding to the DLN Lavrio V upgrade is only €3.0 mil.) to reduce NOx emissions. Until now, small deviations requests from the emission levels of EA 2017/1442/EU have been submitted, based on the derogation of article 15.4 of the IED Directive, taking into account the remaining useful life of the Units and their approval is still pending. The same will apply to the new Unit Ptolemaida V, if the need arises.

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 MW_{th} and less than 50 MW_{th}. Pollutants in question are sulfur dioxide (SO_2), Nitrogen oxides (NOx) and dust, while rules for monitoring carbon monoxide (CO) are determined. 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. In the context of the decommissioning of the SES Agios Georgios in Keratsini, a remediation study for the land and the underground water in the SES was submitted in November 2016 and was approved by the Competent Authorities in July 2017. The contractual remediation cost is estimated at €213 thousand.

14. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

6. PPC has performed studies on the presence of asbestos-containing materials, at its facilities. Upon submission by PPC of a full environmental impact assessment study, the Ministry of Environment issued in May 2004 the environmental permit for the construction and operation by PPC, in its facilities in Ptolemaida area of an environmentally – controlled Industrial Waste Management Area for the management and final disposal of asbestos containing construction materials, from the plants of the Northern System. With the real estate transfer contract no. 37244 / 05.06.2015, which is legally transcribed, PPC transferred full ownership of the Industrial Waste Management Area, located at the Kardia Mine of the Western Macedonia Lignite Centre, in DIADYMA S.A. From the date of signing the contract, DIADYMA S.A. is responsible for the Area's management.
   It should be noted that any dismantling/removal of asbestos-containing materials from PPCs' facilities is carried out by companies licensed for this purpose.

7. In April 2018 the Environmental Terms for Klidi and Megalopolis Mines were issued, the exploration and exploitation rights of which have been transferred to the two subsidiaries "LIGNITIKI MELITIS S.A." and "LIGNITIKI MEGALOPOLIS S.A." respectively.

8. At the beginning of January 2020, the Council of State announced the revocation of the Environmental Terms of SES Melitis, resulting in its temporary decommissioning. The approval of the new Environmental Terms was completed at the end of May 2020 and the SES has recurred to normal operation.

9. In June 2020 the Environmental Terms for Amyntaio Mine were issued.

10. At their request before the CoC, two environmental protection bodies (a non-profit company and a public benefit institution) request the annulment of the failure of the Minister of Environment and Energy to amend, otherwise replace, the decision approving environmental conditions (AEPO) for the Ptolemaida V Unit which is under construction, an omission that occurred after the tacit rejection of a corresponding request before the same Minister.

    In particular, it is argued that the 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"

14. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

11. In addition to the environmental obligations arising from the Environmental Terms of the Power Stations and Mines, PPC in 2019 undertook voluntarily the obligation to dismantle/ alternatively utilize all the Power Plants' and Mining facilities and to remove their equipment when these cease to operate, as well as undertake land restoration. For this obligation, on June 30, 2021, the relevant recognized provisions amount to €441.5 mil., (December 31st, 2020: €427.6 mil.) for the Group and the Parent Company and are included in the account "provisions" of the Statement of Financial Position as of June 30th 2021. The above amount includes the land remediation cost and the cost of dismantling electricity generation units and mines of the two lignite subsidiaries, since most of the years they operated under the responsibility of the Parent Company.

12. During March and May 2013, CO_2 emission licenses were issued for all 31 PPC's installations, for the 3rd implementation phase of the European Union Emissions Trading System (EU ETS phase III, from January 1st, 2013 to December 31st, 2020). In November 2015, the license of the Lignite Centre of Western Macedonia thermal station was revoked due to its decommissioning. In May 2017 the licenses of SES Ptolemaida and SES Agios Georgios thermal stations were revoked due to their decommissioning. In February 2018, the CO_2 emission license of the Power Plant in South Rhodes was issued. Following the establishment of subsidiaries LIGNITIKI MELITIS S.A. and LIGNITIKI MEGALOPOLIS S.A., SES Melitis belongs now to LIGNITIKI MELITIS S.A.

    SES Megalopolis A belongs to LIGNITIKI MEGALOPOLIS S.A. while SES Megalopolis B was separated in SES Megalopolis Unit IV, belonging to LIGNITIKI MEGALOPOLIS S.A. and in SES Megalopolis Unit V, belonging to the Parent Company PPC S.A. As a result of these modifications, PPC's bound installations (including the aforementioned installations of subsidiaries) amount to thirty (30).

    In October and November 2020, new CO_2 emission licenses were issued, for the 4th implementation phase of the European Union Emissions Trading System (EU ETS phase III, from January 1st, 2021 to December 31st, 2030) for 29 installations (including the installations of subsidiaries). Due to the fact that SES Amyntaion has ceased operation as from September 1st, 2020, its emission license was not issued..

13. On March 31st, 2021, the verification of the annual emissions reports for the 30 bound plants of PPC Group for 2020 by accredited third party verifiers was completed and the reports were promptly submitted to the Competent Authority, according to the current legislation. The total verified CO_2 emissions for 2020 amounted to 15.48 Mt including the facilities of subsidiaries.

    According to the current European and National legislation, during the 3rd implementation phase of the EU-ETS (period 2013-2020), PPC is not entitled to free allocation of emission allowances for its bound stations, with the partial exception of allowances allocated for emissions corresponding to the generation of thermal power for district heating. During 2020, about 34 thousand emission allowances were allocated, corresponding to generation of thermal power for district heating.

14. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

Based on provisional ex-post data, the CO_2 emissions of the Group's bound plants for the period 01.01.2021 – 30.06.2021 amount to 7.67 Mt. (01.01.2020 – 30.06.2020: 7.43 Mt). In addition, the total CO_2 emissions of the Group's bound plants for the rest of the year (01.07.2021 – 31.12.2021) are estimated at 7.37 Mt. The emissions of 2021 will be considered final by the end of March 2022, when the verification of the annual emissions reports by accredited third party verifiers will be completed. Consequently, the total CO_2 emissions that PPC will have to deliver for compliance purposes for the period 01.01.2021 – 31.12.2021 are estimated at 15.04 Mt.

INVESTMENTS

Metsovitiko Hydroelectric Power Plant (HPP)

Metsovitiko HPP of an installed capacity of 29 MW is expected to enter commercial operation in 2023. Future contracted capital expenditures as of June 30, 2021 amounts to € 14.3 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 MWel, 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 June30, 2021 amounts to €125.4 mil.

Hybrid Project in Ikaria

The Hybrid Energy Project in Ikaria "Naeras" of 6.85 MW total capacity, is an innovative project which was inaugurated on June 5th, 2019. Naeras combines the utilization of two renewable energy sources, Wind and Hydroelectric. The automated operation of the Project is expected to be completed in the third quarter of 2021.

Exploration, 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 August 2018 and in September 2018 the "Highest Bidder" and the "Reserved Bidder" were announced.

14. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

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. Also, with article 103 of law 4685/2020 (OG A 92 / 7.5.2020) the duration of the initial above leases was extended by five years.

On May 13th 2021, a request was submitted to the Hellenic Competition Committee and on May 20th 2021 to the respective Competition Committees of Serbia, Albania and Northern Macedonia for the approval of the cooperation.

On 11.6.2021 the cooperation was approved by the Serbian Competition Commission, on 2.7.2021 it was approved by the Competition Commission of Northern Macedonia and on 9.7.2021 by the Competition Commission of Albania. On 15.7.2021 the approval decision of the Competition Commission of Greece was issued, thus the concentration between PPC RENEWABLES and Elector has been approved by all the Competition Committees (Greece, Serbia, Northern Macedonia and Albania), so the completion process will follow, as provided in the Purchase Agreement.

Following the above approvals (establishment of a subsidiary and extension of the lease term) the Board of Directors of PPC RENEWABLES decided on 25/6/2020 the announcement of the company HELECTOR S.A. as its “preferred partner”.

Biomass project in Amyntaio, Florina

The Project had been decided to be implemented through a strategic cooperation. The first phase of the international tender for the selection of Strategic Partner (Request for Information, RfI) for the project "Installation and Operation of a Biomass Combustion Plant for the production of electricity and thermal energy" in Amyntaio, Florina was completed in 2018. Since the second phase of the tender (Request for Proposal, RfP) did not proceed, the cancellation of the Project and its implementation by PPC RENEWABLES by own means, without the participation of a Strategic Partner, was decided by the Board of Directors of PPCR on 22.4.2021. Planning includes cooperation with specialized departments of PPC Group, such as Thermal Projects Engineering - Construction Department and the West Macedonia Lignite Center.

Construction from the 100% subsidiary of PPCR of “ILIAKA PARKA DYTIKIS MAKEDONIAS ENA SINGLE-MEMBER S.A” Photovoltaic (PV) Plant

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 €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 October 2021.

As of June 30th 2021 the total cost of the project amounted to €6.6 mil.

14. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

Construction from the 100% subsidiary of PPCR of “ILIAKA PARKA DYTIKIS MAKEDONIAS DYO SINGLE-MEMBER S.A” Photovoltaic (PV) Plant

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 €11.5 mil. at “Xiropotamos” 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 December 2021.

As of June 30th, 2021 the total cost of the project amounted to €2.8 mil.

Construction of “ILIAKO VELOS ENA SINGLE-MEMBER S.A” Photovoltaic (PV) Plant

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 €83.8 mil. in “Lignitiko Kentro Dytikis Makedonias” area, in the regional unit of Kozani, began in June 2021. It is expected that the semi-commercial operation of the PV Plant will start in December 2022.

Construction of “ARKADIKOS ILIOS I SINGLE-MEMBER S.A” and “ARKADIKOS ILIOS II SINGLE-MEMBER S.A.” Photovoltaic (PV) Plants

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 budget of €23.9 mil. , at the “Megales Lakkes” plot, in the regional unit of Arcadia, will begin in September 2021. . It is expected that the semi-commercial operation of the PV Plants will start in November 2022

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.

Repowering of Wind Parks in the Aegean Sea

In December 2020, W.P. Melanios in Chios Island was put into operation, while W.P. Ag. Sozon in Lemnos Island is in the final stages of completion and it is expected that the semi-commercial operation will begin in September 2021.

14. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

Repowering of Wind Park in Monis Toplou Sitia – Crete

Electrification was completed on June 2021 and it is expected that the semi-commercial operation will begin in September 2021.

The total contractual price for the Project amounts to €6.3 mil., and on June 30th, 2021 it was fully paid.

Wind Park in Xerakias, Kefalonia

The construction of the Wind Park of a 9.2 MW at the location of Xerakias Dilinata of the Municipality of Kefalonia, region of Ionian Islands has been completed in June 2021 as well as its electrification.

The total contractual price for the Project amounts to €11.8 mil., whereas on June 30th, 2021 the total cost for the Project amounts to €11.8 mil.

Wind Park in Aeras 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 €43 mil.. The project will be of 27.6 MW total capacity. The construction began in February 2019 and the electrification as well as the semi-commercial operation is expected to begin in Q4 2021. In June 2021, an amicable settlement was reached with the contractor of the project and PPC Renewables S.A. (PPCR) recognized a compensation of € 1.96 million for damages suffered by the contractor due to delays in the construction schedule of the project.

On June 30th, 2021, the total cost of the project amounted to €38.2 mil.

Repowering of Small Hydroelectric Power Station (SHPS) Louros

On July 9th, 2020, SHPP Louros was put into semi-commercial operation with initially limited capacity (5MW), on HEDNO’s request, until the renovation of the Louros Substation and the full absorption of the capacity of the SHPP (8.7MW).

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).

At the same time, the reconstruction works of the adjacent Louros Substation are under execution, with a power increase to 40/ 50MVA.

14. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

The new gate at Louros Substation (projects of HEDNO S.A.) concerning the Louros SHPP was activated on 05.12.2020 and the SHPP was put into operation again on 07.12.2020, with favorable hydrological conditions and without the power restrictions by HEDNO S.A.

During the current period, the works under the jurisdiction of IPTO S.A. are under execution (Digital Control System, Digital Frequencies, Wave Traps, etc.) at Louros Hydroelectric Station, the completion of which is expected by the end of September 2021.

Construction of Smokovo II SHPP

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.

On April 10th 2021, the adjacent closed irrigation network commenced operation, under the successful water isolation of the SHPP facilities and completion of the new penstock and the tailrace.
At the moment, erection works are in progress for the powerhouse. The Electromechanical Equipment of the Project (Hydro Turbines, Electric Generators, Blades, Power Transformer, MT-XT Panels, etc.) has been constructed and temporarily stored in the engine room of SHPP Smokovo I, while the construction of the Connection Projects of the SHPP to the Network is expected by HEDNO S.A. In total, disbursements of the Project are close to 79% and its commissioning is expected in the third quarter of 2021.

Construction of Makrochori II Small Hydropower Plant (SHPP)

The contract for the Construction of Makrochori II SHPP has been in effect since 03.06.2020. with a contractual price of €7.4 mil. On April 12th, 2021, the excavation works of the surrounding are commenced, for the shaping of the surrounding work site, in view of the construction of the diaphragm wall. At the same time, the Detailed Study of the Project is under development.

On June 30th, 2021 the total cost of the project amounts to €1.5 mil.

Repowering of Small Hydropower Plant (SHPP) Vermio

The Tender for the Repowering of Vermio SHPP (of a capacity of 1.96 MW and of a budget of €4.0mil.) has been completed and the final contractor has been designated.
The contract award is due in Q4 2021, along with its further licensing. At the moment, the Water Use Permit and the Final Connection Terms are to be issued, while the Installation Permit and the Building Permit are pending.

14. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

Wind Parks Tenders

Wind Park in Mamados, Tinos

Within April 2021, a Tender with no. 2021 / S084-217744 in the Official Journal of the European Union (EU/S), for the Study, Licensing, Supply, Transport, Installation and Operation of one (1) Wind Park, of total capacity of 4.5MW, at the location of Mamados in the Community of Panormos of the Municipality of Tinos, South Aegean Region, was announced.

Construction of Ladonas Small Hydroelectric Power Plant (SHPP)

The Ladonas SHPP, of a capacity of 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 Project shall operate as a run-of-river, of a nominal flow Q=38 m^3/s.

The Installation Permit was issued on 29.01.2021 and the Final Civil Works Study was submitted on 19.04.2021.

Currently, actions are taken for the issuance of the Installation Protocol, the selection of the electromechanical equipment supplier and the completion of the EPC Contract. Construction works are expected to commence at Q3 2021, with the worksite preparation and the diversion of the river flow.

14. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

International Partnership with RWE 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 Renewables S.A., in the context of its de-lignification strategy, but also its wider focus in the field of renewable energy sources.

In February 2021 the Board of Directors of PPC SA approved the Cooperation Agreement (Head of Terms) between PPC Renewables S.A. and RWE Renewables GmbH, for the joint construction and contribution of photovoltaic stations with a total installed capacity of up to 2 GW through a joint investment vehicle (JVCo). Participation in the joint investment scheme will be 51% for RWE Renewables GmbH and 49% for PPC Renewables SA. In this context, on August 2, 2021, PPC Renewables' Extraordinary Shareholders' General Meeting approved the basic terms of the contractual texts of the Joint Venture Formation Agreement and the Shareholders 'Agreement and PPC Renewables set up nine (9) subsidiaries in Amynteo, Florina. The shares of the nine (9) subsidiaries will be contributed in kind, in a joint venture with RWE, ie through the contribution of Power Station Licenses, which were valued by Certified Auditors, according to the provisions of article 17 of Law 4548 / 2018. RWE will participate in the nine (9) companies' share capital with cash.

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 of experiences in the fields of electricity and natural 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 S.A. and ELINOIL S.A. proceeded to the signing of a Memorandum of Understanding (MoU) with the aim of expanding their activities in the provision of e-mobility services.
According to the MoU, the two parties are going to 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 their mutual intention for further synergies that may arise.

In this context, PPC will undertake the task to install chargers for electric vehicles at ELINOIL gas stations in consecutive phases.

15. OTHER DISCLOSURES

Additions - Disposals of Tangible Fixed Assets

For the six-month period ended June 30th, 2021, the Group's and the Parent Company's new tangible assets (excluding works in progress) amounted to € 94.7 mil. and € 90.5 mil. respectively (for the period ended June 30th,2020: Group € 77.2 mil., Parent Company € 75.4 mil.). These amounts mainly are investments in the Distribution Network. Furthermore, construction of new tangible assets was completed, and their cost was transferred from Works in Progress to the Group's and Parent Company's tangible assets that are in operation totaling to € 14.9 mil. (for the period ended June 30th, 2020: Group € 11.0 mil., Parent Company € 6.2 mil.).

The capitalized expenses recorded in the Group's and Parent Company's construction in progress amounted to € 95.8 mil. and € 72.5 mil. respectively (for the period ended June 30th, 2020: Group € 83.0 mil., Parent Company € 72.5 mil.) and include capitalized borrowing costs totaling to € 10.8 mil. (for the period ended June 30th, 2020: € 11.4 mil.).

On June 30th, 2021, capitalized costs in the Parent Company's Construction in Progress account were impaired totaling € 24.2 mil. out of which € 13.4 mil. concern investments that are implemented gradually in order for Unit 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, 2020, the Parent Company recognized an impairment provision based on IAS 37 (onerous contracts) amounting to € 21.6 mil. for the aforementioned investments that cannot be avoided and derived from the specific environmental obligation. Therefore, this impairment of the capitalized costs by €€ 13.4 mil., reduced equally the relevant provision recognized on December 31st, 2020 and did not charge the income statement of the period. The remaining part of the impairment provision (of €24.2 mil.) concerns mainly additions made to the Mines (€ 10.8 mil.) and the specific amount was charged to the income statement of the period.

For the period ended June 30th, 2021, fixed tangible assets with a total net book value of € 1.3 mil. were dismantled / sold by the Group and the Parent Company, respectively (for the period ended June 30th 2020: Group and Parent Company € 1.3 mil.).

Securitization of Trade Receivables from electricity sales of current electricity bills and overdue electricity bills of up to 60

On August 6th, 2020, PPC S.A. signed the securitization contracts of trade receivables from energy sales of current electricity bills and overdue electricity bills of up to 60 days and on November 24th, 2020, received an initial amount of € 150 mil. with an interest rate of 3.5% for an amount of securitized trade receivables of nominal amount € 206.8 mil., with JP Morgan Chase Bank as the investor and PPC Energy Finance DAC being the issuer, receiving also subordinated Bonds amounting to € 55.7 mil.

15. OTHER DISCLOSURES (CONTINUED)

On June 30, 2021, the Parent Company also received the remaining amount of € 50 mil. from the securitization contract for trade receivables up to 60 days overdue, resulting to a total financial liability of € 200 mil. for an amount of securitized receivables with a nominal value of € 196.8 mil. While the subordinated Bonds amounting to € 55.7 million that the Parent Company had received on November 24th, 2020 (with the receipt of €150 mil.), are on June 30th 2021 of zero value. Finally, on June 30, 2021, current receivables and overdue receivables of up to 60 days from Low Voltage customers (after provisions for expected credit loss) amount to € 208.1 mil.

Change in the accounting estimate of Expected Credit Losses (ECL) for receivables of Low Voltage (LV) 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 June 30th 2021 to € 2,317.8 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 € 147.6 mil., an amount which is included in the "Provisions for doubtful receivables" in the Income Statement.

Intangible assets

As of June 30th 2021, the value of intangible assets amounted to € 159.3 mil. and € 135.0 mil. for the Group and the Parent Company and increased by € 47.2 mil. and € 47.4 mil. respectively, compared to December 31st 2020 due to the value increase of CO_2 emission allowances by € 48.5 mil. for the Group and the Parent Company.

15. OTHER DISCLOSURES (CONTINUED)

Derivative Financial Instruments

As of June 30th 2021, the value of derivative financial instruments amounted to € 54.6 mil. for the Group and the Parent Company compared to € 4.8 mil. on December 31st 2020 for the Group and the Parent Company. The increase in derivatives' value by € 49.8 mil. compared to December 31st 2020 is due to the increase in the Group's and the Parent Company's open positions to hedge the fluctuation risk in electricity and gas prices.

More specifically, on June 30th 2021 the Group and the Parent Company held electricity price swaps (buy position) to hedge the risk of fluctuations in electricity prices in the second half of 2021 of a fair value of € 18.8 mil.

In addition, on June 30th 2021, the Group and the Parent Company held gas price swap contracts (buy position) to hedge the risk of fluctuations in gas prices over the next 12 months of a fair value of € 33.5 mil., as well as gas price swap contracts (buy position) of a fair value of € 2.3 mil. to hedge for the risk of fluctuations in gas prices in the second half of 2022.

Other Reserves

As of June 30th 2021, balances of other reserves accounts appear increased by € 86.6 mil. and € 86.9 mil. compared to December 31st 2020, a change due to the open market positions held by the Group and the Parent Company in price swap contracts to hedge against the risk of fluctuation of electricity and gas prices of a value of € 54.6 mil. (as above), in futures contracts to hedge the risk of fluctuations in electricity prices of a value of € 23.1 mil. and natural gas of a value of € 27.4 mil.

Other receivables

As of June 30st 2021, other receivables amounted to € 454.2 mil. and € 314.2 mil. for the Group and the Parent Company and increased by € 60.5 mil. and € 99.5 mil. respectively, compared to December 31st 2020, mainly due to the increase by € 80.0 mil. of restricted cash to cover the insurance margin for entering futures to purchase CO_2 emission allowances. At the same time, at Group level, receivables for PSOs decreased by approximately € 35.0 million compared to December 31st 2020, as a result of the collection of € 70.0 million on June 30th 2021 by the Greek State (Note 2).

Personnel benefits

For the six-month period ended June 30th 2021, the Group and the Parent Company paid an amount of € 2.8 mil. to their employees under the voluntary retirement scheme of the year 2020, which is included in Personnel costs in the Income Statement.

15. OTHER DISCLOSURES (CONTINUED)

On July 29th 2021 with its Decision no. 95, the Board of Directors of the Parent Company decided to implement a voluntary retirement plan for employees, by providing additional financial incentives based on the regular wage, on the years of service, on the age and number of protected children of each employee plus a fixed amount of € 5,000 to cover their outstanding insurance obligations. The plan is addressed to all employees of the Lignite Production Units (Stations and Mines) of Western Macedonia, which are employed with a work contract of indefinite duration, regardless of specialty, aged 50 and over, including those which reach the age of 50 by December 31st 2021 and have in total at least 15 years of continuous service in the Company or complete the 15-year period up to and including December 31th 2021 regardless of the establishment of a pension right. Employees who meet the criteria of the program and wish to join, should declare their voluntary participation within the months of September and October 2021. Employees declaring their participation within the month of September 2021, will receive as an incentive for the short registration, the amount of a month's wage. For the specific voluntary retirement plan, a personnel allowance provision will be established within the second half of 2021.

16. SUBSEQUENT EVENTS

In addition to those presented in other notes, the following events occurred from June 30th, 2021 until the date of approval of the Financial Statements:

Repayment of loans and new loans

During the period July 1st, 2021 – August 31st 2021, the Parent Company proceeded to debt repayments of loan installments amounting to €58.1 mil.

In addition, during the period July 1st, 2021 – August 31st 2021, the Parent Company drew down an amount of €1 mil. from a Bond Loan amounting to €680 mil., with a consortium of foreign banks supported by the German Export Credit Insurance Organization ''Euler Hermes'', for financing part of the construction cost of the new Lignite Unit "Ptolemaida V".

During the period 1.7.2021-31.8.2021, the subsidiary PPC Renewables raised an amount of € 2.0 million from a Bond Loan with the NBG totaling € 17.5 million.

Issuance of Sustainability-Linked Senior Notes due 2028

The Parent Company raised on July 21st 2021, through the Offering of senior notes with a sustainability clause, an amount of €500.0 mil., at a coupon rate of 3.375%, maturing in 2028 and with an issue price of 100%. The Notes which were issued pursuant to Article 59, paragraph 2, and Article 74 of Greek law 4548/2018, and Article 14 of Greek law 3156/2003, are governed by New York law and are listed on the Official List of Euronext Dublin.

An amount of € 495.0 mil. from the income from the sustainability-linked senior notes will be used for the partial repayment of an existing bank loan on 30.9.2021, while an amount of € 5.0 mil. was used to pay the costs and expenses of the notes issuance.

16. SUBSEQUENT EVENTS (CONTINUED)

The Notes have a sustainability clause according to which in case of failure to achieve a reduction of CO2 emission allowances by 57% in December 2023 compared to those of December 2019, the interest rate will increase from July 31st 2024 by 0.50%.

Signing of a Bond Loan Agreement by Iliaka Parka Dytikis Makedonias 2 S.A., 100% subsidiary of PPC Renewables S.A.

Iliaka Parka Dytikis Makedonias 2 S.A., a 100% subsidiary of PPC Renewables S.A., signed on 01.07.2021 a loan agreement for an amount of €9.9 mil. in the form of a Bond Loan related to the construction of a 15MW PV park in Ptolemaida, a prefecture in Kozani. This tranche is part of a broader financing arrangement to construct a PV portfolio of 230 MW total installed capacity in this area, for which National Bank of Greece S.A. and Eurobank S.A. are acting as Bondholders, while the European Investment Bank has the right to also participate in the financing scheme for the total portfolio of 230MW.

Transfer of High Voltage tangible assets of Crete from PPC SA to IPTO SA.

After the completion of the first phase of the Interconnection of Crete with the Peloponnese, with the provisions of articles 106-108 of Law 4821/2021 (OG A' 134 / 31.7.2021) articles 108B to 108D are added to Law 4001/2011 regulating the operation of the electricity market of Crete until the 2nd Phase of the Interconnection with the System of the mainland.

From August 1st 2021, all tangible high voltage assets of the electricity system of Crete, owned by the Parent Company and managed by HEDNO SA are automatically transferred, from PPC SA to IPTO SA, in full ownership, use and possession, within Hellenic Electricity Transmission System (HETS) and at the Regulatory Fixed Assets Registry of HETS and are under the management of IPTO SA for a price, which is calculated and paid in accordance with the provisions of article 108 of Law 4821/2021.

For the purpose of the transfer, the undepreciated value of the assets is calculated based on the date of the automatic transfer, as determined under the rules of Regulatory Authority for Energy (RAE), in the context of the approval of the Distribution Network Revenue and of Transmission System Revenue and is certified by an Auditor.

In addition, within three months from the determination of the transferred assets' market value by an independent specialized appraiser and with the mutual acceptance from IPTO SA and PPC SA, an additional amount will be paid by IPTO SA to PPC SA, for the assets' transfer, equal to any positive difference between the regulatory value dated 1.8.2021 and the market value of the tangible assets. On 30.06.2021 the above items did not meet the criteria to be classified as Held-for Sale assets.

On June 30th, 2021 the undepreciated value of the transferred tangible assets amounted to € 33.3 million and is included in the item Tangible Assets of the Group's and the Parent Company's Financial Position, while their undepreciated regulatory value amounted to € 41 million approximately.

16. SUBSEQUENT EVENTS (CONTINUED)

Signing of a new Loan Agreement

The Parent Company signed on August 12, 2021 a loan agreement for the issuance of a new Syndicated Bond Loan (L.4548 / 2018), amounting to € 300 million in the form of revolving credit, without collateral, with Alpha Bank S.A. as the Underwriting Agent, Initial Organizer, Payment Manager and Initial Bond Holder. Eurobank SA also participates in the loan. as the 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.

This Bond Loan issue includes, inter alia, a clause to reduce CO2 emissions by 40% by December 2022 against the base year 2019, in the context of aligning PPC's capital raising policy with its overall strategy for the environment and the mitigation of the climate change effects.

Tender procedure for the sale of 49% of the shares of HEDNO SA

On September 3, 2021, after the completion of the second phase of the tender process for the sale of 49% of the share capital of HEDNO SA, four (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 the Macquarie Infrastructure and Real Assets Group (MIRA), was the investor that submitted the highest bid, with a bid amounting to € 1,312 million for the acquisition of 49% of the share capital of HEDNO SA.

PPC S.A.' General Shareholders' Meeting will ultimately decide on the sale to the preferred investor (bidder) of the 49% of the shares of HEDNO SA, as well as on the spin-off and the contribution to HEDNO SA of the Distribution Network Sector.

Measures to increase the access of PPC competitors to electricity produced from lignite units.

The European Commission has made legally binding, based on the antitrust rules of the European Union, the measures proposed by the Hellenic Republic to enable the competitors of PPC SA, the Greek state-owned, established electricity company, to purchase more electricity in the longer term. The Hellenic Republic has imposed these measures to remedy the distortion created by PPC's exclusive access to lignite power generation, which creates unequal opportunities in the Greek electricity markets, a fact that has been established by the Commission and the courts of the Union. The proposed remedies will expire when the existing lignite plants cease to commercially operate (which is currently expected by 31 December 2024).

On September 1, 2021, the Hellenic Republic submitted an amended version of the corrective measures. In particular, the measures proposed by the Hellenic Republic stipulate that:

- PPC will sell on a quarterly basis forward electricity products on regulated stock exchanges: the European Energy Exchange (EEX) and / or the Greek Energy Exchange (HEnEx). Therefore, buyers of those forward products will have the ability to buy quantities of electricity at a fixed price every day during that quarter. This will strengthen the ability of PPC's competitors to buy electricity at whole sale prices in the forward market, protecting themselves from price volatility.

16. SUBSEQUENT EVENTS (CONTINUED)

- PPC will acquire a net seller position in the EEX and / or in the HEnEx, meaning that sales of these forward electricity products should exceed its electricity purchases in the wholesale market by a certain volume. This will ensure that sufficient quantities of electricity in the wholesale market will be available to its competitors. The quantities that will be sold will be calculated as a percentage of PPC's lignite power generation. As a result, PPC's obligations will be reduced in proportion to its lignite power generation.

- The resulting PPC's obligations regarding the schedule of sales and deliveries of electricity will enable its competitors to be protected from price volatility for a long period of time.

The Commission consulted with market participants on the proposed measures and they expressed the opinion that the measures were appropriate to address the Commission's competition concerns, subject to the amendments presented above. The Commission concluded that the proposed measures fully address the breach identified by the Commission in its decision in 2008, taking into consideration the Greek plan for the decommission of all existing lignite power plants by 2023, in line with the environmental objectives set by Greece and the EU. The quantities of electricity that PPC is expected to sell to its competitors are directly related to the amount of its lignite power generation, but the corrective measures do not oblige PPC to produce the electricity quantities that it has to sell through lignite power generation. PPC will have full discretion to generate these volumes with any of its portfolio of electricity generation assets, including gas, hydroelectric or other renewable energy sources.

Financial support by both the Greek State and PPC to Low Voltage tariffs for electricity consumers

On September 13, 2021, the Greek Government announced that it is taking immediate steps to offset the effects of the expected increases in electricity tariffs due to the international energy crisis.

The plan that has been prepared for the electricity consumers' protection, provides for a financial support of electricity tariffs in the amount of €30 per MWh for the first 300 kWh of the monthly consumption. The financial support applies to all Low Voltage consumers regardless of the electricity provider. In the same time, PPC SA extends the discount policy already in place for customers which have not entered fixed tariff products for which no adjustment clause applies, thus fully covering electricity price increases that an average household with up to 600 kWh per month would suffer. These measures will offset almost all of the estimated electricity price increases by the end of the year for an average household. This measure is implemented immediately, while from the two months period bills of September-October 2021 the amount of the financial support will be presented in a distinct line on the electricity bills in order to be easily perceived by all consumers.

The consumers' financial support will be funded by the Special Support Fund for the Energy Transition, from which at least € 150 million will be channeled, through the increased revenue corresponding to Greece for 2021 from the Emissions Trading Scheme. This measure will be in force until the end of 2021, when the situation will be re-evaluated and if exceptional conditions continue to apply in the international energy market, the extension of the financial support from the Special Fund will be considered.

17. SEGMENT INFORMATION

There are no differences in the definition or the base of calculation of the profit or loss for each segment in comparison with the annual consolidated financial statements for the year ended December 31, 2020.

There are no material changes in the definition of segments or the analysis per segment of total assets and liabilities in comparison with the annual consolidated financial statements for the year ended December 31, 2019.

Below is an analysis of the Parent Company's sales to third parties and internal sales as well as the Results (profits / (losses) before taxes) of the four activities, namely Mining, Production, Distribution Network and Supply (Trading).

Sales and inter segment results are as follows:

SUMMARY FINANCIAL RESULTS OF THE GROUP

JUNE 2021

AMOUNTS IN THOUSANDS OF EURO

	Sales		Profit (Loss) Before Tax	
	01.01.2021 – 30.06.2021	**01.01.2020 – 30.06.2020**	**01.01.2021 – 30.06.2021**	**01.01.2020 – 30.06.2020**
Company	2,054,164	2,137,807	149,880	84,054
HEDNO S.A.	1,314,446	1,299,540	12,141	2,716
Groups' Other Companies	132,073	72,798	(60,325)	(6,091)
Eliminations (Group)	(1,307,244)	(1,260,565)	(87,919)	(29,450)
Grand total (Group)	**2,193,439**	**2,249,580**	**13,777**	**51,229**

17.SEGMENT INFORMATION (CONTINUED)

SUMMARY FINANCIAL RESULTS OF THE PARENT COMPANY

JUNE 2021

AMOUNTS IN THOUSANDS OF EURO

	Sales to Third Parties		Internal Sales		Profit (Loss) Before Tax	
	01.01.2021 - 30.06.2021	01.01.2020 – 30.06.2020	01.01.2021 – 30.06.2021	01.01.2020 – 30.06.2020	01.01.2021 – 30.06.2021	01.01.2020 – 30.06.2020
Interconnected system						
-Mines	4,097	4,614	89,336	127,092	(106,661)	(73,863)
-Generation	803,141	382,604	-	-	(88,707)	(220,337)
-Distribution Network	145,380	168,574	-	-	110,784	34,586
-Supply	1,873,902	1,937,640	22,357	21,919	195,750	284,660
-Natural Gas (Supply)	768	316	-	-	141	138
	2,827,288	**2,493,748**	**111,693**	**149,011**	**111,307**	**25,184**
Creta Network						
-Generation	210,032	201,751	-	-	(28,664)	(3,041)
-Distribution Network	11,104	12,409	-	-	6,241	(104)
-Supply)	227,714	270,106	799	804	23,969	36,940
	448,850	**484,266**	**799**	**804**	**1,546**	**33,795**
Other Non-Interconnected Islands System						
-Generation	168,306	176,772	-	-	2,223	12,377
-Distribution Network	9,980	10,537	-	-	6,270	(203)
-Supply	174,876	211,546	765	664	17,721	16,307
	353,162	**398,855**	**765**	**664**	**26,214**	**28,481**
Eliminations	(1,575,136)	(1,239,062)	(113,257)	(150,479)	10,813	(3,406)
Company	**2,054,164**	**2,137,807**	**-**	**-**	**149,880**	**84,054**