PUBLIC POWER CORPORATION S.A.

FINANCIAL REPORT
for the six-month period ended June 30th 2022

The attached Financial Report for the six-month period ended June 30th 2022, 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 6th 2022, 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. Maria Psillaki, Member of the Board of Directors,
3. Stefanos Kardamakis, Member of the Board of Directors,

hereby

WE DECLARE

that, to the best of our knowledge:

a) The accompanying interim Condensed Financial Statements of "Public Power Corporation S.A.", for the six month period ended June 30th 2022, which were prepared according to the International Financial Reporting 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 6th 2022

Chairman and C.E.O.	Member of the Board of Directors	Member of the Board of Directors
Georgios Stassis	Maria Psillaki	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 1.1.2022 - 30.6.2022

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 2022 is available on the internet at the web site address https://www.dei.gr.

PPC Group H1 2022 financial results

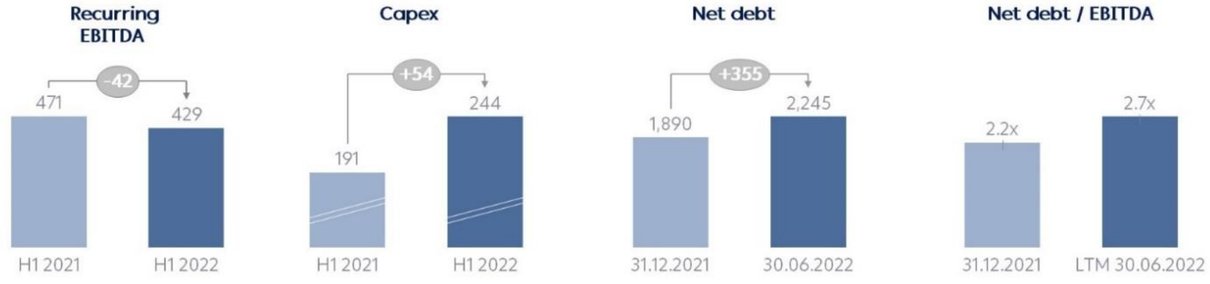
- **Recurring EBITDA at €429.3 million in H1 2022 from €471.4 million in H1 2021. Financial results showing resilience for yet another quarter**
- **Reiteration of the guidance for 2022 for a recurring operational profitability at 2021 levels**
- **Agreement with Volterra for the purchase of a 112MW RES portfolio**
- **Focus on capex plan:**
  - **Increased investments in the Distribution network – target to increase investments over the next quarters in line with the Business Plan**
  - **Secured implementation licensing wise for RES projects of a 4 GW capacity**

Key Group Financial Results

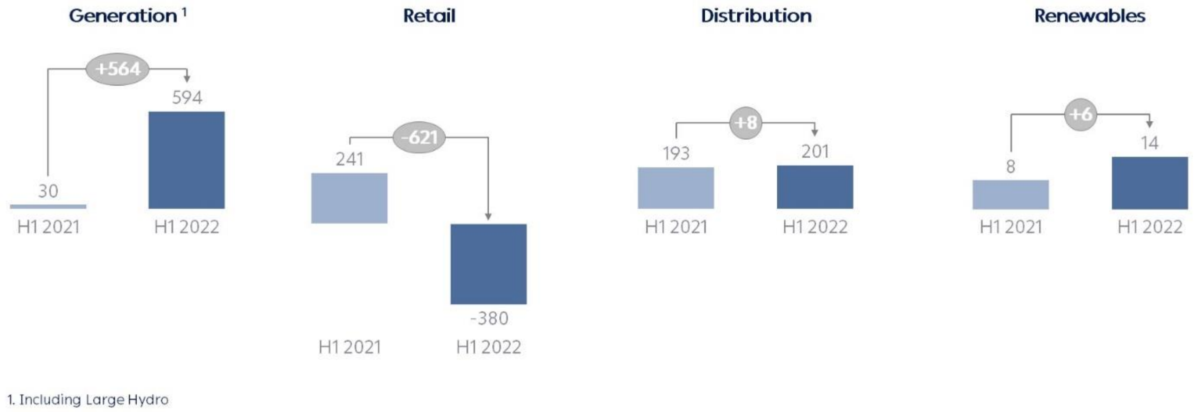
(in € m)		H1 2022	H1 2021	Δ (%)	Q2 2022	Q2 2021	Δ (%)
Turnover	(1)	4,392.3	2,193.4	*100%*	2,144.9	1,079.5	*98.7%*
Operating expenses	(2)	3,963.0	1,722.0	*130.1%*	1,885.7	833.6	***126.2%***
EBITDA recurring	(3)=(1)-(2)	429.3	471.4	*-8.9%*	259.2	245.8	*5.5%*
EBITDA margin recurring	(4)=(3)/(1)	9.8%	21.5%	*-54.5%*	12.1%	22.8%	*-46.9%*
One-offs	*(5)*	*0.0*	*37.4*		*0.0*	*-1.9*	
EBITDA	(6)=(3)-(5)	429.3	434.0	*-1.1%*	259.2	247.7	*4.7%*
EBITDA margin	(7)=(6)/(1)	9.8%	19.8%	*-50.6%*	12.1%	22.9%	*-47.3%*
Depreciation, total net financial expenses and share of profits/(losses) in associated companies and joint ventures	(8)	424.7	408.6	*3.9%*	225.3	197.6	*14.0%*
Impairment loss	(9)	*2.7*	*11.6*	*-76.4%*	*1.8*	*7.3*	***-74.9%***
Pre-tax profits/(Losses)	(10)=(6)-(8)-(9)	1.9	13.8	*-86.4%*	32.1	42.8	*-24.9%*
Net income / (Loss)	(11)	-11.1	26.9	*-141.1%*	174.6	70.6	*147.2%*

For further information regarding definitions of ratios included in abovementioned figures, please refer to the Financial Report for six – month period ended June 30, 2022 (Appendix: Definitions and reconciliations of Alternative Performance Measures - "APMs")

Evolution of key Group figures (€ m)



Evolution of EBITDA recurring per business (€ m)



Profitability evolution

Despite the large increase in operating expenses, and mainly the expenses for energy purchases and for natural gas, as a result of the extremely high prices of natural gas, which drive upwards the wholesale market prices, the operating profitability of the Group was resilient with EBITDA on a recurring basis to be €429.3 million in the H1 2022, marking a decrease of €42.1 million (-8.9%) compared to the respective period, with the corresponding margin amounting to 9.8%.

With respect to operating profitability per business activity, the performance of the Retail has been negatively affected by the abovementioned reasons and the conditions that prevailed in the electricity market. This negative impact was largely offset by the improvement of the gross margin of the Generation Business, which contributed to the support of PPC customers.

Pre-tax profits amounted to €1.9 million compared to pre-tax profits of €13.8 million in H1 2021.

Net losses of €11.1 million were recorded in H1 2022 compared to net profits of €26.9 million in H1 2021.

Analysis of Revenues & Operating Expenses of PPC Group

Revenues

Turnover for H1 2022, increased by €2,198.8 million or 100.2% due mainly to the increase of the average revenue as well as the increase of domestic demand by 5.2%, was partially offset by market share loss of 1.4 percentage points.

Operating Expenses

Operating expenses before depreciation increased in H1 2022 by €2,241 million (or by 130.1%) to €3,963 million compared to €1,722 million in H1 2021, mainly as a result of particularly high expenses for fuel cost, energy purchases and CO2 emission allowances. Operating expenses before depreciation for H1 2022 do not include the one-off impact from the retroactive charge for special allowances from the implementation of the Collective Labor Agreement for the period 2021-2024 and the provision for personnel's severance payment.

Operating figures (generation – imports- exports)

In H1 2022, domestic electricity demand increased by 5.2% to 27,988 GWh compared to 26,606 GWh in H1 2021 as a result of the recovery of economic activity, due to the relaxation of the restrictive measures related to Covid-19. Total electricity demand (including exports) marked an increase by 4.7%.

PPC's average retail market share in the country, declined to 63.5% in H1 2022, compared to 64.9% in H1 2021. Specifically, the average retail market share in the Interconnected System remained practically stable at 63.6% in June 2022 (from 63.8% in June 2021), while PPC's average market share, per voltage, was 90.1% in High Voltage, 38.4% in Medium Voltage and 66.6% in Low Voltage compared to 91.5%, 35.3% and 67.7% in H1 2021, respectively.

PPC's electricity generation and imports covered 36.1% of total demand in H1 2022 (32.3% in the Interconnected System), while the corresponding percentage in H1 2021 was 44.2% (40.9% in the Interconnected System).

Specifically, generation from large hydro power plants decreased by 648 GWh and amounted to 2,146 GWh, which is near the average of the last five years. Nonetheless, generation is lower by 23.2% compared to H1 2021 when hydrological conditions were excellent.

Generation from PPC's natural gas units decreased by 254 GWh, while lignite fired generation decreased by 313 GWh.

At country level, there was an increase in RES electricity generation (including large hydro power plants) by 7.8% or 840 GWh. In addition, electricity imports increased by 15.8% or 675 GWh.

Energy mix expenditure

Expenditure for liquid fuel, natural gas, CO_2 and energy purchases increased by €2,047.9 million (174.3%) compared to H1 2021.

In detail:

- Liquid fuel expense in H1 2022 increased by 45.1% compared to H1 2021 to €326.5 million, due to the increase in the prices of fuel oil (by 53.8%) and diesel (by 46%).

- Natural gas expense increased significantly by 210.7% to €678.3 million from €218.3 million primarily due to the great increase of natural gas price by 234% despite the decreased electricity generation using natural gas as fuel by 5.6%.

- Energy purchases expense increased by €1,347.2 million (338%) due to the increase of the Market Clearing Price (MCP) (from €61.9/MWh in H1 2021 to €237.6/MWh in H1 2022) and the volume of energy purchases.

- Expenditure for CO_2 emission rights increased to €476.8 million in H1 2022 from €296.9 million in H1 2021, due to the increase of the CO_2 emission rights average price to €71.7/tn from €38.9/tn despite the decrease in CO_2 quantities by 10.4% to 6.9 m tonnes.

Payroll cost

Total payroll cost excluding the impact of one-off items, increased by € 26.4 million in H1 2022 to € 350.8 million from € 324.4 million in H1 2021 due to the lifting of the ceiling on the payroll of the Group's staff as well as the reinstatement of Christmas and Easter bonuses. The natural attrition reached 608 employees (from 13,190 at the end of H1 2021 to 12,582 at the end of H1 2022).

Provisions

In H1 2022, a € 82.6 million increase of bad debt provisions was recorded compared to a reversal of bad debt provisions of € 155.6 million in H1 2021.

One off items impacting EBITDA

There are no one off items impacting EBITDA in H1 2022.
EBITDA in H1 2021, was negatively impacted by the €34.7 million expense for the retroactive charge for special allowances from the implementation of the Collective Labor Agreement for the period 2021-2024 and by the provision for personnel's severance payment of €2.8 million including the abovementioned one-off items, EBITDA for H1 2021 amounted to €434 million.

Capex

Capital expenditure amounted to €244.4 million in H1 2022 compared to €190.9 million in H1 2021. 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 RES projects.

The composition of main capex is as follows:

(in € m)	H1 2022	H1 2021	Δ	Δ (%)
Conventional Generation (*)	62.4	69.5	*-7.2*	*-10.3%*
RES projects (**)	30.5	20.0	*10.5*	*52.5%*
Distribution network	146.7	98.4	*48.3*	*49.1%*
Other	4.8	2.9	*1.9*	*64.0%*
Total	**244.4**	**190.9**	*53.5*	*28.0%*

(*) Including Mines capex

(**) Including capex for hydro power plants

Net Debt

Net debt stood at €2,245,1 million on 30.06.2022, increased by €355,3 million compared to 31.12.2021 (€1,889.8 million) due to cash reduction resulting from the increased needs for hedging transactions due to intense volatility in the market as well as for working capital needs for purchases of natural gas, CO_2 emission rights and energy. Net debt calculation takes into account the €1,323.3 million1[1] paid by Macquarie Asset Management in Q1 2022 for the acquisition of 49% of the share capital of HEDNO.

Net Debt evolution is shown below:

(in € m)	30.06.2022	31.12.2021	30.06.2021
Gross Debt (1)	4,477.1	4,775.8	4,128.6
Cash and cash equivalents / Restricted cash*/ Other financial assets (2)	2,232.0	2,886.0	1,233.3
Net Debt (3) = (1) - (2)	2,245.1	1,889.8	2,895.3

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

[1] On 28.02.2022, acquisition date of PPC's 49% stake in HEDNO by Macquarie Asset Management, PPC received € 1,320 million The offer price has been adjusted to reflect the estimated change in the Net Asset Value of HEDNO until 28.2.2022, in accordance with the terms of the Share Purchase Agreement, while it became final in June 2022 based on the Actual Net Assets of HEDNO with reference date 28.02.2022, in which it received an additional consideration of €2.8 mil.

MAJOR EVENTS OF THE PERIOD

Significant events for the first six-month period of 2022 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 the Group and Parent Company's business

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

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

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

Any delay or objection in relation to the process for obtaining the relevant approvals, permits or licences, procurement or construction delay or change in government policy could result in delays to the estimated commencement date for commercial operations, increased costs, and the need to obtain planning amendments. For the Group's renewable energy projects that are not contemplated to be developed on owned land, the Group must obtain, among other matters, planning and other approvals, permits or licences from relevant authorities, secure any required easements from landowners and construct the physical connection between each project and the Distribution Network. Any failure or delay to obtain or delay in obtaining the necessary approvals, permits or licences, or to enter into the procurement or construction agreements or delays in establishing the connection with the Distribution Network could materially affect the timeline for increased renewable energy generation capacity and have an adverse impact on the Group and Parent Company's business, operations, prospects, financial condition and results of operations.

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

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

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

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

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

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

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

The Group and Parent Company participate in the Greek energy wholesale market both as producer and as supplier of electricity, which exposes them to market price risk stemming from fluctuations in the prices of natural gas, oil and CO2 emission rights, which are traded in international commodity markets as well as to the fluctuations of the electric power prices.

With Article 138 of Law 4591/2022, from 01.08.2022 to 01.07.2023 no readjustment clause or any corresponding indexation in fluctuating electricity supply tariffs, which is linked to the fluctuation of wholesale market prices, does apply for electricity consumption. With the Article 122 of the same Law, from 08.07.2022 to 01.06.2023 the clearing of the wholesale energy market (specifically the Day Ahead Market) was changed with the establishment of a Temporary Mechanism for the Return of Part of Producers' Revenues in the Day Ahead Market. Based on the new energy market circumstances Suppliers are obliged to announce their energy supply price list on a monthly basis for the period Aug 2022 – June 2023 and customers have the possibility to freely choose and change free of charge their Supplier or /and the type of supply tariff. This means that the Parent Company, as a Supplier, is exposed to wholesale market price risk for its entire customer portfolio. The Producers are paid with an administratively determined unit price (regulated price) for each category of production units, the methodology and mathematical formula for its calculation was defined by Ministerial Decision and is calculated on a monthly basis by the Day Ahead Market Clearing Agency. The regulated price for Large Hydroelectric Power Plants (HPP) and RES Portfolios has been set fixed, while the regulated price for thermal power plants reflects the variable production costs of these units (i.e. takes into account the prices of lignite, natural gas and CO2 emission rights). This means that the Parent Company's exposure, as a Producer, to the risk of natural gas prices, CO2 emissions rights and electric power is drastically limited, for the above defined period of time.

Compared to previous years, CO2 emissions have significantly decreased due to the lignite decommissioning plan. However, because of the current energy crisis due to the war in Ukraine, and for reasons of security and the adequacy of the country's electricity supply, a temporary increase in lignite production is predicted, resulting in an increase in CO2 emissions. While an automatic mechanism (clause) for passing on increases in the cost of CO2 emission allowances in High Voltage tariffs, in the part corresponding to its consumptions, has been adopted, the relevant cost may not be fully offset.

Significant fluctuations in the prices or quantities of natural gas, fuels and CO2 emission rights affect, directly or indirectly through the effect on the price of the Greek wholesale energy market, the financial position, results and cash flows of the Group and the Parent Company as well as their business activities and prospects.

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

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

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

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

In the recent past, the Parent Company's obligation to supply its competitors with a substantial amount of wholesale electricity at below cost pursuant to NOME-type auctions had a detrimental impact on the business and results of operations. While NOME-type auctions were abolished in October 2019, on 10 September 2021, the European Commission made legally binding, under the EU antitrust rules, the measures proposed by the Greek authorities on 1 September 2021 to resolve the outstanding Anti-Trust Case (decisions C (2008) 824(3) and C (2009) 6244(4) of the EC) and in view of accelerating the opening of the Greek electricity market, which oblige the Parent Company to sell quarterly forward products of 2022 and 2023 power in the Greek Energy Exchange (HEnEx) and/or the European Energy Exchange (EEX) by the end of Jan 2022 and Jan 2023 respectively. The Parent Company has complied with the above-mentioned obligation timely within 2021 for 2022. There is no guarantee that the compliance will not adversely impact its s financial position. Such measures or reforms, the introduction of new laws and/or regulatory mechanisms in the electricity market or other adverse changes in the competitive landscape in the supply market, may have a negative impact on results of operation and cash flows. The reduction of the Parent Company's supply market share in conjunction with the absence of conditions for effective competition and the potentially imbalanced participation of suppliers in the market may also have a negative impact on the Groups and Parent Company's results of operation and financial condition in future periods.

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

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

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

6. Tariff risk for the competitive activities

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

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

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

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

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

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

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

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

8. Risks related to climate change

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

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

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

9. Risks related to climate conditions and seasonal variations

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

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

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

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

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

10. Risks related to sustainability obligations and objectives

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

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

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

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

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

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

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

In addition, the Group and Parent Company periodically shut down certain power plants or individual units in their power plants and incur expenses in connection with inspections, maintenance or repair activities. However, their power plants, distribution infrastructure, mining facilities and information systems controlling these facilities are subject to failure, breakdowns, unplanned outages, capacity limitations, system loss, breaches of security or physical damage due to natural disasters, such as adverse weather conditions, storms, floods, fires, explosions, landslides, slope ruptures or earthquakes, sabotage, terrorism, human error, computer viruses, fuel supply interruptions, criminal acts and other catastrophic events. The Group and Parent Company may have to unexpectedly shut down all or part of their power plants as a result of the occurrence of any of these events and any physical damage to their facilities may be costly to repair. In addition, the Group and Parent Company's regularly planned shut-downs may increase in the future due to, for example, increased environmental and other requirements or regulations. Furthermore, the transmission of electricity from their power plants to their customers is dependent upon the infrastructure and reliable operation of both the Transmission System and the Distribution Network. Any failure or inadequate development of the Transmission System and/or Distribution Network, natural disasters and insufficient maintenance could prevent the distribution from power plants to end-consumers.
Due to the complexity of operating power stations, the Group and Parent Company are not able to eliminate the risk of unplanned outages and they cannot predict the timing or impact of these outages with certainty or provide any assurance that accidents will not occur or that the preventive measures taken by them will be fully effective in all cases, particularly in relation to external events that are not within their control, such as floods and other natural disasters. The Group and Parent Company's emergency response, disaster recovery and crisis management measures may not effectively protect them from these events. Any failure, breakdown or unplanned outages in the Group and Parent Company's power plants or any failure or interruption in their transmission or distribution infrastructure could have a material adverse effect on their reputation, business, results of operations and financial condition. may result in decreased electricity generation and customer dissatisfaction and may also lead to liability for damages, the imposition of penalties and other unforeseen costs and expenses, which could have a material adverse effect on the Group and Parent Company's reputation, business, results of operations and financial condition.

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

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

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

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

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

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

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

14. Risks related to extraordinary events

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

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

Furthermore, the consequences of these events may create significant and long-lasting environmental or health hazards and pollution and may be harmful or a nuisance to neighbouring residents. The Group and Parent Company may be required to pay damages or fines, clean up environmental damage or dismantle power plants in order to comply with environmental or health and safety regulations. The Group and Parent Company may also face civil liabilities or fines in the ordinary course of their business as a result of damages to third parties caused by the natural and/or man-made disasters mentioned above and in the past, they have paid civil liabilities to third parties due to such disasters. These liabilities may result in the Group and Parent Company being required to make indemnification payments in accordance with applicable laws.

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

15. Risks from the absence of Fixed Asset insurance

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

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

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

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

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

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

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

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

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

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

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

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

18. Risks related to potential strikes

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

19. Risks related to the security of the IT systems

A large portion of the Group and Parent Company's operations is based on information systems and they are exposed to the risk of non- availability, data integrity corruption, power disruptions, malicious cyber-attacks and unauthorised access to these systems. In order to minimise these risks, the Group and Parent Company take measures for the enhancement of their IT security, such as defining and continuously updating their IT security policies and standards and covering their IT systems by maintenance contracts. The Group and Parent Company believe that they currently have adequate insurance policies in place to cover risks associated with the operation and maintenance of their IT infrastructure and perform regular audits of the security of their systems. However, there can be no assurances that they will be able to prevent technology failures, IT security breaches or malicious cyber-attacks in a timely manner or continue to have adequate insurance coverage to compensate for related losses (including litigation claims, liability and data loss), which could disrupt their operations or harm their reputation and have a materially adverse effect their business.

Risks related to macroeconomic conditions in Greece and the European Union

20. Risks related to adverse developments in the global and Greek economy

Substantially all of the Group and Parent Company's assets and operations are in Greece and thus Greece's economic situation is anticipated to be reflected in the Group and Parent Company's business. Any potential future deterioration in economic activity in Greece or failure to perform necessary structural reforms could adversely affect the Group and Parent Company's business, financial condition and results of operations.

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

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

Beginning in December 2019, the COVID-19 pandemic spread rapidly throughout the world, contributing to a climate of macroeconomic uncertainty, disruption and significant volatility in the financial markets.

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

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

22. Risks related to European economic and geopolitical developments

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

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

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

Risks related to the regulatory and legal framework

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

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

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

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

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

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

Given the increased human, technical and financial resources needed to respond to decisions of RAE or other national or international institutions, especially as such decisions may not take into account all relevant factors which could have uncertain consequences on its business and its operations, the Parent Company cannot give any assurances that Parent Company will be at all times in a position to fully and timely satisfy the regulatory, environmental, financial and any other requirements imposed by the relevant regulator, which could have a significant adverse effect on the Group and Parent Company's business, financial position and operating results.

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

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

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

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

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

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

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

- There have been several regulatory interventions with respect to Parent Company's exclusive access to lignite. As a result of Greece's conviction regarding the lignite power exclusivity, which was until recently pending as of 2008 (the "Anti-Trust Case"), the Greek government has sought to procure the Parent Company's divestment from certain lignite power plants, which was abandoned on 18 July 2019. Further to discussions between the Greek Ministry of Environment and Energy and the European Commission in relation to the Anti-Trust Case remedies ,(Anti-trust Case AT.38700 – Greek lignite and electricity markets), Law 4843/2021 was voted and an EU Decision was issued (10.9.2021a new mechanism will be put in place for the next three years whereby the Group and Parent Company should obtain electricity power seller position as a follow;The Group should sell quarterly forward electricity products on the organised exchanges of the European Energy Exchange (“EEX”) and/or the HEnEx, resulting in buyers obtaining electricity at a stable price every day during the quarter in question, in order to hedge the price risk. The Group should obtain a net seller position on EEX and/or HEnEx, meaning that its sales of the forward electricity products in question should exceed any corresponding purchases by a certain volume. The volumes to be sold are calculated as a share of the Group’s lignite-fired generation during the respective quarter of the previous year.

The volumes required to be sold through the Energy Exchanges are calculated as a percentage (40-50%) of the amount of power production from lignite during the respective quarter of the previous year, without any direct or indirect connection between of the energy sold on the Energy Exchanges and the operation of the lignite units in the context of the Spot Markets of Greece

The European Commission has concluded that the proposed measures fully address the infringement identified by the European Commission in its 2008 and 2009 decisions in light of the Greek plan to decommission all existing lignite-fired generation by 2023 in line with Greece’s and the EU’s environmental objectives. The remedies will lapse when existing lignite plants stop operating at the latest, by 31 December 2024. Although the main elements of these measures are in line with the Group and Parent Company’s expectations, there can be no assurance that they will not have a material adverse effect on their business, financial condition and results of operations.

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

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

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

27. Risks related to the licenses and permits

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

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

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

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

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

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

The Group and the Parent Company are also required to obtain environmental and safety permits for their operations from various governmental authorities. Certain permits require periodic renewal or review of their environmental terms as well as continuous monitoring and compliance reporting. Compliance with obligations under applicable environmental laws and regulations, including soil and water decontamination, can also be extremely costly to comply with.

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

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

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

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

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

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

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

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

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

32. Litigation Risk

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 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.

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 and Parent Company's financial condition, financial results and financing arrangements

33. Credit Risk

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

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

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

34. Cash flow risk

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

- delays in the payment or non-payment of energy bills, which may increase if economic conditions in Greece deteriorate;
- the Parent Company's obligation to pay the Renewables special levy, the special consumption tax on electricity, as well as VAT when due, irrespective of whether it has collected the relevant amounts from its customers;
- the burden associated with the collection of taxes and levies that are not related to the sale of electricity, such as municipal taxes and levies that are currently collected through electricity;
- the increase of Vulnerable customers, such as families with low income, long-term unemployed, people with special needs and people on life support, who are entitled to lower tariffs; and
- incidents of electricity theft and unauthorised reconnection of electricity supply in cases of electricity disconnection due to customer defaults.

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

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

35. Credit rating risk

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

The Group and the Parent Company's ability to access the capital markets and other forms of financing (or refinancing), and the costs associated with such activities, depend in part on their credit rating, which is closely related to that of the Greek State. The Group and the Parent Company currently expect to operate with sufficient liquidity to maintain or improve their current credit rating. However, this is dependent on a number of factors, some of which may be beyond their control. If they fail to maintain adequate levels of liquidity or as a result of certain changes in their capital structure, their rating may be downgraded, which could have a material adverse effect on the Group and the Parent Company's business, results of operations and financial condition.

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

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

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

37. Risk from potential undertaking of Social Security liabilities

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

38. Interest rate and foreign currency risk

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

Furthermore, the fluctuation of the euro against U.S. dollar exchange rate may adversely impact the prices of the Parent Company's liquid fuel purchases (diesel and heavy fuel oil) and the price of natural gas purchases, whose price is calculated based on the oil price. As oil prices are expressed in U.S. dollars, the Parent Company is exposed to foreign currency risk in the event of an appreciation of the U.S. dollar against the euro. In order to mitigate the foreign currency risk arising from liquid fuel purchases, the Parent Company examines the possibility of undertaking, on a case-by-case basis and according to the prevailing market liquidity circumstances, hedging transactions for this risk. There is no assurance that such undertaken hedging transactions will provide full or adequate protection against these risks.

39. Risks relating to impairment of assets

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

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

40. Risks associated to loan covenants

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

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

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

41. Leverage risk

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

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

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

H2 2022 OUTLOOK

For the second half of 2022, 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 2021, as well as the first half of 2022. This increase is due to the continuous price increases of natural gas, but also to the increased price for electricity purchases and secondarily to increased CO_2 emission allowances prices. The significant increase of the energy mix expenditure (which includes the aforementioned costs), is expected that it will be covered (or offset) by the increased revenue from electricity sales and consequently no significant impact on the operating profitability of the Group is expected to occur.

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, 2022 and December 31st, 2021 are as follows:

	June 30, 2022 Amounts in '000€		December 31, 2021 Amounts in '000€	
	Receivables	**(Payables)**	**Receivables**	**(Payables)**
Subsidiaries				
PPC Renewables S.A.	1,892	-	1,814	(399)
HEDNO S.A.	228,091	(306,570)	221,202	(380,849)
LIGNITIKI MEGALOPOLIS SOLE SHAREHOLDER S.A.	-	-	25,885	(684)
LIGNITIKI MELITIS SOLE SHAREHOLDER S.A.	-	-	20,999	
ILIAKA PARKA ENA S.A.	16	-	13	-
ILIAKA PARKA DIO S.A.	20	-	4	-
ILIAKO VELOS ENA S.A.	85	-	143	-
ARKADIKOS ILIOS ENA S.A.	13	-	11	-
ARKADIKOS ILIOS DIO S.A.	3	-	3	-
AMYNTAIO PV PARK ENA S.A.	-	-	2	-
AMYNTAIO PV PARK DIO S.A.	-	-	2	-
AMYNTAIO PV PARK TRIA S.A.	-	-	2	-
AMYNTAIO PV PARK TESSERA S.A.	-	-	2	-
AMYNTAIO PV PARK PENTE S.A.	-	-	2	-
AMYNTAIO PV PARK EKSI S.A.	-	-	2	-
AMYNTAIO PV PARK EPTA S.A.	-	-	2	-
AMYNTAIO PV PARK OKTO S.A.	-	-	2	-
AMYNTAIO PV PARK ENNEA S.A.	-	-	2	-
PPC Finance Plc.	-	(71)	-	(71)
PPC Elektrik	226	-	110	-
PPC Bulgaria JSCO	1	-	9	(374)
PPC Albania	100	-	40	-
EDS AD Skopje	31,443	-	20,026	-
Total	**261,890**	**(306,641)**	**290,277**	**(382,377)**

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 December 31st, 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 €25.2 mil. and €20.9 mil. respectively.

Due to the absorption of the lignite subsidiaries Lignitiki Megalopolis S.A. and Lignitiki Melitis S.A. from the Parent company on June 1, 2022, on June 30, 2022 there are no receivables and liabilities with the Parent company.

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

PPC's transactions with its subsidiaries for the period ended June 30th, 2022 and June 30th, 2021, respectively, are as follows:

	June 30, 2022		June 30, 2021	
	Amounts in '000 €		Amounts in '000 €	
	Invoiced to	**(Invoiced from)**	**Invoiced to**	**(Invoiced from)**
Subsidiaries				
PPC Renewables S.A.	2,164	(1,517)	1,385	-
HEDNO S.A.	388,445	(625,111)	791,040	(837,080)
LIGNITIKI MEGALOPOLIS S.A.	52,002	(363)	41,792	(583)
LIGNITIKI MELITIS S.A.	31,647	-	14,747	-
ILIAKA PARKA ENA S.A.	16	-	-	-
ILIAKA PARKA DIO S.A.	15	-	-	-
ILIAKO VELOS ENA S.A.	232	-	-	-
ARKADIKOS ILIOS ENA S.A.	32	-	-	-
ARKADIKOS ILIOS DIO S.A.	8	-	-	-
PPC Finance Plc	-	-	-	(13)
PPC Elektrik	-	(103)	8	(1,588)
PPC Bulgaria JSCO	1	-	105	(10,688)
EDS AD Skopje	18,852	(1,555)	177	(322)
Total	**493,144**	**(628,649)**	**849,254**	**(850,274)**

Guaranties in favor of subsidiaries

As of 30.06.2022, the Parent Company has provided a guarantee to its subsidiary PPC Renewables S.A. for a total credit line of up to Euro 8.0 million, through overdraft facilities, out of which PPC Renewables S.A. has used an amount of Euro 418 thousands relating to letters of guarantee.

As of 30.06.2022, the Parent Company has provided a guarantee to its subsidiary Energy Delivery Solutions AD (EDS) of € 33 million, for loans concerning working capital needs. EDS Group drew an amount of € 17 million.

As of June 30, 2022, the Parent Company provided a corporate guarantee to EDS for the electricity supplier Energy Financing Team AG - St Gallen amounting of up to € 1.5 million and for the electricity supplier Alpiq Energija amounting of up to € 1.5 million.

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

Significant 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., ENEXCLEAR S.A., IPTO S.A., and LARCO S.A. are presented.

	1.1.2021 – 30.06.2022 Amounts in '000 €		1.1.2021 – 30.06.2021 Amounts in '000 €	
	Invoiced to	**(Invoiced from)**	**Invoiced to**	**(Invoiced from)**
ELPE	-	(130,253)	7,859	(43,423)
DEPA	-	(522,277)	61	(178,758)
DAPEEP S.A.	74,764	(187,115)	78,507	(175,588)
HEnEx S.A.	-	(1,421)	-	(1,911)
IPTO S.A.	380	(34,754)	1,812	(56,446)
ENEXCLEAR S.A.	2,702,462	(4,527,596)	846,125	(1,243,747)
LARCO S.A.	13,234	-	15,815	-

	June 30, 2022 Amounts in '000 €		December 31, 2021 Amounts in '000 €	
	Receivables	**(Payables)**	**Receivables**	**(Payables)**
ELPE	-	(98,296)	-	(18,064)
DEPA	-	(114,561)	-	(91,447)
DAPEEP S.A.	16,919	(65,637)	31,704	(68,889)
HEnEx S.A.	-	(7)	-	(8)
IPTO S.A.	10,875	-	4,754	-
ENEXCLEAR S.A.	72,074	(69,376)	34,111	(40,178)
LARCO S.A.	361,958	-	369,093	-

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

In addition to the above-mentioned transactions, PPC enters into commercial transactions with many state-owned entities, both profit and non- 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, 2022 and December 31st, 2021 with HCAP S.A. and the companies, in which HCAP S.A. participates, are presented below:

	GROUP June 30, 2022 Amounts in '000		COMPANY June 30, 2021 Amounts in '000 €	
	Receivables	**(Payables)**	**Receivables**	**(Payables)**
HCAP S.A.	3	-	3	-
ATHENS INTERNATIONAL AIRPORT S.A.	1,624	-	1,583	-
ELTA S.A.	899	(4,098)	-	(3,905)
ELTA COURIER S.A.	4	(168)	4	(130)
EYDAP S.A.	8,848	(11)	8,848	(1)
ETVA INDUSTRIAL PARKS S.A.	489	(3)	489	-
THESSALONIKI INTERNATIONAL FAIR S.A.	296	-	296	-
ODIKES SYNGKOINONIES S.A.	16,518	(6)	16,518	-
PUBLIC PROPERTIES COMPANY S.A.	6,339	(12)	6,339	-
URBAN RAIL TRANSPORT S.A.	45,870	-	45,870	-
C.M.F.O. S.A.	326	-	326	-
O.A.S.A. S.A.	17	-	17	-
CENTRAL MARKET OF THESSALONIKI S.A.	62	-	62	-
E.Y.A.TH. S.A.	6,236	-	6,234	-
MANAGEMENT OF INDUSTRIAL PARK OF KASTORIA	1	-	1	-
GAIAOSE S.A.	5	(1)	5	-
A.E.DI.K	7	-	7	-
MARINA ZEAS	1	-	1	-
HELLENIC SALTWORKS S.A.	35	-	35	-
TOTAL	**87,580**	**(4,299)**	**86,638**	**(4,036)**

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

The Group's and the Parent Company's transactions as of June 30th, 2022 and June 30th, 2021 with HCAP S.A. and the companies, in which HCAP S.A. participates, are presented below:

	GROUP 1.1.2022 – 30.06.2022 Amounts in '000 €		COMPANY 1.1.2022 – 30.06.2022 Amounts in '000 €	
	Invoiced to	(Invoiced from)	Invoiced to	(Invoiced from)
HCAP S.A.	15	-	15	-
ATHENS INTERNATIONAL AIRPORT S.A.	1,181	(8)	1,070	(8)
ELTA S.A.	3,516	(6,605)	4	(5,818)
ELTA COURIER S.A.	11	(135)	11	(116)
EYDAP S.A.	22,333	(118)	22,276	(97)
ETVA INDUSTRIAL PARKS S.A.	1,212	(19)	1,212	(18)
THESSALONIKI INTERNATIONAL FAIR S.A.	947	(40)	947	(40)
ODIKES SYNGKOINONIES S.A.	4,264	(6)	4,264	-
PUBLIC PROPERTIES COMPANY S.A.	2,138	-	2,138	-
URBAN RAIL TRANSPORT S.A.	27,167	-	27,167	-
C.M.F.O. S.A.	1,289	-	1,289	-
O.A.S.A. S.A.	46	-	46	-
E.Y.A.TH. S.A.	15,850	(2)	15,849	-
HELLENIC SALTWORKS S.A.	138	-	138	-
MANAGEMENT OF INDUSTRIAL PARK OF KASTORIA	4	-	4	-
GAIAOSE S.A.	17	-	17	-
A.E.DI.K.	19	-	19	-
ΣΥΝΟΛΟ	**80,147**	**(6,933)**	**76,466**	**(6,097)**

	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)**

Management remuneration

Management Members remuneration (Board of Directors' members and General Managers) for the periods ended on June 30th, 2022, and June 30th, 2021, is as follows:

	GROUP Amounts in '000 €		COMPANY Amounts in '000 €	
	30.06.2022	**30.06.2021**	**30.06.2022**	**30.06.2021**
Remuneration of the Board of Directors' members				
- Remuneration of executive members	446	472	235	240
- Remuneration of non-executive members	135	182	-	-
-Compensation / Extraordinary fees / Other Benefits	137	608	103	591
- Employer's Social Contributions	110	118	43	41
	828	**1,380**	**381**	**872**
Remuneration of the Deputy Chief Executive Officers and General Managers				
- Regular remuneration	1,188	963	777	702
- Employer's Social Contributions	180	160	129	117
-Compensation / Extraordinary fees	-	1,179	-	1,179
	1,368	**2,302**	**906**	**1,998**
Total	**2,196**	**3,682**	**1,287**	**2,870**

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.

Finally, on June 4, 2021 the Extraordinary General Meeting of the Shareholders approved the new Remuneration Policy, which includes an additional incentive in the form of equity settled stock awards. (See Note 7 – Payroll Cost of the 2021 Annual Financial Report). As to date the key Efficiency Ratios for this benefit have not been defined, it is not possible, at present, to determine the fair value of the Free Sharing Rights.

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 2022 there were no one off effects that impacted EBITDA. 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 01.01-30.06.2022	Total Group 01.01-30.06.2021	Total Group 01.04-30.06.2022	Total Group 01.04-30.06.2021
	Amounts in '000€	**Amounts in '000€**	**Amounts in '000€**	**Amounts in '000€**
Total Turnover (1)	**4,392,286**	**2,193,439**	**2,144,945**	**1,079,453**
less:				
Operating expenses before depreciation and impairment (2)	3,963,007	1,759,414	1,885,708	831,737
Payroll cost	350,761	361,812	173,897	163,030
Lignite	(4,673)	35,957	(17,228)	7,161
Liquid Fuels	326,545	224,974	170,541	120,323
Natural Gas	678,313	218,252	254,467	123,168
Energy purchases	1,745,758	398,556	937,571	235,312
Materials and consumables	58,914	71,398	35,570	38,346
Transmission system usage	68,077	63,898	34,882	31,942
Distribution system usage	-	-	-	-
Utilities and maintenance	94,169	93,823	48,788	48,864
Third party fees	70,287	73,710	39,737	44,576
CO2 emission rights	476,751	296,901	176,764	158,430
Provision for Risks	(17,771)	23,170	(8,480)	(584)
Provisions for impairment of materials	2,177	15,375	(1,397)	(815)
Provisions for expected credit losses	82,615	(155,576)	36,720	(153,454)
Other Losses / (Gains), Net	31,084	37,164	3,876	15,438
EBITDA (A) = [(1) - (2)]	**429,279**	**434,025**	**259,237**	**247,716**
EBITDA MARGIN [(A) / (1)]	**9.8%**	**19.8%**	**12.1%**	**22.9%**

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

	Total Company 01.01-30.06.2022	Total Company 01.01-30.06.2021	Total Company 01.04-30.06.2022	Total Company 01.04-30.06.2021
	Amounts in '000€	**Amounts in '000€**	**Amounts in '000€**	**Amounts in '000€**
Total Turnover (1)	**4,203,257**	**2,054,164**	**2,045,358**	**1,007,486**
less :				
Operating expenses before depreciation and impairment (2)	3,962,194	1,563,636	1,851,736	795,883
Payroll cost	197,279	205,825	97,381	98,030
Lignite	(6,231)	24,337	(11,582)	780
Liquid Fuels	323,447	222,822	169,688	119,722
Natural Gas	678,313	218,252	254,467	123,168
Energy purchases	1,903,482	461,253	952,981	273,453
Materials and consumables	43,984	44,276	27,987	23,119
Transmission system usage	68,077	63,898	34,882	31,942
Distribution system usage	223,682	114,185	113,169	62,467
Utilities and maintenance	55,494	55,674	29,983	29,241
Third party fees	42,086	47,926	24,244	30,956
CO2 emission rights	403,061	246,306	169,207	127,012
Provision for Risks	(11,756)	20,950	(2,465)	(3,428)
Provisions for impairment of materials	1,124	13,404	(2,339)	(2,336)
Provisions for expected credit losses	36,590	(187,283)	7,232	(118,842)
Other Losses / (Gains), Net	3,562	11,811	(13,099)	599
EBITDA (A) = [(1) - (2)]	**241,063**	**490,528**	**193,622**	**211,603**
EBITDA MARGIN [(A) / (1)]	**5.7%**	**23.9%**	**9.5%**	**21.0%**

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 01.01-30.06.2022	Total Group 01.01-30.06.2021	Total Group 01.04-30.06.2022	Total Group 01.04-30.06.2021	NOTES
	Amounts in '000€	Amounts in '000€	Amounts in '000€	Amounts in '000€	
Operating expenses before depreciation and impairment (2)	**3,963,007**	**1,759,414**	**1,885,708**	**831,737**	
less :					
Actuarial Expense for severance payment due to retirement	-	2,752	-	(180)	Note 15 Interim Report 2021
Retroactive charge for special allowances from the implementation of the Collective Labour Agreement for the period 2021 - 2024	-	34,656	-	(1,716)	Note 3 Interim Report 2021
Operating expenses before depreciation and impairment without one off effects	**3,963,007**	**1,722,006**	**1,885,708**	**833,633**	

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 Company 01.01-30.06.2022	Total Company 01.01-30.06.2021	Total Company 01.04-30.06.2022	Total Company 01.04-30.06.2021	NOTES
	Amounts in '000€	Amounts in '000€	Amounts in '000€	Amounts in '000€	
Operating expenses before depreciation and impairment (2)	**3,962,194**	**1,563,636**	**1,851,736**	**795,883**	
less :					
Actuarial Expense for severance payment due to retirement	-	2,752	-	(180)	Note 15 Interim Report 2021
Retroactive charge for special allowances from the implementation of the Collective Labour Agreement for the period 2021 - 2024	-	22,178	-	5,056	Note 3 Interim Report 2021
Operating expenses before depreciation and impairment without one off effects	**3,962,194**	**1,538,706**	**1,851,736**	**791,007**	

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

	Total Group 01.01-30.06.2022	Total Group 01.01-30.06.2021	Total Group 01.04-30.06.2022	Total Group 01.04-30.06.2021	NOTES
	Amounts in '000€	Amounts in '000€	Amounts in '000€	Amounts in '000€	
EBITDA (1)	**429,279**	**434,025**	**259,237**	**247,716**	
Plus one off effects (2):	**-**	**37,408**	**-**	**(1,896)**	
Actuarial Expense for severance payment due to retirement	-	2,752	-	(180)	Note 15 Interim Report 2021
Retroactive charge for special allowances from the implementation of the Collective Labour Agreement for the period 2021 - 2024	-	34,656	-	(1,716)	Note 3 Interim Report 2021
EBITDA RECURRING WITHOUT ONE OFF EFFECTS (3) = [(1)+(2)]	**429,279**	**471,433**	**259,237**	**245,820**	
TOTAL TURNOVER (4)	**4,392,286**	**2,193,439**	**2,144,945**	**1,079,453**	
EBITDA RECURRING MARGIN WITHOUT ONE OFF EFFECTS [(3)/(4)	**9.8%**	**21.5%**	**12.1%**	**22.8%**	

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

	Total Company 01.01-30.06.2022	Total Company 01.01-30.06.2021	Total Company 01.04-30.06.2022	Total Company 01.04-30.06.2021	NOTES
	Amounts in '000€	Amounts in '000€	Amounts in '000€	Amounts in '000€	
EBITDA (1)	**241,063**	**490,528**	**193,622**	**211,603**	
Plus one off effects (2):	**-**	**24,930**	**-**	**4,876**	
Actuarial Expense for severance payment due to retirement	-	2,752	-	(180)	Note 15 Interim Report 2021
Retroactive charge for special allowances from the implementation of the Collective Labour Agreement for the period 2021 - 2024	-	22,178	-	5,056	Note 3 Interim Report 2021
EBITDA RECURRING WITHOUT ONE OFF EFFECTS (3) = [(1)+(2)]	**241,063**	**515,458**	**193,622**	**216,479**	
TOTAL TURNOVER (4)	**4,203,257**	**2,054,164**	**2,045,358**	**1,007,486**	
EBITDA RECURRING MARGIN WITHOUT ONE OFF EFFECTS [(3)/(4)	**5.7%**	**25.1%**	**9.5%**	**21.5%**	

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

	Total Group 01.01-30.06.2022	Total Group 01.01-30.06.2021	Total Group 01.04-30.06.2022	Total Group 01.04-30.06.2021
	Amounts in '000€	Amounts in '000€	Amounts in '000€	Amounts in '000€
EBITDA	**429,279**	**434,025**	**259,237**	**247,716**
Less:				
Depreciation and impairment of tangible assets	333,256	338,881	167,256	162,311
Impairment of other assets	2,749	11,641	1,836	7,314
Impairment of lignite subsidiaries	-	-	-	-
EBIT (A)	**93,274**	**83,503**	**90,145**	**78,091**
Total Turnover (1)	**4,392,286**	**2,193,439**	**2,144,945**	**1,079,453**
EBIT Margin [(A) / (1)]	**2.1%**	**3.8%**	**4.2%**	**7.2%**

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

	Total Company 01.01-30.06.2022	Total Company 01.01-30.06.2021	Total Company 01.04-30.06.2022	Total Company 01.04-30.06.2021
	Amounts in '000€	Amounts in '000€	Amounts in '000€	Amounts in '000€
EBITDA	**241,063**	**490,528**	**193,622**	**211,603**
Less:				
Depreciation and impairment of tangible assets	164,148	177,209	83,392	84,094
Impairment of other assets	2,749	11,641	1,836	7,314
Impairment of lignite subsidiaries	-	88,000	-	-
EBIT (A)	**74,166**	**213,678**	**108,394**	**120,195**
Total Turnover (1)	**4,203,257**	**2,054,164**	**2,045,358**	**1,007,486**
EBIT Margin [(A) / (1)]	**1.8%**	**10.4%**	**5.4%**	**11.9%**

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

	Total Group 01.01-30.06.2022	Total Group 01.01-30.06.2021	Total Group 01.04-30.06.2022	Total Group 01.04-30.06.2021
	Amounts in '000€	Amounts in '000€	Amounts in '000€	Amounts in '000€
Depreciation, Financial Expense and Profit from Subsidiaries and Associates	**424,655**	**408,607**	**225,265**	**197,620**
Depreciation	333,256	338,881	167,256	162,311
Financial expense	171,471	107,981	90,897	54,188
Financial income	(21,042)	(35,186)	(13,390)	(19,184)
Net (profit)/loss from associates and joint ventures	(60,753)	(2,076)	(20,728)	1
Net loss/(profit) from FX differences	1,723	(993)	1,230	304

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

	Total Company 01.01-30.06.2022	Total Company 01.01-30.06.2021	Total Company 01.04-30.06.2022	Total Company 01.04-30.06.2021
	Amounts in '000€	Amounts in '000€	Amounts in '000€	Amounts in '000€
Depreciation, Financial Expense and Profit from Subsidiaries and Associates	**245,076**	**241,007**	**102,793**	**112,297**
Depreciation	164,148	177,209	83,392	84,094
Financial expense	143,372	106,197	74,653	53,419
Financial income	(64,061)	(41,415)	(56,540)	(25,519)
Net (profit)/loss from associates and joint ventures	-	-	-	-
Net loss/(profit) from FX differences	1,617	(984)	1,288	303

TABLE F – Net Debt

	Group			Company		
	30.06.2022	**31.12.2021**	**30.06.2021**	**30.06.2022**	**31.12.2021**	**30.06.2021**
	Amounts in ‘000€	**Amounts in ‘000€**	**Amounts in ‘000€**	**Amounts in ‘000€**	**Amounts in ‘000€**	**Amounts in ‘000€**
Long-term borrowing	3,927,296	4,062,638	3,614,340	2,614,632	2,723,954	3,514,713
Current portion of long -term borrowing	328,322	353,632	421,693	172,227	207,051	421,703
Short term borrowing	139,275	271,337	9,689	120,000	260,000	-
Cash and cash equivalents	(2,196,992)	(2,832,351)	(1,186,552)	(1,754,379)	(2,512,204)	(907,788)
Restricted cash	(34,717)	(53,323)	(46,070)	(23,008)	(35,754)	(37,926)
Financial Assets at fair value through comprehensive income	(324)	(327)	(711)	(323)	(325)	(554)
Unamortized portion of borrowing costs	82,234	88,166	82,890	81,129	88,166	82,890
TOTAL	**2,245,094**	**1,889,772**	**2,895,279**	**1,210,278**	**730,888**	**3,073,038**

Athens, September 6^{th}, 2022

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

Independent auditor's review report

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. as at 30 June 2022, and the related condensed separate and consolidated statements of income, 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 condensed financial information, which form 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 endorsed 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 in the declarations of the members of Board of Directors and the information contained in the six-month report of the Board of Directors prepared in accordance with article 5 and 5a of Law 3556/2007, compared to the accompanying interim condensed separate and consolidated financial information.

Maroussi, 6 September 2022

IOANNIS PIERROS
CERTIFIED AUDITOR ACCOUNTANT
S.O.E.L. R.N. 3505

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 2022

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 6th 2022, 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 2022
(All amounts in thousands of Euro – except share and per share data)

	Note	GROUP		COMPANY			
		01.01.2022 – 30.06.2022	01.01.2021 – 30.06.2021	01.01.2022 – 30.06.2022	01.01.2021 – 30.06.2021	01.01.2021 – 30.06.2021	01.01.2021 – 30.06.2021
		Total Group	Total Group	Total Company	Total Company	Continuing Operations	Discontinued Operations
REVENUES:							
Revenue from energy sales		4,146,949	1,855,200	4,150,082	1,836,956	1,836,956	-
Revenue from natural gas sales		4,632	765	4,632	765	765	-
Other sales		240,705	337,474	48,543	216,443	167,388	49,055
	5	**4,392,286**	**2,193,439**	**4,203,257**	**2,054,164**	**2,005,109**	**49,055**
EXPENSES:							
Payroll cost		350,761	361,812	197,279	205,825	205,825	-
Lignite		(4,673)	35,957	(6,231)	24,337	24,337	-
Liquid Fuels		326,545	224,974	323,447	222,822	222,822	-
Natural Gas		678,313	218,252	678,313	218,252	218,252	-
Depreciation and amortization		333,256	338,881	164,148	177,209	177,209	-
Energy purchases		1,745,758	398,556	1,903,482	461,253	461,253	-
Materials and consumables		58,914	71,398	43,984	44,276	44,276	-
Transmission system usage		68,077	63,898	68,077	63,898	63,898	-
Distribution system usage		-	-	223,682	114,185	231,594	(117,409)
Utilities and maintenance		94,169	93,823	55,494	55,674	55,674	-
Third party fees		70,287	73,710	42,086	47,926	47,926	-
Emission allowances	14	476,751	296,901	403,061	246,306	246,306	-
Provisions for risks		(17,771)	23,170	(11,756)	20,950	20,950	-
Provision for impairment of materials		2,177	15,375	1,124	13,404	13,404	-
Provisions for expected credit losses		82,615	(155,576)	36,590	(187,283)	(187,283)	-
Financial expenses		171,471	107,981	143,372	106,197	81,006	25,191
Financial income		(21,042)	(35,186)	(64,061)	(41,415)	(41,415)	-
Impairment loss on Lignite Subsidiaries	8	-	-	-	88,000	88,000	-
Impairment loss on assets	15	2,749	11,641	2,749	11,641	11,641	-
Other (income)/expenses, net		31,084	37,164	3,562	11,811	14,640	(2,829)
(Gains) from associates	3	(60,753)	(2,076)	-	-	-	-
(Gains) from sale of subsidiary	6	-	-	(790,021)			
(Gains)/losses from Foreign currency		1,723	(993)	1,617	(984)	(984)	-
		4,390,411	**2,179,662**	**3,419,998**	**1,904,284**	**1,999,331**	**(95,047)**
PROFIT BEFORE TAX		**1,875**	**13,777**	**783.259**	**149,880**	**5,778**	**144,102**
Income tax	7	(12,944)	13,166	(6.218)	18,321	(127,528)	145,849
NET PROFIT/ (LOSSES)		**(11,069)**	**26,943**	**777.041**	**168,201**	**(121,750)**	**289,951**
Attributable to:							
Owners of the Parent		(17,493)	26,923				
Non – controlling interests		6,424	20				
Profit/(Loss) per share, basic and diluted		(0.03)	0.12				
Weighted average number of shares		**382,000,000**	**232,000,000**				

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

PUBLIC POWER CORPORATION S.A.
INTERIM CONDENSED CONSOLIDATED AND SEPARATE STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIOD ENDED JUNE 30th 2022
(All amounts in thousands of Euro)

	Note	GROUP		COMPANY			
		01.01.2022 – 30.06.2022	01.01.2021 – 30.06.2021	01.01.2022 – 30.06.2022	01.01.2021 – 30.06.2021	01.01.2021 – 30.06.2021	01.01.2021 – 30.06.2021
		Total Group	Total Group	Total Company	Total Company	Continuing Operations	Discontinued Operations
Net Profit / (Loss) for the period		**(11,069)**	**26.943**	**777.041**	**168.201**	**(121.750)**	**289.951**
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	15	(235,097)	(14,110)	(235,097)	(14,110)	(14,110)	-
Gains/(losses) from the valuation of hedging transactions	15	(50,854)	113,879	(50,854)	113,879	113,879	-
Deferred tax on gains from the valuation of hedging transactions		(51)	(10,868)	(51)	(10,868)	(10,868)	-
Foreign currency differences		41	(300)	-	-	-	-
Net Other Comprehensive (loss) / income to be reclassified to profit or loss in subsequent periods		**(285,961)**	**88,601**	**(286,002)**	**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		(3)	(155)	(2)	(93)	(93)	-
Deferred tax on tangible assets due to tax rate change		-	123,354	-	123,354	79,840	43,514
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		**(3)**	**118,877**	**(2)**	**118,939**	**75,425**	**43,514**
Other Comprehensive income for the period after tax		**(285,964)**	**207,478**	**(286,004)**	**207,840**	**164,326**	**43,514**
Total Comprehensive income / (loss) for the period after tax		**(297,033)**	**234,421**	**491,037**	**376,041**	**42,576**	**333,465**
Attributable to:							
Owners of the Parent		**(303,457)**	**234,401**				
Non-controlling interests		**6,424**	**20**				

- 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 FINANCIAL POSITION
AS OF JUNE 30th 2022
(All amounts in thousands of Euro)

	Note	GROUP 30.06.2022	GROUP 31.12.2021	COMPANY 30.06.2022	COMPANY 31.12.2021
ASSETS					
Non – Current Assets:					
Property, plant and equipment, net	15	10,250,037	10,265,746	5,052,672	5,118,915
Intangible assets, net	15	308,860	359,989	209,021	333,783
Right of use assets		135,861	134,570	106,467	102,769
Investments in subsidiaries	8	-	-	866,282	1,241,530
Investments in associates	9,3	60,366	38,822	37	37
Financial assets measured at fair value through comprehensive income		324	327	323	325
Other non – current assets		7,303	3,921	12,247	13,689
Deferred tax asset	7	377,854	382,487	721,925	731,841
Total non – current assets		**11,140,605**	**11,185,862**	**6,968,974**	**7,542,889**
Current Assets:					
Inventories		727,010	609,902	560,006	430,136
Trade receivables		1,299,281	1,100,625	1,115,031	875,909
Contract assets		935,515	660,345	935,515	660,345
Other receivables	15	1,714,715	1,242,540	1,546,484	1,119,988
Derivative Financial instruments	15	78,205	76,908	78,205	76,908
Income tax receivable		7,224	4,795	-	-
Cash and cash equivalents		2,196,992	2,832,351	1,754,379	2,512,204
Restricted cash		47,448	65,856	35,739	48,278
Total current assets		**7,006,390**	**6,593,322**	**6,025,359**	**5,723,768**
Total Assets		**18,146,995**	**17,779,184**	**12,994,333**	**13,266,657**
EQUITY AND LIABILITIES					
Equity:					
Share capital	11	947,360	947,360	947,360	947,360
Share premium	11	1,018,747	1,018,753	1,018,747	1,018,753
Legal reserve		136,635	128,317	136,635	128,317
Statutory revaluation surplus		(947,342)	(947,342)	(947,342)	(947,342)
Revaluation surplus		5,149,815	5,163,915	3,059,942	3,000,597
Other reserves	6,15	(1,389,778)	306,377	(18,232)	263,326
Treasury shares	11	(11,198)	-	(11,198)	-
Retained earnings		(873,703)	(1,538,702)	1,016,562	249,016
Total Equity attributable to the Owners of the Company		**4,030,536**	**5,078,678**	**5,202,474**	**4,660,027**
Non – controlling interests	6	602,306	329	-	-
Total equity		**4,632,842**	**5,079,007**	**5,202,474**	**4,660,027**
Non – Current Liabilities:					
Long - term borrowings	12	3,927,296	4,062,638	2,614,632	2,723,954
Post-retirement benefits		208,201	209,372	132,117	119,625
Provisions		772,599	835,261	757,665	809,980
Financial lease liability		117,277	119,461	96,215	94,825
Contract liabilities		2,389,756	2,349,074	436,529	438,272
Subsidies		130,101	137,548	93,534	95,665
Long term financial liability from the securitization of receivables	15	421,575	229,475	421,575	229,475
Financial liability from NCI Put option	6	1,414,536	-	-	-
Other non – current liabilities		38,220	35,564	38	38
Total non – current liabilities		**9,419,561**	**7,978,393**	**4,552,305**	**4,511,834**
Current Liabilities:					
Trade and other payables		1,302,489	970,073	730,839	480,202
Short term financial liability from the securitization of receivables	15	20,623	150,620	20,623	150,620
Income tax payable		90,135	70,461	63,177	63,778
Short – term borrowings	12	139,275	271,337	120,000	260,000
Current portion of long - term borrowings	12	328,322	353,632	172,227	207,051
Short – term financial lease liability		22,334	17,672	14,397	10,573
Dividend payables	6	41,650		-	
Accrued and other current liabilities	15	1,098,616	1,677,820	1,067,143	1,712,403
Current portion of the provision of decommissioning and removal of Power Plants', Mines' and Wind Parks' facilities and mines' land restoration areas		128,249	80,598	128,249	80,598
Short-term contract liabilities		922,899	1,129,571	922,899	1,129,571
Total Current Liabilities		**4,094,592**	**4,721,784**	**3,239,554**	**4,094,796**
Total Equity and Liabilities		**18,146,995**	**17,779,184**	**12,994,333**	**13,266,657**

-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 2022

(All amounts in thousands of Euro)

								GROUP Other reserves						
	Notes	Share Capital	Share Premium	Treasury shares	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, 2021 (restated)		**575,360**	**106,679**	**-**	**128,317**	**4,686,388**	**(947,342)**	**69**	**87,536**	**87,605**	**(1,550,361)**	**3,086,646**	**295**	**3,086,941**
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**	**(1,520,656)**	**3,320,755**	**315**	**3,321,070**
Balance, January 1st, 2022		**947,360**	**1,018,753**	**-**	**128,317**	**5,163,915**	**(947,342)**	**(470)**	**306,847**	**306,377**	**(1,538,702)**	**5,078,678**	**329**	**5,079,007**
Net profit/ (losses) for the period		-	-	-	-	-	-	-	-	-	(17.493)	(17,493)	6,424	(11,069)
Other comprehensive income/ (loss) for the period after tax		-	-	-	-	-	-	(3)	(285,961)	(285,964)	-	(285,964)	-	(285,964)
Total Comprehensive income/(loss) for the period, after tax		**-**	**-**	**-**	**-**	**-**	**-**	**(3)**	**(285,961)**	**(285,964)**	**(17,493)**	**(303,457)**	**6,424**	**(297,033)**
Expenses of share capital increase		-	(6)	-	-	-	-	-	-	-	-	(6)	-	(6)
Disposals of property, plant and equipment		-	-	-	-	(14,100)	-	-	-	-	14,100	-	-	-
Financial liability from NCI put option	6	-	-	-	-	-	-	-	(1,410,833)	(1,410,833)	-	(1,410,833)	-	(1,410,833)
Sale of subsidiary	6	-	-	-	-	-	-	-	-	-	678,686	678,686	637,203	1,315,889
Dividend distribution	6	-	-	-	-	-	-	-	-	-	-	-	(41,650)	(41,650)
Treasury shares	11			(11,198)							-	(11,198)	-	(11,198)
Formation of legal reserve		-	-	-	8,318	-	-	-	-	-	(8,318)	-	-	-
Other movements		-	-	-	-	-	-	-	642	642	(1,976)	(1,334)	-	(1,334)
Balance, June 30th, 2022		**947,360**	**1,018,747**	**(11,198)**	**136,635**	**5,149,815**	**(947,342)**	**(473)**	**(1,389,305)**	**(1,389,778)**	**(873,703)**	**4,030,536**	**602,306**	**4,632,842**

- 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 2022
(All amounts in thousands of Euro)

COMPANY

								Other reserves				
	Notes	**Share Capital**	**Share Premium**	**Treasury shares**	**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, 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/(loss) 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**
Balance, January 1st, 2022		**947,360**	**1,018,753**	**-**	**128,317**	**3,000,597**	**(947,342)**	**(401)**	**263,727**	**263,326**	**249,016**	**4,660,027**
Net profit/(loss) for the period		-	-	-	-	-	-	-	-	-	777,041	777,041
Other comprehensive income/ (loss) for the period after tax		-	-	-	-	-	-	(2)	(286,002)	(286,004)	-	(286,004)
Total Comprehensive income/(loss) for the period, after tax		**-**	**-**	**-**	**-**	**-**	**-**	**(2)**	**(286,002)**	**(286,004)**	**777,041**	**491,037**
Expenses of share capital increase		-	(6)	-	-	-	-	-	-	-	-	(6)
Disposals of property, plant and equipment		-	-	-	-	(11,920)	-	-	-	-	11,920	-
Absorption of Lignite subsidiaries	6.1	-	-	-	-	71,265	-	-	4,446	4,446	(13,099)	62,612
Treasury shares	11			(11,198)	-	-	-	-	-	-	-	(11,198)
Formation of legal reserve		-	-	-	8,318	-	-	-	-	-	(8,318)	-
Other movements		-	-	-	-	-	-	-	-		2	2
Balance, June 30th, 2022		**947,360**	**1,018,747**	**(11,198)**	**136,635**	**3,059,942**	**(947,342)**	**(403)**	**(17,829)**	**(18,232)**	**1,016,562**	**5,202,474**

- 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 2022
(All amounts in thousands of Euro)

	Note	GROUP		COMPANY	
		01.01.2022-30.06.2022	01.01.2021-30.06.2021*	01.01.2022-30.06.2022	01.01.2021-30.06.2021*
Cash flows from operating activities					
Profit before tax from continuing operations		1,875	13,777	783,259	5,778
Profit before tax from discontinuing operations	6	-	-	-	144,102
Profit before tax		**1,875**	**13,777**	**783,259**	**149,880**
Adjustments:					
Depreciation and amortization		329,536	335,698	161,878	175,090
Depreciation of right-of-use assets		11,167	11,084	7,210	6,837
Impairment loss on assets		2,749	11,641	2,749	11,641
Impairment loss on the shareholding of Lignite Subsidiaries		-	-	-	88,000
Amortization of customers' subsidies		(7,447)	(7,901)	(4,940)	(4,718)
Income from long-term contract liabilities		(47,745)	(45,109)	(124)	(124)
(Gains) from sale of subsidiary		-		(790,021)	
Share of (profit) of associates	3	(60,753)	(2,076)	-	-
Interest income and dividends		(21,042)	(35,186)	(64,061)	(41,415)
Sundry provisions		69,448	(107,440)	27,616	(143,536)
Utilization of provision of decommissioning and removal of Power Plants/ Mines		(13,304)	-	(13,304)	-
Foreign exchange gains losses on loans and borrowings		(1,723)	984	(1,617)	984
Unbilled revenue		(252,020)	(21,762)	(252,020)	(21,762)
Disposals of property, plant and equipment and intangible assets		6,765	1,375	3,630	(829)
Amortization of loans' issuance fees		3,220	4,012	3,220	4,012
Interest expense		87,242	71,798	62,762	46,454
Operating profit/(loss) before working capital changes		**107,968**	**230,895**	**(73,763)**	**270,514**
(Increase)/decrease in:					
Trade receivables		(428,602)	12,135	(401,667)	(120,299)
Other receivables		(348,797)	(126,610)	(285,462)	(149,458)
Inventories		(119,289)	(7,206)	(95,943)	14,289
Increase/(decrease) in:					
Trade payables		201,517	(88,162)	91,079	(60,147)
Other non – current liabilities		(12,214)	403,413	(13,851)	391,762
Accrued and other liabilities (excluding interest)		(851,255)	192,053	(935,577)	159,876
Restricted cash		18,408	8,105	12,539	10,349
Change in Intangible assets (Emission allowances)		123,774	(48,514)	123,774	(48,514)
Discontinued operations	6	-	-	-	9,653
Net Cash from Operating Activities		**(1,308,490)**	**576,109**	**(1,578,871)**	**478,025**
Investing Activities					
Interest and dividends received		17,964	35,186	17,633	34,649
Capital expenditure for property, plant and equipment and intangible assets (Other)	15	(244,431)	(190,916)	(69,522)	(90,696)
Proceeds from long-term contract liabilities		90,045	67,245	-	-
Proceeds from the sale of subsidiary	6	1,323,276	-	1,323,276	-
Acquisition of subsidiaries, net of cash acquired	3	(53,884)	-	-	-
Investments in subsidiaries and associates	8	-	(4,278)	(150,867)	(30,000)
Discontinued operations	6	-	-	-	(5,257)
Net Cash used in Investing Activities		**1,132,970**	**(92,763)**	**1,120,520**	**(91,304)**
Financing Activities					
Net change in short-term borrowings		(132,062)	(32,463)	(140,000)	(30,000)
Proceeds from long-term borrowing		15,446	781,816	11,331	777,616
Principal payments of long-term borrowing	12	(235,593)	(767,312)	(160,968)	(683,257)
Principal lease payments of right-of-use assets		(12,994)	(11,184)	(7,931)	(7,703)
Interest paid and loans' issuance fees		(83,438)	(83,279)	(59,909)	(57,168)
Dividends paid		-	(12)	-	(12)
Treasury shares	11	(11,198)	-	(11,198)	-
Discontinued operations	6	-	-	-	(105,349)
Net Cash used in Financing Activities		**(459,839)**	**(112,434)**	**(368,675)**	**(105,873)**
Net increase in cash and cash equivalents		(635,359)	370,912	(827,026)	280,848
Cash and cash equivalents at the beginning of the period		2,832,351	815,640	2,512,204	626,940
Cash and cash equivalents from the Absorption of Lignite subsidiaries	6.1	-	-	69,201	-
Cash and cash equivalents at the end of the period		**2,196,992**	**1,186,552**	**1,754,379**	**907,788**

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

**Certain figures of the Group and the Parent Company have been restated compared to those published on 30.06.2021 for better illustration purposes. Specifically, the change in intangible assets (Emission Rights) with an amount of € (48,514) was transferred from cash outflows from investment activities/ Capital expenditure for property, plant and equipment and intangible assets (Other) to cash inflows from operating activity in a separate line.*

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, 2022, the number of personnel employed by the Group was 12,582 (2021: 13,190). On June 30th, 2022, 87 employees of the Group (2021: 93), have been transferred to several State agencies (ministries, organizations, etc.), out of which, 86 were compensated by PPC (2021: 87). The total payroll cost of such employees, for the six- month period ended June 30th, 2022 amounted to € 1,936 (2021: € 1,864). Additionally, on June 30th, 2022, Group's transferred employees in EFKA (Greek Single Social Security Institution) amounted to 155 (2021: 201) for which payroll cost amounted to € 3,922 (2021: € 4,246).

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." (until 01.06.2022 where the subsidiaries were absorbed by PPC S.A.- Note 6.1) and "PPC Renewables S.A." and distributes electricity to consumers through the distribution network for Medium and Low voltage owned by its subsidiary "HEDNO S.A.". PPC Group has also developed an urban fibre optics network. Lignite consumed by the Group's lignite-fired power stations is extracted, to a significant extent, from its own lignite mines.

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 SIX MONTHS OF 2022

A1. Operation of Electricity Markets

- By RAE Decision 1059/2021 (OG B' 6444/31.12.2021) the unit charges of the Balancing Market Fee Components for the year 2022 were approved, shaping the cost of PPC's (or "Company's"herein) participation in this market.
- By RAE Decision 1010/2021 (OG B' 45/12.01.2022) the regulatory parameters were approved for the calculation of the Non-Compliance Charge (NCC) for the non-legal submission of the appropriate sell order relating or the available capacity of a generating unit for the year 2022, in the context of the Day-ahead and Intraday Market, causing a financial burden when imposed, provided that the relevant requirements are met.
- By RAE Decision 98/2022 (OG B' 725/18.02.2022) the amendments to the Balancing Market Rulebook (BMR), the HETS Grid Code and the Manual of Guarantees of the HETS Grid Code approved, regarding issues related to the Balancing Market, such as, but not limited to, the submission of special guarantees for Participants subject to deletion, mandatory submission of balancing energy offers for pumping from HPPs, clearances. RAE Decision 99/2022 (OG B' 725/18.02.2022) approved the amendment of the Implementing Decision regarding Charges and Fees of EnExClear for the Clearing of Positions on the Balancing Market, which concerns the provision of special arrangements for the charges and fees for Participants subject to deletion, in order to ensure there payment of their obligations resulting from the corrective and final clearances.
- By RAE Decisions 185/2022 (OG B' 985/04.03.2022), 212/2022 (OG B' 1644/06.04.2022), 233/2022, 480/2022 (OG B' 2810/06.06.2022) and 585/2022 (OG B' 3426/04.07.2022) the framework for the participation of Dispatchable Load Portfolio (Demand Response) and Dispatchable RES Units Portfolio in the Balancing Market was established. The Company has applied to the RAE for a license for Aggregated Demand Response Representation (ADRR) and is developing the design of the demand response portfolio and demand response mechanisms, the installation and smooth operation of the technologies required for its participation in the market through the representation of the Dispatchable Load Portfolio.
- RAE, based on decisions of its Plenary, has extended until 31 May 2022, the trial period for the application of the basic principles of the methodology for the distinction between energy due to re-dispatching and balancing energy and the related rules, aiming at reducing the overall costs in the Balancing Market, based on RAE Decision 703/2021 (OG B 5663/03.12.2021) which approved the basic principles and set the start of the trial period, an action which has also been foreseen in the Reform Plan of the Greek Electricity Market (Unit 2, Action A.1).
- The Decision of the YPEN (Ministry of Environment and Energy) YPEN/GDE/6186/194 (OG B' 420/03.02.2022) amended the Decision YPEN/GDE/57469/2612 (OG B' 2400/17.06.2020) which specified the provision of the Universal Service , regarding the provision and application of a unit charge (clause) of adjustment on the charges for the provision of the Universal Service, given the current international energy crisis and the consequent increase in energy costs and prices in the wholesale and retail electricity market. By the Decision YPEN/DIE/63233/2187, the company was re-appointed as one of the five Default Suppliers, for the two-year period 23.6.2022 - 22.06.2024, given that the tender procedure launched by RAE Decision 331/2022 (OG B' 1988/20.04.2022), for the selection of a Supplier as Default Supplier for the period in question, was declared unsuccessful by RAE Decision 535/2022 (OG B' 3102/20.06.2022) and the procedure stipulated in Article 58 of Law 4001/2011 was activated, according to which in cases of an unsuccessful tender procedure the five (5) Suppliers with the largest total market share in the interconnected system based on load declarations to the HEnEx are designated as Default Suppliers.
- By RAE Decisions 476/2022 (OG B' 3124/20.06.2022), 477/2022 (OG B' 3173/22.06.2022), 478/2022 (OG B' 3127/20.06.2022), 479/2022 (OG B' 3173/22.06.2022), 495/2022 (OG B' 3729/14.07.2022), 496/2022 (OG B' 3619/11.07.2022) and 497/2022 (OG B' 3777/18.07.2022) the numerical values of the parameters of the existing as well as of two new Non-Compliance Charges (NCCs) as defined in the Balancing Market Rulebook were determined, effective as of 1 September 2022 and 1 October 2022 as per case, causing a financial burden to the Company if imposed during its participation in the market.

2. LEGAL FRAMEWORK (CONTINUED)

A2. PUBLIC SERVICE OBLIGATIONS (PSOs)

- By RAE Decision 97/2022 (OG B' 900/28.02.2022), the cap on the annual charge for customers per consumption point for the coverage of the costs for the provision of PSOs was adjusted to € 789,249 for the year 2022.
- By RAE Decision 605/2022 (OG B' 4232/10.08.2022) the monthly ex-post NII_PSO compensation, per NII System, were approved, forming a PSO compensation on the total NII for the year 2018 of €646.5 million and on the basis of the ex-post data of the energy to be billed corresponding to each Supplier active in each NII System, the PSOs Operator (HEDNO) will proceed to a final settlement for each Supplier, in accordance with the methodology for determining NII_PSO compensation as in force.

A3. Hellenic Electricity Transmission System (HETS) and Hellenic Electricity Distribution Network (HEDN)

- On 18 March 2022, the Regulatory Authority for Energy issued the decision under 868/2021, which set the Required Revenue of HEDN for 2022 at €797.9 million.

A4. Other Issues of the Electricity Market

- By the Decision YPEN/DKAPA/7264/118 (OG B' 481/08.02.2022), as amended and in force on the basis of Decisions YPEN/DKAPA/35393/818 (OG B' 1787/12.04.2022) and YPEN/DKAPA/65491/1232 (OG B' 3281/27.06.2022), the distribution of revenues from auctions of greenhouse gas emission allowances for the year 2022 was determined. Of this revenue, 3.8% goes to the RES Special Account, 3.5% is allocated to the Green Fund to finance actions for the development of sustainable economic activities with a low carbon and environmental footprint, aiming to strengthen and gradually diversify local economies and create new jobs in the Regional Units of Kozani, Florina and in the Municipality of Megalopolis of the Regional Unit of Arcadia, 1.5% is allocated to the special purpose account at the Bank of Greece to finance projects and actions to promote e-mobility, and 74.90% is allocated to the Special Account of the Energy Transition Fund (ETF) managed by DAPEEP (Operator of Renewable Energy Sources and Guarantees of Origin), which provides a subsidy for electricity for consumer protection.
- Law 4886/2022 (OG A' 12/24.01.2022), amending Law 4839/2021, expands the provision of subsidies for the consumption of electricity and natural gas (as a credit to the beneficiaries' accounts by suppliers) through the Energy Transition Fund (ETF) and from now on all electricity consumers, regardless of voltage level, with variable electricity supply tariffs that are adjusted on the basis of the wholesale electricity market price, and all natural gas consumers, except electricity producers, including cases of combined heat and power, whether high-efficiency or not, for the part of gas consumption related to thermal energy generation, can be eligible for subsidies.

  The amount of the subsidy (€/MWh), the procedure, the way and time of its granting, the time of settlement, the consumption period, the maximum and minimum consumption limits, the obligations of the electricity and gas suppliers, as well as any other issue related to the granting of the electricity and gas subsidy for the months of January - June 2022 were established by the joint ministerial decisions (JMD), the issuance of which is provided for in Law 4839/2021.

  Specifically, for the subsidy of electricity consumption, the Joint Ministerial Decisions YPEN/DEE/12468/434 (OG B 603/11.02.2022), YPEN/DEE/23632/859 (OG B' 1112/14.03.2022),YPEN/DIE/32752/1241 (OG B' 1670/07.04.2022, YPEN/DIE/55625/1962 (OG B'2759/02.06.2022), YPEN/DIE/67077/2333 (OG B 3375/01.07.2022), YPEN/DIE/12477/435 (OG B' 603/11.02.2022), YPEN/DIE/23656/860 (OG B' 1112/14.03.2022), YPEN/DIE/32753/1242 (OG B' 1670/07.04.2022), YPEN/DIE/55616/1961 (OG B' 2759/02.06.2022), YPEN/DIE/67071/2331 (OG B' 3375/01.07.2022) YPEN/DIE /82559/2774 (OG B' 4248/10.08.2022) and YPEN/DIE /82581/2775 (OG B' 4248/10.08.2022) were issued.

2. LEGAL FRAMEWORK (CONTINUED)

Also by the Joint Ministerial Decision YPEN/DIE/13046/455 (OG B' 560/10.02.2022) the electricity consumption subsidy for the months of August - December of the year 2021 was determined for consumers with agricultural supplies and consumers active in the drying of agricultural products, of low and medium voltage (LV, MV), who have variable tariff contracts that are adjusted based on the wholesale electricity market price.

In particular, eligible for the electricity consumption subsidy were all residential electricity consumers for supplies relating to main residence, while the subsidy was set at different levels for the first period of electricity consumption from 0 to 150 kWh and the second period of electricity consumption from 151 kWh to 300 kWh.

For the consumers, the unit subsidy was set for January 2022 for the first and second consumption periods at €160/MWh and €120/MWh respectively, for February and March for the first and second periods at €150/MWh and €110/MWh respectively, for April at €270/MWh and €210/MWh respectively, for May at €205/MWh and €160/MWh respectively and for June at €185/MWh and €140/MWh respectively on electricity consumption.

In addition, for May and June 1) a subsidy of €100/MWh has been set for excess consumption, consumption above the limits, and 2) a subsidy of €100/MWh has been set for supplies relating to non-main residence. Finally, for the month of July 2022, a subsidy of €200/MWh has been set for all residential consumers, regardless of the consumption limit and type of residence.

Also, eligible for the subsidy were all beneficiaries of the Social Residential Tariff (KOT) (regardless of main residence), with the subsidy covering the first 300 kWh. For these consumers, the monthly subsidy for January 2022 was set at €180/MWh, for February and March 2022 at €170/MWh, for April at €290/MWh on electricity consumption. For May, June and July, a subsidy of €215/MWh, €195/MWh and €240/MWh respectively was set, irrespective of the consumption limit. For beneficiaries of the Solidarity Services Tariff, the same subsidy was set for all months, regardless of the consumption limit.

For all non-residential electricity consumers (Agricultural, Commercial, Industrial, Professional, Other Uses, etc.), who have variable electricity supply tariff contracts, the unit subsidy was set for January to March in the amount of €65/MWh on electricity consumption, for April at €130/MWh, for May at €120/MWh, for June at €100/MWh and for July a€148/MWh regardless of the consumption limit.

In this context, PPC received within the first semester of 2022 from DAPEEP for the aforementioned subsidy an amount of €925.4 million. After 30.06.2022, PPC has received a subsidy of €366.3 million.

For the subsidy of natural gas consumption, the Joint Ministerial Decisions YPEN/DYDR/12462/333 (OG B' 603/11.02.2022), YPEN/DYDR/23960/762 (OG B' 1101/11.03.2022), YPEN/DYDR/38336/1139 (Government Gazette B' 1928/19.04.2022), YPEN/DYDR/55380/1559 (OG B' 2789/03.06.2022), YPEN/DYDR/67296/1849 (OG B' 3491/05.07.2022) and YPEN/DYDR/82196/2205 (OG B' 4222/10.08.2022), were issued.

The gas consumption subsidy for residential consumers was set at €20/MWh on the total gas consumption for the months of January, February and March, at €40/MWh for the month of April and at €20/MWh for the months of May and June. For non-residential consumers the subsidy was set at €30/MWh for the month of January, at €20/MWh for the months of February and March, at €40/MWh for the month of April, at €20/MWh for the months of May and June and at €30/MWh for the months of July and August on the total consumption of natural gas (including the consumption of combined heat and power plants - CHP and HE CHP) for the generation of useful thermal energy, excluding quantities of natural gas used for the generation of electricity, laying down in particular issues of subsidy in the case of self-consumption.

In this context, the PPC received within the first semester of 2022 from the DAPEEP for the above subsidy an amount of €0.7 million.

- The Joint Ministerial Decision YPEN/DIE/81948/2763 (OG B΄4266/11.08.2022), approved the financing of the Special Account "Energy Transition Fund" (ETF) through the Special Account for Public Service Obligations (PSOs), in the amount of €300 million.

2. LEGAL FRAMEWORK (CONTINUED)

- The Decision of the Independent Authority for Public Revenue (AADE) No. A.1060 (OG B' 2537/24.05.2022) determined a) the procedure for granting the exemption from the excise duty on coal, lignite and coking coal used exclusively for the production of electricity, pursuant to the relevant provisions of Article 78 "Special Exemptions" of Law 2960/2001 and b) the beneficiaries of exemption from the above excise duty, including integrated electricity companies, as defined in Article 2 of Law 4001/2011.

- RAE Decision 289/2022 (OG B' 1896/18.04.2022) approved the Table of Guaranteed Amounts of ETMEAR Charges from Electricity Suppliers and Self-supplied Customers to DAPEEP for the year 2022 (coverage periods 01.04.2022-30.9.2022 and 01.10.2022-31.03.2023), as provided for in article 42 of Law 4643/2019, in case of non-reimbursement of ETMEAR charges.

- Law 4920/2022 (OG A' 74/15.04.2022) defined the investment and operating aid framework for electricity storage stations and issues related to the installation and operation of electricity storage stations with pumped storage technology.
- Law 4936/2022 (OG A' 105/27.05.2022) established in Part A strategies, policies and measures aiming at adapting the country to climate change and ensuring decarbonization by the year 2050, with a reduction of net anthropogenic greenhouse gas emissions by at least 55% and 80% as interim climate targets for the years 2030 and 2040 respectively, compared to 1990 levels, taking into account the projections of the National Energy and Climate Plan (NECP). Indicatively, electricity generation from solid fossil fuels is prohibited after 31.12.2028 and from 01.01.2030 the use of fuel oil for electricity generation in the Non-Interconnected Islands will be prohibited, except in cases of emergencies that put at risk the security of electricity supply. It also provided for the establishment of a mechanism for carbon budgeting for key sectors of the economy, including power and heat generation, and for the governance and participation system for climate action.
  In Part B of the law, measures relating to the electricity market were introduced, including a one-off contribution from electricity producers, based on the increase in the gross profit margin from the participation of each electricity generation unit in the electricity markets for the period from 01.10.2021 to 30.06.2022. Electricity producers are liable to pay the contribution for all their generation units, as well as for those represented by Aggregators.
  The contribution is calculated per month of the period under review, by applying a factor of 90% on the positive difference in the Gross Profit Margin of the liable party, between the month under review and the same month of the previous year, weighted by the Fixed Price Supply Contracts and net of discounts to final consumers and refunds under Bilateral Power Purchase Agreements. The proceeds of the contribution shall be credited to the special account of the Energy Transition Fund (TEM) for subsidizing consumers' electricity bills. The amount of the contribution is calculated by RAE, on a producer-by-producer basis, imposed by the Ministry of Environment and Energy and certified and collected forthwith by the Independent Authority for Public Revenue, as public revenue, in accordance with the Public Revenue Collection Code (Law 356/1974). A joint decision (JD) of the Ministers of Environment and Energy and Finance defines the assumptions, the issues of application of the methodology, the parameters and any special issue for the calculation of the contribution, upon the proposal of RAE, as well as the procedure for the imposition, certification, collection and payment of the contribution to the special account of the Energy Transition Fund, and any detail and procedure required for the implementation of the contribution. Currently, this extraordinary contribution has not yet been determined and no provision has been made in the financial statements of the Group and the Parent Company.

  Other measures adopted relate to: 1) Extraordinary financial aid from the state budget for electricity bills of residential customers with variable tariffs that are adjusted on the basis of the wholesale electricity market price, which concerns main residences and bills issued in the period from 01.12.2021 to 31.05.2022, amounting to 60% of the increase in bills, net of discounts from the Energy Transition Fund and from electricity suppliers, and which shall not exceed 600 euros per beneficiary, 2) Financing of the Energy Transition Fund from the special account of Public Service Obligations through a Joint Decision of the Ministers of Environment and Energy and Finance and 3) Financing from the Energy Transition Fund of actions for the withdrawal and replacement of household appliances, through alternative management and recycling systems by certified operators and on the basis of the adoption of the relevant Ministerial Decisions.

- By RAE Decisions 501/2022 and 502/2022 (09.06.2022), PPC was granted licenses for electricity generation using simultaneous electricity storage (simultaneous condensation) in Unit III and Unit IV of Kardia TPP in the Western Macedonia Region, in order to enable the implementation of the company's initiative for the conversion of the generators of Units III & IV into simultaneous capacitors and to provide for reactive power regulation, voltage support and inertia auxiliary services to the HETS based on the relevant market regulatory framework.

2. LEGAL FRAMEWORK (CONTINUED)

- Law 4951/2022 (OG A' 129/04.07.2022), as amended and in force by Law 4964/2022 (OG A' 150/30.07.2022) defined, among other things, issues related to the licensing framework and the operation of RES units, as well as the generation and storage of electricity, the development of marine floating solar plants and special issues related to the energy market. In particular, the law provided for:

➢ The conclusion of Contracts for Emergency Standby Capacity between HTSO and the owners of thermal units (PPC) located in the electricity systems of the island regions, which no longer fall under the Non-Interconnected Islands (interconnection with mainland's Transmission System). It is expected the issuance of a Joint Ministerial Decision within three (3) months from the entry into force of the law, which specifies for the period from 01.01.2004 until the entry into force of the Contracts for Emergency Standby Capacity for the electrical systems of the islands of Andros, Tinos, Mykonos, Syros and Paros, the amount of the relevant compensation (PPC), which is calculated on the basis of documented full cost data, provided by PPC and HEDNO, with coverage of the compensation through the Special Account for Public Service Obligations.
Currently, the amount of the compensation to be received by PPC has not been determined and no provision has been made in the financial statements of the Group and the Parent Company.

➢ Application of a Temporary Mechanism for the Refund of Part of the Revenues of the Electricity Producers from their participation in the Day Ahead Market of the HEnEx, applicable until 01.06.2023. With the above Temporary Mechanism, all Power Generation Units of the Interconnected System participating in the Next Day Market (Lignite, Natural Gas, Large Hydroelectric Plants and RES Portfolios) return part of their revenues from the Next Day Market to the Energy Transition Fund (ETF), so that they are ultimately paid based on a regulated unit price (in €/MWh) multiplied by the energy of these Units (in MWh) in the Next Day Market.
The Joint Ministerial Decision YPEN/DIE/70248/2434 (OG B' 3517/06.07.2022) defined the methodology applied by the Day Ahead Market Clearing House (EnExClear) for the calculation, on a monthly basis, the administratively determined unit Regulated Revenue Price for Lignite, Natural Gas Units, Large Hydroelectric Power Plants (HPPs) and Renewable Energy Portfolios. For the Lignite Units and the natural Gas Units the regulated unit price is calculated every month based on a mathematical formula (different for each category) which includes a Natural Gas and CO2 price index. 8 July 2022 was set as implementation date of the Mechanism by the decision YPEN/DIE/69734/2413 (OG B' 3517/06.07.2022).
Moreover, the application of the Mechanism also to the Intraday Market of Henex for all or part of the categories of energy generation units and RES portfolios was provided for and the Mechanism was renamed to "Temporary Mechanism for Returning Part of Next Day and Intraday Market Revenues".
With this mechanism, the exposure of the Production activity in the Interconnected System to the fluctuation of fuel, CO2 and electricity prices ceases for the Group and the Parent company from 08.07.2022 until 01.06.2023 (Note 15/ financial derivatives).

➢ The granting of an installation and temporary operation license until 31 December 2023 to the power generation units operating in Crete under article 88 of Law 4602/2019 (PPC Generating Sets).

➢ The non-application of a readjustment clause or a corresponding clause in variable for the supply of electricity, which is linked to the fluctuation of wholesale market figures, whether or not there is an explicit reference to such clause in these tariffs, for the consumption of electricity from 1 August 2022 to 1 July 2023.

➢ The obligation of the suppliers of electricity to announce on a monthly basis and in a prominent place on their website, by the 20th day of the previous month (m-1), the fixed charges and the electricity supply charges for the capacity and energy component applicable to the variable tariffs for the month of application m. In particular, for the first application period, the announcement of the electricity supply charges shall be made by 31 July 2022. In addition, charges and subsidies should be reflected in the consumption bills.

➢ For the period 01.08.2022-01.07.2023 the suspension of the unit adjustment charge for the determination of the electricity supply charges of the universal service suppliers (USS) and the calculation of the USS charges based on electricity supply tariffs of the suppliers per customer category on a monthly basis, by choosing the tariff with the highest supply charge (€/MWh) in a consumption range from zero (0) to two (2) MWh and with a 5% surcharge.

2. LEGAL FRAMEWORK (CONTINUED)

- For the month of August, the Decision YPEN/DIE/82792/2782 (OG B' 4323/12.08.2022) was issued, by which the second most expensive tariff of the tariffs with the most expensive supply charge of the five (5) suppliers of Universal Service was defined as the "Reference Tariff" of Universal Service per Customer category for the month of August 2022, pursuant to the provisions of article 138 of Law No. 4951/2022, which provides for the issuance of a relevant YPEN decision for the determination of a Reference Tariff different from the tariff with the highest billing price, in case the total of tariffs have a deviation of more than 20% compared to the average of the next four most expensive tariffs in order.

- the amount of fixed charges up to the amount of five (5) euros per month.

B. NATURAL GAS MARKET

B1. Gas balancing Platform

Issues concerning the operation of the Trading Platform (spot market) for natural gas and the way to participate in it, which was launched in Greece by the Hellenic Energy Exchange on 21 March 2022 and in which the Company participates, were defined:

- RAE Decision 60/2022 (OG B' 454/07.02.2022) approved the operation and management of the Natural Gas Trading Platform by the company "Hellenic Energy Exchange SA" (HEnEx) and by RAE Decision 88/2022 (Government Gazette B' 513/09.02.2022) the company "Energy Exchange Clearing House SA" (EnExClear) was approved as the Clearing House of the Natural Gas Trading Platform, in accordance with the provisions of Law 4425/2016.
- RAE Decision 61/2022 (OG B' 336/01.02.2022), approved the Rulebook for the Gas Trading Platform, which includes the rules and procedures governing transactions between Participants in the Trading Platform and the National Natural Gas System Operator (DESFA) and by RAE Decision 89/2022 (OG B' 515/08.02.2022), the Clearing Rulebook for Transactions on the Gas Trading Platform was approved.
- RAE Decision 62/2022 (OG B' 584/11.02.2022) approved the specifications of products traded on the Gas Trading Platform.
- RAE Decision 90/2022 (OG B' 488/08.02.2022) approved the risk management procedures of the Gas Trading Platform Clearing System and RAE Decision 91/2022 (OG B' 823/24.02.2022) approved the Implementing Decision of the Clearing Rulebook for Transactions on the Trading Platform, which defines the measures imposed by the Clearing House (EnExClear) on Clearing Members, in cases of, indicatively, violation of the provisions of the Rulebook, non-compliance with the technical instructions and specifications, submission of false or misleading information, non-fulfilment or defective fulfilment of obligations, insolvency issues, bankruptcy, etc.

B2. Natural Gas Networks

- RAE Decision 512/2021 (OG B' 700/16.02.2022) approved the revision of the Tariffs for the use of the National Natural Gas System (ESFA), effective from 01.01.2022, based on a proposal by DESFA, due to the significant amount of Recoverable Difference - RD (over-recovery) of the year 2020 totaling € 47 million and it was deemed appropriate to allocate the 2020 RD to more than one year (impairment of the Allowed Revenue from Transmission Service and the Allowed Revenue from LNG Service for the year 2022 and impairment of these Allowed Revenues equally in the years of the next Regulatory Period 2023-2026 while taking into account for the remaining amount the inflation of each year in order to adjust it).

B3. Other issues of the Natural Gas Market

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C. Electromobility

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2. LEGAL FRAMEWORK (CONTINUED)

D. SUBJECTS OF RENEWABLE ENERGY SOURCES (RES) AND CO-PRODUCTION OF ELECTRICITY - HIGH EFFICIENCY HEAT (SITHYA)

Arrangements have been laid down that affect the decision-making and the shaping of proposals for the development of RES activities:

- By Law 4903/2022 (OG A' 46/05.03.2022), issues of RES-CHP projects were regulated with regard to:
  - Deposit of letters of guarantee for the holders of RES and CHP generation licenses, Producer's Certificates, Special Project Certificates.
  - Establishment of a single procedure for the conclusion of operating aid contracts under competitive tendering procedures to be launched after 1.1.2021.
  - Definition of deadline extensions for RES projects, indicatively, for the application of the reference prices for wind parks and PV stations, the validity period of licenses for the installation of hybrid power plants in the Non-Interconnected Islands, the validity period of the final offers for the connection of biomass, biogas, biofuels and CHP plants.
  - Redefinition of categories and adjustment of Reference Prices of RES and CHP plants with operating aid contracts, through an amendment to article 4 of Law 4414/2016.
- By the Decision YPEN/DAPEEK/16507/816 (OG B' 986/04.03.2022), issues concerning the RES and CHP plants of Crete were regulated from the specified date for the interconnection of the first phase (01.11.2021) and the related integration of the electricity system of Crete into the Interconnected System as a Small Connected System (SCS), up to the specified date for the completion of the interconnection of phase B (as will be defined by a decision of RAE), based on Law 4821/2021/2021 which laid down the issues of interconnection of Crete with the Interconnected System.

DAPEEP substitutes by law HEDNO, as a party to the contracts of RES and CHP plants in Crete, while the transactions, financial flows and ETMEAR charges related to these contracts are included in the RES and CHP Special Account of the Interconnected System and Grid operated by DAPEEP (art. 143 of Law 4001/2011).

3. SIGNIFICANT EVENTS

Effects of the COVID-19 Pandemic

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

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

3.SIGNIFICANT EVENTS (CONTINUED)

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

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

War Russia-Ukraine

The current geopolitical crisis in Ukraine, combined with the economic sanctions imposed on Russia by the European Union and the United States of America, have created conditions of uncertainty in the economic environment at European and global level.
PPC Group does not have a relevant commercial presence in Russia and Ukraine and as a result there is no direct effect on its activities, but the indirect effect, as it develops, is particularly important.
The increased costs in the wholesale electricity market due to the unprecedented increase in the price of natural gas is a development that indirectly affects the activities of the Group, which is, however, largely protected by the vertically integrated nature of its activities, due to its presence in both generation and supply of electricity. The aforementioned protection of the Group due to its vertically integrated nature may be mitigated to some extent, as a consequence of the Temporary Mechanism of Law 4971/2022 (Article 122) for Returning Part of Income of the Next Day Energy Market. Based on this Mechanism, which will be valid during the period 1/7/2022-1/6/2023, the power generation units of the Interconnected System (except Crete) will be compensated in the Day-Ahead Market based on regulated prices as defined by Ministerial Decision (practical part of their income from the Day-Ahead Market will be withheld, with which the special account "Energy Transition Fund" will be financed). With the above Mechanism, the income of Generation in the Day-Ahead Market arises based on the variable cost of the units (cost plus), while the costs of Supply in the same Market arise based on the Clearing Price of this Market.
Indirect effects may arise due to the consequent reduction of our customers' disposable income, as a result of increased energy costs and the intensification of inflationary pressures.
Any overall final economic impact of the Russia-Ukraine war on the global and Greek economies and businesses cannot be estimated at present, due to the high degree of uncertainty arising from the impossibility of predicting the final outcome, but also due to the its secondary effects listed above. In any case, the Management of the Group and the Parent Company continuously monitors the relevant developments and evaluates any possible further effects on the operation, financial position and results of the Group and the Parent Company, being in a state of increased vigilance to take appropriate precautionary measures to safeguard the liquidity and business activities of the Group and the Parent Company.

Commercial policy

PPC in an effort to hold the arising energy costs and offset the impact on customer tariffs, it maintained energy discounts on contracts with floating tariffs in 2022 as well, and continued to propose and promote fixed tariff products such as Enter+, while fully implemented the supporting measures introduced by the State, incorporating the subsidies to beneficiary customers in both electricity and natural gas.

In April 2022, the pricing policy was adjusted to the high cost conditions, to Electricity products with fixed tariff (as well as to the product portfolio of Natural gas products as a whole), however, only affecting the new contracts and preserving those who had chosen in previous months one of these products.

And in the first semester of 2022, the consistency discount of 5% was maintained for customers with timely payment of their bills.

3.SIGNIFICANT EVENTS (CONTINUED)

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

At the same time, it continues its cooperation with a company that provides specialized support services in the context of the securitization of company's trade receivables with the aim of reducing overdue debts and preventing the creation of new ones, imposed by the criticality of the situation in the field of Energy. It applies new debt settlement policy for its entire customer base giving flexible settlement programs and personalized solutions according to the needs of its customers.

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

Finally, in the new PPC stores, apart from energy products (electricity & natural gas), there is a special area for the sale of smart products, of the latest technology.

With Law 4951/2022, as of August 1, 2022, the adjustment clause in electricity supply tariffs is abolished. Instead, Suppliers in the case of floating tariffs will announce in advance the prices that will apply for each month. PPC in the application of the Law announced on July 25, 2022 the supply charges for the month of August 2022 and on August 21, 2022 the supply charges for the month of September 2022 (Note 2).

Cooperation with RWE Business Group for the joint development of RES projects

In October 2021, PPC Renewables SA and RWE Renewables GmbH have signed the Joint Venture Formation Agreement and the Shareholders' Agreement, with the aim of jointly contributing and implementing photovoltaic stations with a total installed capacity of up to 2 GW through a JV investment vehicle (JVCo). In this context, in August 2021, 9 subsidiaries were established (companies "AMYNTAIO") in Amyntaio, Florina, for the creation of photovoltaic projects with a total capacity of up to 940 MW, which are located in Western Macedonia, within the former Lignite Mine Amyntaio.

On January 14, 2022, the process of the contribution in kind to METON ENERGIAKI SA was completed from PPC Renewables, of the shares of its 9 subsidiaries AMYNTAIO which were valued on August 2, 2021 at € 75,185 by Certified Public Accountants and acquired 49% of its shareholding, while RWER, contributed the amount of € 78,254 to METON ENERGIAKI and acquired 51% of its shareholding. At the same time, RWER has already secured a portfolio of photovoltaic projects of a similar size in Greece, which is expected to be contributed to METON ENERGIAKI in 2022. Photovoltaic projects are in various stages of development, while the first projects are expected to start operating in 2023.

Group treated this transaction as a contribution in kind (IAS 28, par.28) of the net assets of its 100% subsidiaries (with loss of control) and recognition of shareholding in the fair value of 49% in the associate company METON ENERGIAKI SA and its consolidation with the equity method.

On January 14, 2022, the Group recognized in the Income Statement "Gain from associates" amounting to € 38.1 million as it lost control of these assets while it recognized shareholding in associates amounting to € 38.7 million.

The Certified Public Accountant estimated the fair value of the 9 subsidiaries at € 153.4 million using the Cash Flow Discount method based on the Business Plan of the 9 subsidiaries for the period 2021 to 2058.

3.SIGNIFICANT EVENTS (CONTINUED)

Collection of a prepayment from the Greek State for electricity consumption of its entities for the year 2022

The collection of advance payment by the Greek State against energy consumption of its institutions for 2022 was carried out in accordance with the Decision of the Ministry of Finance 2/120354/ΔΛΤΠ(Α)/10.12.2021, (OG 5826 Β/ 14.12. 2021).

In particular, on 15/12/2021 the amount of € 694.3 million was paid to the Parent Company by the Greek State as a prepayment for the year 2022, always based on the five-year agreement signed with the Greek State on June 14, 2018.

Signing of MoU for the financing of the development of a Fiber to The Home Network (FTTH)

In January 2022, Public Power Corporation S.A. signed an MoU with Alpha Bank S.A and Piraeus Bank S.A. for the financing of the construction and operation of a Fiber To The Home (FTTH) Network in selected areas of Greece.
The agreement includes the issuance of a long -term bond loan amounting up to € 530 million under the form of project financing by the 100% special purpose vehicle to be established by PPC and which will undertake the construction, operation, exploitation and maintenance of the fiber optics network to be established.

Acquisition of RES portfolio subsidiaries

The Group, through its subsidiary PPC Renewables, entered into an agreement to purchase 100% of the shares of subsidiary companies of Volterra (100% subsidiary of AVAX), for a consideration of €59.7 million paid on June 22, 2022.

More specifically, the Group acquired 55% of the shares in Volterra K-R SA and Volterra LYKOVOUNI SA, in which it was already a shareholder with stake 45% in each company since 2019. Volterra K-R SA and Volterra LYKOVOUNI SA own wind farms with a total capacity of 69.7 MW in Etoloakarnania and Viotia.

Also, the Group acquired 100% of Heliofaneia S.A. which owns a 2.7 MW photovoltaic park in operation in Viotia, as well as the companies Volterra DOUKAS SA and Volterra KOUKOULI SA which own installation licenses for wind farms with a total capacity of 39.5 MW, the construction of which are scheduled to start shortly in Western Macedonia.

The fair value of the assets and liabilities of the companies recognized in the Group's financial statements at the acquisition date amounted to:

3.SIGNIFICANT EVENTS (CONTINUED)

	Fair value Amounts in thousands of euro
Property, plant and equipment, net (Note15)	79,239
Intangible assets, net (Note15)	52,729
Right of use assets	357
Other non – current assets	2,611
Total Non – Current Assets	**134,936**
Trade receivables	2,607
Other Receivables	12,084
Cash and cash equivalents	5,786
Total Current Assets	**20,477**
Total Assets	**155,413**
Provision of removal of Wind Parks' facilities	(1,246)
Long - term borrowings (Note 12)	(46,181)
Other long- term liabilities	(2,126)
Deferred tax liabilities	(13,496)
Financial lease liability	(344)
Total Non – Current Liabilities	**(63,393)**
Trade and other payables	(902)
Income tax payable	(249)
Short -term borrowings	(5,303)
Current portion of long - term borrowings (Note 12)	(4,626)
Short – term financial lease liability	(21)
Accrued and other current liabilities	(3,055)
Total Current Liabilities	**(14,156)**
Total Liabilities	**(77,549)**
Total net assets acquired at fair value	**77,864**
Minus: Fair value of investment in Associates (45% Volterra K-R SA, Volterra LYKOVOUNI SA)	(39,385)
Plus: Goodwill arising on acquisition	21,191
Purchase consideration transferred	**59,670**

On the acquisition date, goodwill of €21.1 million was recognized in intangible assets that was not allocated to any specific intangible asset.
Additionally, as the Group already owned 45% of the share capital in the companies Volterra K-R SA and Volterra LYKOVOUNI SA, it recognized a gain from the valuation at fair value of its investment in associates on the date of their acquisition amounting to €20.7 million, which is included in the Statement of Income in "Gains from associates ".
In accordance with IFRS3 on a step-by-step acquisition of an equity interest, the acquirer re-measures the equity interests previously held by the acquiree at fair value at the acquisition date and recognizes any gain or loss in the Statement of Income.

VAT refund

Within the first half of 2022, the Company received, following its application to the Athens Tax Office, a VAT refund in full without audit for a total amount of € 125 million for the period November 2021- April 2022. Within July and August 2022, it received a VAT refund in full without audit of a total amount of € 60 million for the period May 2022 - June 2022.

Other significant events of the period

Within the first half of 2022, the sale of 49% of HEDNO (Note 6) and the absorption of the lignite subsidiaries companies Lignitiki Megalopolis S.A. and Lignitiki Melitis S.A. from PPC S.A. were completed. (Note 6.1).

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, 2022, 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, 2021 made publicly available.

The accompanying financial statements have been prepared under the historical cost except for except for property, plant and equipment (excluding lakes and mining land), financial assets valued at fair value through other comprehensive income and derivative financial instruments that have been measured at fair value, assuming that PPC will continue as a going concern. The financial statements are presented in thousands of Euro and all values are rounded to the nearest thousand, except when otherwise indicated.

The interim condensed consolidated and separate financial statements for the six-month period ended June 30th, 2022, have been prepared under the going concern principal as Management considers that the going concern principle is the appropriate basis for the preparation of the present financial information.

Approval of Financial Statements

The Parent Company's Board of Directors approved the accompanying financial statements on September 6th, 2022.

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, 2021 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 and the Parent Company on February 28, 2022, the date of completion of the sale of 49% of the shareholding in HEDNO provided to the Non-controlling interest Put Options (sale) to PPC under certain conditions of the shares acquired by Macquarie Asset Management in HEDNO, with exercise price the fair value of the shares on the exercise date (Note 6). As a result, the Group and the Parent Company included in their principal accounting policies the below:

Financial liability from NCI put option

According to IAS32, the Group recognizes these written put option commitments as a "Financial liability from NCI put option" in the Statement of Financial Position with equal recognition of "Other Reserves" in equity. The "Non-controlling interests" related with the above financial liability are recognized in equity according to IFRS 10, while the Group chose their full recognition on the date of initial recognition.

The above financial liability is initially recognized at the present value of the redemption amount and subsequently it is measured at amortized cost. Changes due to subsequent re-measurement are recognized in the financial results in the Group's Statement of Income.

In the case of exercise of the Put Option (sale) on maturity, the financial liability is de-recognized with the amount paid by the Group to acquire the shares of the subsidiary. Whereas if the Put Option (sale) expires without being exercised, the financial liability is de-recognized in other reserves in equity, which have been established on its initial recognition.

On Parent Company level, the Put Option (sale) on subsidiary's shares is treated as a derivative financial instrument and as its exercise price is at fair value of the shares, the Put Option (sale) on shares has no value.

4.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

Finally, on June 22, 2022, the Group proceeded with the acquisition of subsidiary companies through its subsidiary PPC Renewables and recognized Goodwill amounting to €21.1 million (Note 3). Therefore, the Group and the Parent company included in their principal accounting policies the following:

Intangible assets- Goodwill
Goodwill is initially measured at cost and represents the excess amount between the aggregate consideration transferred and the fair value of the Group's and Parent Company's share of the acquiree's identifiable assets and liabilities at the date of the acquisition.
If the fair value of net assets acquired by the Group and the Parent Company on the acquisition date is in excess of the aggregate consideration transferred, a negative goodwill arises which is recognized directly in the Statement of Income.

After initial recognition, Goodwill is measured at cost less any aggregate impairments. For the purpose of impairment testing, Goodwill is allocated to cash-generating units (CGU), on acquisition date. The allocation is made to the generating units that are expected to be benefit from the business combinations in which the goodwill was identified and is recognized according to the operating segment.

Goodwill is subject to an impairment test annually, or even sooner if there are relevant indications. Goodwill impairment is determined by estimating the recoverable value of each CGU (or group of CGU's) to which the goodwill has been allocated. When the recoverable amount (defined as the greater value between value in use and fair value reduced by the required cost to sell) of the CGU is less than its book value including goodwill, an impairment loss is recognized. Goodwill impairment cannot be reversed later.

In the context of the free of charge equity settled stock awards to the executives of PPC S.A. and PPC Renewables S.A., the Group and the Parent Company proceed for the first time with the purchase of own shares based on the provisions of article 49 of Law 4548/2018. Therefore, the Group and the Parent company included in their principal accounting principles the following:

Treasury shares
Own equity instruments that are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in the Statement of Income on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in the share premium.

The Parent company, in the context of the absorption of Lignite subsidiaries (Note 6.1), proceeded with the following addition to its principal accounting policies:

Investments in subsidiaries- merger of business
The absorption of the 100% subsidiary company by exchange of shares of the Parent company is treated in the separate financial statements as a transaction between companies under common control and management is required to determine an appropriate accounting policy to depict the transaction. The Company de-recognizes its participation in the subsidiary and recognizes the net assets of the subsidiary either at fair value or at the carrying value that was reflected in the consolidated financial statements of the Group at the date of the legal merger (taking into account the commercial substance of the transaction).

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, 2021 with the exception of the following amendments and standards, which were adopted by the Group and the Parent Company on January 1st, 2022 and did not have a significant impact on the interim condensed separate and consolidated financial statements for the six month period ended June 30th, 2022. Moreover, new standards, amendments to standards and interpretations were published that are mandatory for accounting periods commencing on January 1st, 2022 and thereafter.

4.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

- **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 IASB has issued narrow-scope amendments to the IFRS Standards as follows:

- **IFRS 3 Business Combinations**: The 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**: The Amendments prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.
- **IAS 37 Provisions, Contingent Liabilities and Contingent Assets**: The 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**.

- **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.

B) <u>Standards and Interpretations which are mandatory for subsequent periods and have not been applied earlier by the Company and the Group</u>

The following new standards, amendments to standards and interpretations have been issued but are mandatory for subsequent periods. The Company and the Group have not yet applied the following standards.

- **IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (Amendments)**

The Amendments are effective for annual periods beginning on or after January 1, 2023 with earlier application permitted. The amendments provide guidance on the application of materiality judgements to accounting policy disclosures. In particular, the amendments to IAS 1 replace the requirement to disclose ‘significant’ accounting policies with a requirement to disclose ‘material’ accounting policies.
Also, guidance and illustrative examples are added in the Practice Statement to assist in the application of the materiality concept when making judgements about accounting policy disclosures. The Group is in the process of assessing the impact of the application of the amendments to its financial statements.

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

Amendments take effect for annual reference periods beginning on or after 1 January 2023 with earlier application permitted and applicable to changes in accounting policies and changes in accounting estimates made on or after the beginning of this period. The amendments introduce a new definition of accounting estimates, defined as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify what changes in accounting estimates are and how they differ from changes in accounting policies and error corrections. The Group is in the process of assessing the impact of the application of the amendments to its financial statements.

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 amendments have not yet been endorsed by the EU. The Group is in the process of assessing the impact of the application of the amendments to its financial statements.

- **IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (Amendments)**
The amendments were initially effective for annual reporting periods beginning on or after January 1, 2022 with earlier application permitted. However, in response to the Covid-19 pandemic, the Board has deferred the effective date by one year, i.e. January 1, 2023, to provide companies with more time to implement any classification changes resulting from the amendments. The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current or non-current. The amendments affect the presentation of liabilities in the statement of financial position and do not change existing requirements around measurement or timing of recognition of any asset, liability, income or expenses, nor the information that entities disclose about those items.

Also, the amendments clarify the classification requirements for debt which may be settled by the company issuing own equity instruments.

In November 2021, the Board issued an exposure draft (ED), which clarifies how to treat liabilities that are subject to covenants to be complied with, at a date subsequent to the reporting period. In particular, the Board proposes narrow scope amendments to IAS 1 which effectively reverse the 2020 amendments requiring entities to classify as current, liabilities subject to covenants that must only be complied with within the next twelve months after the reporting period, if those covenants are not met at the end of the reporting period. Instead, the proposals would require entities to present separately all non-current liabilities subject to covenants to be complied with only within twelve months after the reporting period.

Furthermore, if entities do not comply with such future covenants at the end of the reporting period, additional disclosures will be required. The proposals will become effective for annual reporting periods beginning on or after 1 January 2024 and will need be applied retrospectively in accordance with IAS 8, while early adoption is permitted. The Board has also proposed to delay the effective date of the 2020 amendments accordingly, such that entities will not be required to change current practice before the proposed amendments come into effect. These Amendments, including ED proposals, have not yet been endorsed by the EU. The Group is in the process of assessing the impact of the application of the amendments to its financial statements.

- **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 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	
	01.01.2022 - 30.06.2022	**01.01.2021 - 30.06.2021**	**01.01.2022 - 30.06.2022**	**01.01.2021 - 30.06.2021**
Electricity and natural gas sales				
- High voltage	306,664	202,943	322,175	191,962
- Medium voltage	693,302	210,795	695,940	212,165
- Low voltage	3,131,909	1,432,803	3,131,967	1,432,829
- Renewable Energy Sources	15,074	8,659	-	-
- Revenues from natural gas sales	4,632	765	4,632	765
	4,151,581	**1,855,965**	**4,154,714**	**1,837,721**
Other sales				
- Customers' contributions	47,745	45,141	124	124
- Public Service Obligations	(94,048)	26,082	(94,048)	26,082
- Distribution Network Revenues	141,407	122,985	-	-
- Income from the sale of electricity from NII thermal units	107,743	120,310	107,743	120,310
- Other	37,858	22,956	34,724	20,872
	240,705	**337,474**	**48,543**	**167,388**
Total from Continuing Operations	**4,392,286**	**2,193,439**	**4,203,257**	**2,005,109**
- Discontinued Operations	-	-	-	49,055
Total	**4,392,286**	**2,193,439**	**4,203,257**	**2,054,164**

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 decided the approval and publication of Invitation to submit an Expression of Interest (EoI) for the sale of a minority stake of PPC's participation in its 100% subsidiary HEDNO, and thus proceeded to an Invitation announcement in its website, according to which investors should express their interest until January 29th, 2021, which date was extended to February 19th, 2021.

On September 3, 2021, after the completion of the tender process for the sale of 49% of the share capital of HEDNO SA, 4 binding offers were submitted. The inspection of the technical files of the submitted bids by the competent services of PPC SA was completed on September 10, 2021. Spear WTE Investments Sarl, a member of Macquarie Infrastructure and Real Assets Group ("MIRA"), was the investor that submitted the highest bid, with an offer of € 1,312 million for the acquisition of 49% of the share capital of HEDNO SA.

On October 19, 2021, the Extraordinary General Meeting of PPC's Shareholders approved the sale of 49% of its participation in HEDNO to Macquarie Asset Management and on October 20, 2021 reached on an agreement with it.

On November 30, 2021 ("spin-off date") the decision (2538559AP 30/11/2021) of the General Secretariat of Commerce & Consumer Protection was registered in the General Commercial Register (G.C.R.) which approved the spin-off of the Distribution Network branch of PPC and its contribution to the 100% subsidiary of HEDNO SA in exchange of shares based on the provisions of Law 1297/1972 on Provisions of tax incentive for business on merge and alteration, to corporate Law 4548/2018 of société anonymes and to Law 4601/2019 on Corporate Restructure.

Specific matters for this Hive Down are regulated by article 129 (Corporate transformation of PPC SA - Addition of article 123A and amendment of articles 122 and 124 of law 4001/2011) of Law 4819/2021 (OG A ' 129 / 23-07-2021). This spin-off was a prerequisite to complete the sale of 49% of HEDNO's share capital.

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

6. DISCONTINUED OPERATIONS (DISTRIBUTION NETWORK) (CONTINUED)

An additional requirement for the completion of the sale transaction was the approval of the new terms of the existing loan agreements contributed to HEDNO, which was achieved until February 28, 2022, the date when the sale of 49% of PPC's shareholding in HEDNO was completed to Macquarie Asset Management.

Specifically, on the above date PPC received € 1,320 million for the acquisition of the aforementioned percentage by Macquarie Asset Management through MSCIF DYNAMI BIDCO Soleshareholder SA. The offer price has been adjusted to reflect the estimated change in the Net Asset Value of HEDNO until 28.2.2022, in accordance with the terms of the Share Purchase Agreement, while it became final in June 2022 based on the Actual Net Assets of HEDNO with reference date 28.02.2022, in which it received an additional consideration of €2.8 mil.

The result from the sale of 49% in the investment of PPC in HEDNO, which was recognized in the financial statements of the Parent Company on February 28, 2022, the date that the conditions for the sale of the shareholding were met, amounted to €790 million and is analyzed as follows (amounts in euro):

Cash consideration on 28.02.2022	1,320,440,513
Additional cash consideration in June 2022	2,835,887
minus: 49% of the carrying value of the shareholding on HEDNO	(525,868,389)
minus: transaction costs	(7,387,500)
Gain from the partial sale of the investment in HEDNO	**790,020,511**

The transfer to Macquarie Asset Management of 49% of PPC's stake in HEDNO with minority shareholder rights does not affect PPC's control over its subsidiary under IFRS 10. On Group level, on 28 February 2022 Non-controlling interest was recognized in the consolidated Financial Statement amounting to € 637.2 million corresponding to 49% of HEDNO's net assets attributed to minority interests, while the gain from the partial sale of the investment in HEDNO amounted to € 675.8 million including transaction costs (to € 678.6 million including the additional cash consideration in June 2022) and was included directly in the equity of the Group according to the provisions of IFRS10.

In addition, the Shareholders Agreement includes a written Put Option (sale) to PPC under certain conditions, of the shares acquired by Macquarie Asset Management to HEDNO, after 8 years and within 6 months from the date of the sale of 49% of the shareholding in HEDNO with exercise price at fair value. On February 28, 2022 a valuation of this liability was conducted and on Group level, a financial liability of € 1,410,833 was recognized, with an equivalent amount recorded directly in other reserves (Note 4.2). On June 30, 2022, the financial liability increased by the financial cost and amounted to €1,414,536.
In the separate financial statements of the Parent Company, the Put Option (sale) with exercise price at fair value was treated as a derivative financial instrument and as its exercise price is the fair value of the shares, the Put Option (sale) on shares has no value. Furthermore, to note that the gain from the sale of 49% on HEDNO's shareholding is free of income tax.

Finally, on 23.06.2022 the General Assembly of HEDNO decided to distribute dividend of €85 million out of which € 41.65 million are attributable to the minority shareholders, a liability included in the current liabilities of Group on June 30, 2022.

Information for the Discontinued Operation of the Parent Company
Group and Parent Company's Management classified on December 31st 2020 the Assets and Liabilities of the Distribution Network branch as assets Held for Sale (Discontinued Operations) only to its separate financial statements, as on Group level the value of the distributed net Assets and the net assets of the 100% subsidiary HEDNO, is expected to be recovered through their continuing use by the Group rather than through the sale transaction proceeds of the 49% on HEDNO's shareholding.

From the classification date as assets Held for Sale until November 30, 2021 (date of completion of the spin - off) for the contributed property, plant and equipment and the contributed subsidies not depreciation was charged in the separate financial statements of PPC in accordance with the provisions of IFRS 5.

As of June 30, 2021, had the Parent Company accounted for depreciation and amortization, those would amount to € 131.7 million for property, plant and equipment and to € (1.0) million for the subsidies.

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

6. DISCONTINUED OPERATIONS (DISTRIBUTION NETWORK) (CONTINUED)

Distribution network branch means all the activities of the autonomous operation of the Hellenic Electricity Distribution Network (HEDN) of PPC, which include the ownership of HEDN, including of the real estate and other assets of the Distribution Network and the Network of the Non- Interconnected Islands, of the related liabilities and other liabilities, with the exception of the High Voltage Network of Crete.

The Cash flows of Discontinued Operation as of June 30, 2021 is stated in the following table:

	01.01.2021-30.06.2021
Profit before tax from discontinued operations	144,102
Working capital Adjustments	9,653
Cash flow from operational activities	153,755
Cash flow from investing activities	(5,257)
Cash flow from financing activities	(105,349)
Total	**43,149**

6.1 ABSORPTION OF LIGNITE SUBSIDIARIES

On June 1, 2022 ("absorption date"), the decision (2635846 AP1/06/2022) was registered in the General Commercial Register (G.C.R.) of the General Secretariat of Commerce & Consumer Protection, approving the merger of PPC S.A. with the absorption of 100% of the subsidiaries of Lignitiki Megalopolis S.A. and Lignitiki Melitis SA, in accordance with the provisions of articles 6-53 of Law 4601/2019, articles 48-49 of Law 4843/2021, Law 4172/2013, Law 4548/2018, the Valuation reports of the Certified Auditors dated 23.02.2022 and as well as with the Notarial deed no. 21.853.

The date of the absorption of the two lignite subsidiaries was set on November 30, 2021, the date on which the valuation of their Net Assets was carried out. The merger is to be completed on the date on which the relevant approval decision is made public in G.C.R. As mentioned in the Merger Deed with absorption, all deeds and transactions carried out from the reference date (November 30, 2021) until the date of the absorption (June 1, 2022) benefit and borne exclusively the lignite subsidiaries. Therefore, the results of the interim period remained in the lignite subsidiaries, while the Assets and Liabilities on June 1, 2022 were transferred to PPC S.A.

The transaction at the level of separate financial statements is an exchange of the shares held by PPC in its 100% subsidiaries, with their net assets. The carrying values of the net assets of lignite subsidiaries constitute the acquisition cost of the net assets for the Parent Company. At Group level, the merger by absorption of the lignite subsidiaries is a transaction between related parties without commercial substance and therefore has no effect on the Group's consolidated financial statements.

The net assets absorbed by PPC on June 1, 2022 from the lignite subsidiaries were as follows:

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

6.1 ABSORPTION OF LIGNITE SUBSIDIARIES (CONTINUED)

	01.06.2022
Non-Current Assets	
Property, plant and equipment, net	33,384
Intangible assets, net	7
Other non- current assets	1,097
	34,488
Current Assets	
Inventories	35,055
Trade receivables	594
Other receivables	12,457
Cash and cash equivalents	69,201
	117,307
Total Assets	**151,795**
Total Equity	
Revaluation surplus	71,265
Other Reserves (actuarial gain or loss reserves)	4,446
Retained earnings	(13,099)
	62,612
Non- current liabilities	
Post-retirement benefits	11,621
Provision for risks	5,608
Deferred tax liabilities	3,645
Subsidies of Property, plant and equipment	2,808
	23,682
Current liabilities	
Trade and other payables	48,596
Accrued and other current liabilities	16,905
	65,501
Total Equity and Liabilities	**151,795**

The current liabilities and receivables contributed as above, include a net liability to the Parent company of €29.7 million from the lignite subsidiaries, which was offset against the corresponding receivable of the Parent company.

Due to the absorption of the lignite subsidiaries by the Parent company on June 1, 2022, the provision for expected credit losses on trade receivables from the lignite subsidiaries totaling to € 29.7 million as of June 1, 2022 were reversed (income), in favor of the results of the period ended on June 30, 2022.

7. INCOME TAXES (CURRENT AND DEFERRED)

	Group		**Company**	
	30.06.2022	**30.06.2021**	**30.06.2022**	**30.06.2021**
Current income taxes	22,047	2,652	-	-
Deferred income tax	(9,103)	(15,818)	6,218	(18,321)
Total income tax	**12,944**	**(13,166)**	**6,218**	**(18,321)**

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, 2022 and 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.

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

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

Based on the applicable Income Tax Code, from the fiscal year 2011, for the Group's companies residing in Greece the Statutory Auditors issue an "Annual Tax Compliance Report" after conducting an audit at the same time with the financial audit ("tax certificate").
The audit is conducted on particular tax areas, specified by an audit program, according to the provisions of the tax law. Audit matters which are not covered by the above-mentioned decision are dealt with in accordance to the ISAE 3000 "Assurance Engagements other than Audits or Reviews of Historical Financial Information".

From January 1st, 2016 and onwards, pursuant to Law 4410/2016, the issuance of the tax certificate became optional, however, the Group applies the procedure for its issuance by the Statutory Auditors for the Parent Company and the subsidiaries residing in Greece.
The audit for the issuance of the tax certificate for the year 2021 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 Audit by the Large Businesses Audit Center

On 27.7.2022, the Parent Company was notified through orders received by the Large Businesses Audit Center for a partial tax authorities audit for the years 2017 and 2018. The tax audit process has not yet started. For the unaudited tax years, the Group establishes a provision on the basis of the findings of prior tax audits.
Tax unaudited years for the Parent Company and the subsidiaries of the Group are presented in the following table:

Company	Country	Unaudited years since
PPC S.A. (Parent Company)	Greece	2016
PPC Renewables S.A.	Greece	2016
HEDNO S.A.	Greece	2016
Arkadikos Ilios 1 S.A.	Greece	2016
Arkadikos Ilios 2 S.A.	Greece	2016
Iliako Velos 1 S.A.	Greece	2016
Amalthia Energiaki S.A.	Greece	2016
SOLARLAB S.A.	Greece	2016
Iliaka Parka Ditikis Makedonias 1 S.A.	Greece	2016
Iliaka Parka Ditikis Makedonias 2 S.A.	Greece	2016
PPC FINANCE PLC	United Kingdom	2009
VOLTERRA LYKOVOUNI SOLE SHAREHOLDER S.A.	Greece	2017
VOLTERRA K-R SOLE SHAREHOLDER S.A.	Greece	2016
VOLTERRA KOUKOULI SOLE SHAREHOLDER S.A.	Greece	2020
VOLTERRA DOUKAS SOLE SHAREHOLDER S.A.	Greece	2020
HELIOFANEIA S.A.	Greece	2016
CARGE S.A.	Greece	2020
PPC BULGARIA JSCo	Bulgaria	2014
PPC Elektrik Tedarik ve Ticaret A.S.	Turkey	2014
PPC ALBANIA	Albania	2017
PHOIBE ENERGIAKI S.A.	Greece	2016
Geothermikos Stochos SOLE SHAREHOLDER S.A.	Greece	2017
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	30.06.2018 to 01.06.2022
LIGNITIKI MEGALOPOLIS S.A. *	Greece	30.06.2018 to 01.06.2022

* On 01.06.2022 the lignite subsidiaries LIGNITIKI MELITIS S.A. and LIGNITIKI MEGALOPOLIS S.A. were absorbed by PPC S.A. (Note 6.1)

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

8. INVESTMENTS IN SUBSIDIARIES

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

	Note	Company	
		30.06.2022	**31.12.2021**
HEDNO S.A.	6	547,332	1,073,201
PPC Renewables S.A.		305,608	155,608
PPC FINANCE PLC		59	59
PPC BULGARIA JSCo		522	522
PPC ELEKTRIK TEDARIK VE TICARET AS		1,350	1,350
PPC ALBANIA		490	490
EDS DOO Skopje		10,300	10,300
CARGE S.A.		621	-
LIGNITIKI MELITIS S.A.	6.1	-	-
LIGNITIKI MEGALOPOLIS S.A.	6.1	-	-
		866,282	**1,241,530**

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 million, an increase of its share capital through cash amounting to €40.0 million (€95.0 million in total) and a reduction of its share capital by offsetting it with losses of €230.0 million.

The amount of the share capital increase through cash, was paid in installments, by an amount of €10.0 million in December 2020 and an amount of €30.0 million in the first two months of 2021.

The increase in the shareholding of Lignitiki Megalopolis S.A. by €85.0 million incurred in the first semester of 2021, was fully impaired by the Parent Company and is included in “Impairment loss on Lignite Subsidiaries” in the Income Statement of the Parent Company.

In February 2021, the Parent Company’s Board of Directors decided the increase of the share capital of its 100% subsidiary under the name "Lignitiki Melitis S.A." through the offset of its existing and future debt towards PPC of €33.0 million, as well as the reduction of the share capital through offsetting losses amounting to €90.0 million.

The increase in the shareholding of Lignitiki Melitis S.A. by €33.0 million incurred in the first semester of 2021, was fully impaired by the Parent Company and is included in “Impairment loss on Lignite Subsidiaries” in the Income Statement of the Parent Company.

On December 31, 2021 the shareholding in "Lignitiki Melitis S.A." and in "Lignitiki Megalopolis S.A." before impairments amounts to €199.8 million (31.12.2020: €166.8 million) and €196.6 million (31.12.2020: €111.6 million) respectively.

Moreover, as of December 31st, 2020 the Parent Company had established a provision for additional losses from legal commitments for Lignitiki Megalopolis S.A. amounting to €30.0 million, which was reversed in the first semester of 2021. The income from the derecognition is included in “Impairment loss on Lignite Subsidiaries” in the Income Statement of the Parent Company for the period ended on June 30, 2021.

8.INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Alongside, as of June 1st, 2022 (Note 6.1) and December 31st, 2021 the Parent Company recorded a provision for expected credit losses for the trade receivables included in its records by the lignite subsidiaries.

In particular, the Parent Company recorded a provision for expected credit losses amounting to €3.2 million and €20.9 million as of June 1st, 2022 and December 31st, 2021 respectively for trade receivables by Lignitiki Melitis S.A.

In addition, the Parent Company recorded a provision for expected credit losses amounting to €26.5 million and € 25.2 million as of June 1st, 2022 and December 31st, 2021 respectively for trade receivables by Lignitiki Megalopolis S.A.

Due to the absorption of the lignite subsidiaries by the Parent Company on June 1st, 2022 (Note 6.1), the provision for expected credit losses for the trade receivables of the lignite subsidiaries of € 29.7 million as of June 1st, 2022 were reversed (income) in favor of the results of the period ended as of June 30, 2022. This reversal was included in “Provision for expected credit losses” in the Income Statement of the Parent Company for the period ended on June 30, 2022.

In the first semester of 2021, due to the share capital increase of lignite subsidiaries with the offset of trade receivables of the Parent Company, the provision for expected credit losses included in the Statement of Income of the Parent Company were reduced (income) by €31.0 million for the period ended on June 31st, 2021.

In addition, on March 19, 2021 the Parent Company signed a loan agreement with the 100% subsidiary Energy Deliver Solutions (AD) JSK Skopje amounting to € 3.7 million, with an interest rate of 3.8% and an expiration date of June 30, 2021, which was obtained by the subsidiary on the same date. On August 12, 2021, the share capital of the subsidiary was increased by offsetting the above obligation.

In May 2022, the Board of Directors of the Parent Company decided the share capital increase of the 100% subsidiary PPC Renewables with cash transfer of €150 million, that the subsidiary received in June 2022.

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

8. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The subsidiaries of the Group are as follows:

Subsidiaries	Note	Ownership Interest 30.06.2022	Ownership Interest 31.12.2021	Country and Year of Incorporation	Principal Activities
PPC Renewables S.A.		100%	100%	Greece, 1998	RES
HEDNO S.A.	6	51%	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
VOLTERRA LYKOVOUNI SOLE SHAREHOLDER S.A.	3,14	100%	-	Greece, 2017	RES
VOLTERRA K-R SOLE SHAREHOLDER S.A.	3,14	100%	-	Greece, 2014	RES
VOLTERRA KOUKOULI SOLE SHAREHOLDER S.A.	3,14	100%	-	Greece, 2020	RES
VOLTERRA DOUKAS SOLE SHAREHOLDER S.A.	3,14	100%	-	Greece, 2020	RES
HELIOFANEIA S.A.	3,14	100%	-	Greece, 2007	RES
CARGE S.A.**		100%	-	Greece, 2020	Management of HO charging points and development of billing applications
PPC FINANCE PLC		100%	100%	UK, 2009	Financing Services
PPC Bulgaria JSCo		85%	85%	Bulgaria, 2014	Supply of power
PPC Elektrik Tedarik Ve Ticaret A.S.		100%	100%	Turkey, 2014	Supply of power
PHOIBE ENERGIAKI S.A.		100%	100%	Greece, 2007	RES
PPC ALBANIA		100%	100%	Albania, 2017	Supply of power
GEOTHERMIKOS STOCHOS SOLE SHAREHOLDER COMPANY S.A.		100%	100%	Greece, 2017	RES
AMYNTAIO PV PARK ONE SOLE SHAREHOLDER SA*		-	100%	Greece, 2021	RES
AMYNTAIO PV PARK TWO SOLE SHAREHOLDER SA*		-	100%	Greece, 2021	RES
AMYNTAIO PV PARK THREE SOLE SHAREHOLDER SA*		-	100%	Greece, 2021	RES
AMYNTAIO PV PARK FOUR SOLE SHAREHOLDER SA*		-	100%	Greece, 2021	RES
AMYNTAIO PV PARK FIVE SOLE SHAREHOLDER SA*		-	100%	Greece, 2021	RES
AMYNTAIO PV PARK SIX SOLE SHAREHOLDER SA*		-	100%	Greece, 2021	RES
AMYNTAIO PV PARK SEVEN SOLE SHAREHOLDER SA*		-	100%	Greece, 2021	RES
AMYNTAIO PV PARK EIGHT SOLE SHAREHOLDER SA*		-	100%	Greece, 2021	RES
AMYNTAIO PV PARK NINE SOLE SHAREHOLDER SA*		-	100%	Greece, 2021	RES
WINDARROW MOUZAKI ENERGY S.A.		100%	100%	Greece, 2018	RES
EDS AD Skopje		100%	100%	Republic of North Macedonia, 2012	Supply of power
EDS DOO Belgrade		100%	100%	Serbia, 2016	Supply of power
EDS International SK SRO		100%	100%	Slovakia, 2012	Supply of power
EDS International KS LLC		100%	100%	Kosovo, 2016	Supply of power
LIGNITIKI MELITIS SOLE SHAREHOLDER S.A.	6.1	-	100%	Greece, 2018	Generation of power
LIGNITIKI MEGALOPOLIS SOLE SHAREHOLDER S.A.	6.1	-	100%	Greece, 2018	Generation of power

*Until January 14, 2022, the companies were 100% subsidiaries of "PPC RENEWABLES" until they were contributed in kind to "METON ENERGIAKI SA" for the acquisition of 49% of its share capital. In the current financial statements, they are consolidated through the associate company "METON ENERGIAKI SA" with the equity method.

** On June 9, 2022, the Parent company acquired the electric mobility service provider CARGE S.A. paying the amount of €620 thousand and the amount of €247 thousand for the redemption of loans given by third parties to CARGE SA. CARGE specializes in the development of innovative software for applications which, among other things, enable the user to navigate through a digital map arriving at the charging station by the best and fastest route.

(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, 2022 and December 31st, 2021 are as follows (equity method):

	Group		Company	
	30.06.2022	**31.12.2021**	**30.06.2022**	**31.12.2021**
PPC Renewables ROKAS S.A.	2,744	2,483	-	-
PPC Renewables TERNA Energiaki S.A.	2,176	2,351	-	-
PPC Renewables NANKO Energy – MYHE Gitani S.A.	2,414	2,335	-	-
PPC Renewables MEK Energiaki S.A.	408	648	-	-
PPC Renewables ELTEV AIFOROS S.A.	2,922	2,730	-	-
PPC Renewables EDF EN GREECE S.A.	8,358	7,967	-	-
Aioliko Parko LOYKO S.A.	3	4	-	-
Aioliko Parko MBAMBO VIGLIES S.A.	2	3	-	-
Aioliko Parko KILIZA S.A.	8	9	-	-
Aioliko Parko LEFKIVARI S.A.	5	6	-	-
Aioliko Parko AGIOS ONOUFRIOS S.A.	10	11	-	-
OROS ENERGIAKI L.T.D.	322	295	-	-
ATTICA GREENESCO S.A.	356	354	-	-
VOLTERRA LYKOVOUNI SOLE SHAREHOLDER COMPANY S.A.	-	9,618	-	-
VOLTERRA K-R SOLE SHAREHOLDER COMPANY S.A.	-	7,542	-	-
BALIAGA IKE	681	754	-	-
TICHIO IKE	750	792	-	-
PIVOT SOLAR SOLE SHAREHOLDER IKE	772	883	-	-
GEOTHERMIKOS STOCHOS II SOLE SHAREHOLDER S.A.	10	16	-	-
METON ENERGIAKI S.A.	38,407	-	-	-
WASTE CYCLO S.A.	20	21	37	37
	60,366	**38,822**	**37**	**37**

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

9.INVESTMENT IN ASSOCIATES (CONTINUED)

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

Associates	Note	Ownership Interest 30.06.2022	Ownership Interest 31.12.2021	Country & 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	46.55%	46.55%	Greece, 2007	RES
Aioliko Parko LOYKO S.A.		49.00%	49.00%	Greece, 2008	RES
Aioliko Parko BAMBO VIGLIES S.A.		49.00%	49.00%	Greece, 2008	RES
Aioliko Parko KILIZA S.A.		49.00%	49.00%	Greece, 2008	RES
Aioliko Parko LEFKIVARI S.A.		49.00%	49.00%	Greece, 2008	RES
Aioliko Parko AGIOS ONOUFRIOS S.A.		49.00%	49.00%	Greece, 2008	RES
Waste Syclo S.A.		49.00%	49.00%	Greece, 2011	Waste Management
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.	7	-	45.00%	Greece, 2017	RES
VOLTERRA K-R SOLE SHAREHOLDER COMPANY S.A.	7	-	45.00%	Greece, 2014	RES
BALIAGA IKE	3	49.00%	49.00%	Greece, 2020	RES
TEICHIO IKE	3	49.00%	49.00%	Greece, 2020	RES
PIVOT SOLAR SOLE SHAREHOLDER IKE	3	49.00%	49.00%	Greece, 2021	RES
GEOTHERMIKOS STOCHOS II SOLE SHAREHOLDER S.A.	4	49.00%	49.00%	Greece, 2020	RES
METON ENERGIAKI S.A.	5	49.00%	49.00%	Greece, 2021	RES
AMYNTAIO PV PARK ONE SOLE SHAREHOLDER SA	6	49.00%	-	Greece, 2021	RES
AMYNTAIO PV PARK TWO SOLE SHAREHOLDER SA	6	49.00%	-	Greece, 2021	RES
AMYNTAIO PV PARK THREE SOLE SHAREHOLDER SA	6	49.00%	-	Greece, 2021	RES
AMYNTAIO PV PARK FOUR SOLE SHAREHOLDER SA	6	49.00%	-	Greece, 2021	RES
AMYNTAIO PV PARK FIVE SOLE SHAREHOLDER SA	6	49.00%	-	Greece, 2021	RES
AMYNTAIO PV PARK SIX SOLE SHAREHOLDER SA	6	49.00%	-	Greece, 2021	RES
AMYNTAIO PV PARK SEVEN SOLE SHAREHOLDER SA	6	49.00%	-	Greece, 2021	RES
AMYNTAIO PV PARK EIGHT SOLE SHAREHOLDER SA	6	49.00%	-	Greece, 2021	RES
AMYNTAIO PV PARK NINE SOLE SHAREHOLDER SA	6	49.00%	-	Greece, 2021	RES

1. It is consolidated by the associate company PPC Renewables EDF EN GREECE S.A., as it participates in its share capital by 95%.
2. The subsidiary of PPC Renewables SA., Amalthia Energiaki S.A. purchased the 49% of this company.
3. The shareholding in the above companies by PPC Renewables SA commenced on 7/5/2021 based on an agreement.
4. GEOTHERMIKOS STOCHOS II SOLE SHAREHOLDER S.A. until 4/11/2021 was a subsidiary company of PPC Renewables SA and on 5/11/2021 the 51% was sold. It remains an associate company of PPC Renewables SA.
5. METON ENERGIAKI S.A. was incorporated on 22/12/2021.
6. Investments through METON ENERGIAKI S.A. The companies until January 14, 2022 were 100% subsidiaries of PPC Renewables S.A. until they were transferred to METON ENERGIAKI S.A. for the acquisition of the 49% of its share capital. In the current financial statements those companies are consolidated with the equity method through METON ENERGIAKI S.A. (Note 3).
7. Those associate companies became subsidiaries in 2022 (Note 3 and 14).

(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, 2022 and December 31st, 2021 are as follows:

	June 30, 2022		December 31, 2021	
	Receivables	**(Payables)**	**Receivables**	**(Payables)**
Subsidiaries				
PPC Renewables S.A.	1,892	-	1,814	(399)
HEDNO S.A.	228,091	(306,570)	221,202	(380,849)
LIGNITIKI MEGALOPOLIS SOLE SHAREHOLDER S.A.	-	-	25,885	(684)
LIGNITIKI MELITIS SOLE SHAREHOLDER S.A.	-	-	20,999	-
ILIAKA PARKA ENA S.A.	16	-	13	-
ILIAKA PARKA DIO S.A.	20	-	4	-
ILIAKO VELOS ENA S.A.	85	-	143	-
ARKADIKOS ILIOS ENA S.A.	13	-	11	-
ARKADIKOS ILIOS DIO S.A.	3	-	3	-
AMYNTAIO PV PARK ENA S.A.	-	-	2	-
AMYNTAIO PV PARK DIO S.A.	-	-	2	-
AMYNTAIO PV PARK TRIA S.A.	-	-	2	-
AMYNTAIO PV PARK TESSERA S.A.	-	-	2	-
AMYNTAIO PV PARK PENTE S.A.	-	-	2	-
AMYNTAIO PV PARK EKSI S.A.	-	-	2	-
AMYNTAIO PV PARK EPTA S.A.	-	-	2	-
AMYNTAIO PV PARK OKTO S.A.	-	-	2	-
AMYNTAIO PV PARK ENNEA S.A.	-	-	2	-
PPC Finance Plc	-	(71)	-	(71)
PPC Elektrik	226	-	110	-
PPC Bulgaria JSCO	1	-	9	(374)
PPC Albania	100	-	40	-
EDS AD Skopje	31,443	-	20,026	-
Total	**261,890**	**(306,641)**	**290,277**	**(382,377)**

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 December 31st, 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 €25.2 million and €20.9 million respectively.

Due to the absorption of the lignite subsidiaries Lignitiki Megalopolis S.A. and Lignitiki Melitis S.A. from the Parent company on June 1, 2022, on June 30, 2022 there are no receivables and liabilities with the Parent company.

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

PPC's transactions with its subsidiaries for the period ended June 30th, 2022 and June 30th, 2021, respectively, are as follows:

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

10.BALANCES AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

	June 30, 2022		June 30, 2021	
	Invoiced to	(Invoiced from)	Invoiced to	(Invoiced from)
Subsidiaries				
PPC Renewables S.A.	2,164	(1,517)	1,385	-
HEDNO S.A.	388,445	(625,111)	791,040	(837,080)
LIGNITIKI MEGALOPOLIS S.A.	52,002	(363)	41,792	(583)
LIGNITIKI MELITIS S.A.	31,647	-	14,747	-
ILIAKA PARKA ENA S.A.	16	-	-	-
ILIAKA PARKA DIO S.A.	15	-	-	-
ILIAKO VELOS ENA S.A.	232	-	-	-
ARKADIKOS ILIOS ENA S.A.	32	-	-	-
ARKADIKOS ILIOS DIO S.A.	8	-	-	-
PPC Finance Plc	-	-	-	(13)
PPC Elektrik	-	(103)	8	(1,588)
PPC Bulgaria JSCO	1	-	105	(10,688)
EDS AD Skopje	18,582	(1,555)	177	(322)
Total	**493,144**	**(628,649)**	**849,254**	**(850,274)**

Guaranties in favor of subsidiaries

As of 30.06.2022, the Parent Company has provided a guarantee to its subsidiary PPC Renewables S.A. for a total credit line of up to Euro 8.0 million, through overdraft facilities, out of which PPC Renewables S.A. has used an amount of Euro 418 thousands relating to letters of guarantee.

As of 30.06.2022, the Parent Company has provided a guarantee to its subsidiary Energy Delivery Solutions AD (EDS) of € 33 million, for loans concerning working capital needs. EDS Group drew an amount of € 17 million.

As of June 30, 2022, the Parent Company provided a corporate guarantee to EDS for the electricity supplier Energy Financing Team AG - St Gallen amounting of up to € 1.5 million and for the electricity supplier Alpiq Energija amounting of up to € 1.5 million.

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

Significant 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., ENEXCLEAR 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 (CONTINUED)

	1.1.2022 – 30.06.2022		1.1.2021 – 30.06.2021	
	Invoiced to	(Invoiced from)	Invoiced to	(Invoiced from)
ELPE	-	(130,253)	7,859	(43,423)
DEPA	-	(522,277)	61	(178,758)
DAPEEP S.A.	74,764	(187,115)	78,507	(175,588)
HEnEx S.A.	-	(1,421)	-	(1,911)
IPTO S.A.	380	(34,754)	1,812	(56,446)
ENEXCLEAR S.A.	2,702,462	(4,527,596)	846,125	(1,243,747)
LARCO S.A.	13,234	-	15,815	-

	June 30, 2022		December 31, 2021	
	Receivables	(Payables)	Receivables	(Payables)
ELPE	-	(98,296)	-	(18,064)
DEPA	-	(114,561)	-	(91,447)
DAPEEP S.A.	16,919	(65,637)	31,704	(68,889)
HEnEx S.A.	-	(7)	-	(8)
IPTO S.A.	10,875	-	4,754	-
ENEXCLEAR S.A.	72,074	(69,376)	34,111	(40,178)
LARCO S.A.	361,958	-	369,093	-

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

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, 2022 and December 31st, 2021 with HCAP S.A. and the companies, in which HCAP S.A. participates, are presented below:

	GROUP		PARENT COMPANY	
	June 30, 2022		June 30, 2022	
	Receivables	(Payables)	Receivables	(Payables)
HCAP S.A.	3	-	3	-
ATHENS INTERNATIONAL AIRPORT S.A.	1,624	-	1,583	-
ELTA S.A.	899	(4,098)	-	(3,905)
ELTA COURIER S.A.	4	(168)	4	(130)
EYDAP S.A.	8,848	(11)	8,848	(1)
ETVA INDUSTRIAL PARKS S.A.	489	(3)	489	-
THESSALONIKI INTERNATIONAL FAIR S.A.	296	-	296	-
ODIKES SYNGKOINONIES S.A.	16,518	(6)	16,518	-
PUBLIC PROPERTIES COMPANY S.A.	6,339	(12)	6,339	-
URBAN RAIL TRANSPORT S.A.	45,870	-	45,870	-
C.M.F.O. S.A.	326	-	326	-
O.A.S.A. S.A.	17	-	17	-
CENTRAL MARKET OF THESSALONIKI S.A.	62	-	62	-
E.Y.A.TH. S.A.	6,236	-	6,234	-
MANAGEMENT INDUSTR.PARK KASTORIA	1	-	1	-
GEA OSE S.A.	5	(1)	5	-
A.E.DI.K.	7	-	7	-
MARINA ZEAS	1	-	1	-
HELLENIC SALTWORKS S.A.	35	-	35	-
TOTAL	**87,580**	**(4,299)**	**86,638**	**(4,036)**

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

10. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

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

The Group's and the Parent Company's transactions as of June 30th, 2022 and June 30th, 2021 with HCAP S.A. and the companies, in which HCAP S.A. participates, are presented below:

	GROUP		PARENT COMPANY	
	1.1.2022 – 30.06.2022		1.1.2022– 30.06.2022	
	Invoiced to	(Invoiced from)	Invoiced to	(Invoiced from)
HCAP S.A.	15	-	15	-
ATHENS INTERNATIONAL AIRPORT S.A.	1,181	(8)	1,070	(8)
ELTA S.A.	3,516	(6,605)	4	(5,818)
ELTA COURIER S.A.	11	(135)	11	(116)
EYDAP S.A.	22,333	(118)	22,276	(97)
ETVA INDUSTRIAL PARKS S.A.	1,212	(19)	1,212	(18)
THESSALONIKI INTERNATIONAL FAIR S.A.	947	(40)	947	(40)
ODIKES SYNGKOINONIES S.A.	4,264	(6)	4,264	-
PUBLIC PROPERTIES COMPANY S.A.	2,138	-	2,138	-
URBAN RAIL TRANSPORT S.A.	27,167	-	27,167	-
C.M.F.O. S.A.	1,289	-	1,289	-
O.A.S.A. S.A.	46	-	46	-
E.Y.A.TH. S.A.	15,850	(2)	15,849	-
HELLENIC SALTWORKS S.A.	138	-	138	-
MANAGEMENT OF INDUSTRIAL PARK OF KASTORIA	4	-	4	-
GEA O.S.E. S.A.	17	-	17	-
A.E.DI.K.	19	-	19	-
TOTAL	**80,147**	**(6,933)**	**76,466**	**(6,097)**

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

10. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

	GROUP 1.01.2021 – 30.06.2021		COMPANY 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)**

Management remuneration

Management Members remuneration (Board of Directors' members and General Managers) for the periods ended on June 30th, 2022 and June 30th, 2021, is as follows:

	GROUP Amounts in '000 €		COMPANY Amounts in '000 €	
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
Remuneration of the Board of Directors' members				
- Remuneration of executive members	446	472	235	240
- Remuneration of non-executive members	135	182	-	-
-Compensation / Extraordinary fees / Other Benefits	137	608	103	591
- Employer's Social Contributions	110	118	43	41
	828	**1,380**	**381**	**872**
Remuneration of the Deputy Chief Executive Officers and General Managers				
- Regular remuneration	1,188	963	777	702
- Employer's Social Contributions	180	160	129	117
-Compensation / Extraordinary fees	-	1,179	-	1,179
	1,368	**2,302**	**906**	**1,998**
Total	**2,196**	**3,682**	**1,287**	**2,870**

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 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.

10. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

Finally, on June 4, 2021, the Extraordinary General Meeting of shareholders of the Parent Company approved the new remuneration policy of PPC S.A. that provide additional incentive in the form of equity settled stock awards (Note 7 payroll cost of the annual financial statements). As to date, the key Efficiency Ratios for this benefit have not been defined, it is not possible at present to determine the fair value of the Free of charge Stock awards Rights.

11. SHARE CAPITAL

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

Pursuant to the decision of October 19, 2021 of the Extraordinary General Meeting of the shareholders of the Parent Company and of the decision of October 29, 2021 of its Board of Directors, PPC SA proceeded to Share Capital increase through a public offering in Greece, to private investors and outside Greece, to institutional and other eligible investors, through a process of private placement book building.

On November 11, 2021, the share capital increase was completed by cash payment and a chartered accountant certified the share capital increase by € 372.0 million and the share premium increase by € 978.0 million in cash, with total amount of € 1.350 billion, with the issuance of 150,000,000 new common shares with a nominal value of € 2.48 each and with share premium of € 6.52 each.

Therefore, on June 30, 2022 and December 31, 2021 the Share Capital of PPC SA. amounted to € 947,360 (31.12.2020: € 575,360) consisting of 382,000,000 common shares (31.12.2020: 232,000,000) with a nominal value of € 2.48 each, while the Share Premium amounted to € 1,018.7 million (31.12.2020: €106.7) minus expenses for the share capital increase of € 65.9 million.

The Greek State reduced its participation from 51.12% as of December 31, 2020 to 34.12% as of December 31, 2021 while remains the largest shareholder of PPC. More specifically, the Hellenic Corporation of Assets and Participations (HCAP) as a result of the share capital increase, directly holds 90,909,860 common shares or 23.8% of PPC shares (31.12.2020: 79,165,114 number of shares or 34,12%) and indirectly through the Hellenic Republic Asset Development Fund SA " HRADF " (wholly owned subsidiary of HCAP) 39,440,000 common shares or 10.32% of PPC shares (31.12.2020: 39,440,000 number of shares or 17%).

Therefore, the total participation of HCAP in the voting rights of PPC SA amounted to 34.12%, from 51.12%.

The total funds raised through the Share Capital Increase amounted to €1.35 billion and, after deduction of the expenses of € 65.9 million, will be used, in accordance with section 16.2 "Reasons for the Share Capital Increase and use of proceeds" of the Company's Prospectus dated 01.11.2021 (the “Prospectus”), by PPC and/or other Group companies or existing or future joint ventures between 2022 and 2024 as follows:
(a) up to €1.284 billion of the approximately €3.2 billion the Company has budgeted for capital expenditures on renewable energy projects through 2024, including hydroelectric power generation and projects in adjacent markets, aiming to reach an installed RES capacity of 7.2 GW by 2024; and/or
(b) up to €1.284 billion of the approximately €1.7 billion the Company has budgeted for capital expenditures through 2024 on conventional power generation, supply business unit, the construction of a waste-to-energy plant, digitalization, telecommunications, electric vehicle charge-points; and
(c) to the extent reasonably necessary and only up to amounts that are not material for the Group’s financial condition, for other general corporate and other investment purposes.

On March 2, 2022, the automatic transfer of all shares in PPC owned by HRADF (corresponding to 39,440,000 shares or 10.32%) to HCAP was completed, pursuant to article 147 of L. 4876/2021.

Following this, as of June 30, 2022, the direct participation of HCAP S.A. in PPC amounts to 34.12% with the corresponding voting rights, while HRADF no longer participates in PPC’s share capital.

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

11.SHARE CAPITAL (CONTINUED)

Purchase of treasury shares
In the context of the free of charge equity settled stock awards (Note 7 payroll cost of the annual financial statements) to the executives of PPC S.A. and PPC Renewables S.A., the Group and the Parent Company proceed with the purchase of own shares based on the provisions of article 49 of Law 4548/2018. Specifically, the Parent Company within the first semester of 2022 acquired through the Athens Stock Exchange 1,665,796 own treasury shares with a weighted average purchase price of € 6.7225 per share, with a total value of € 11.198 million, corresponding to 0.4361% of the total shares of the Company.

12. LOANS AND BORROWINGS

During the period 1.1.2022- 30.06.2022, the Group and the Parent Company proceeded to debt repayments of loan installments amounting to € 235.58 million and € 160.97 million respectively.

During the period 1.1.2022- 28.02.2022, the Parent Company proceed with debt repayment of € 31.8 million respectively on behalf of the HEDNO subsidiary until approval of the new terms of the existing loan agreements that were contributed to the subsidiary due to the spin-off of the distribution network (Note 6). For these payments, the Parent Company recognized an equal receivable in its books from HEDNO, which was offset with its obligations in the first semester of 2022.

During the period 1.1.2022- 30.06.2022, the Parent Company, drew an amount of €11.33 million from a Bond Loan of a total amount of €680 million, with a consortium of foreign banks supported by the German Export Credit Insurance Organization ''Euler Hermes'', for financing part of the construction cost of the new Lignite Unit "Ptolemaida V".

During the period 1.1.2022- 30.06.2022, certain loan terms were modified due to the achievement of specific loan ratios and as a result a gain of €3.1 million (30.06.2021: €11.5 million) was recognized, which is included in the "financial income" of the Group and the Parent Company for the period ended on June 30, 2022.

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

LONG -TERM BORROWINGS

	GROUP		COMPANY	
	30.06.2022	**31.12.2021**	**30.06.2022**	**31.12.2021**
- Bank Loans	1,646,988	1,832,927	258,261	372,078
- Bonds Payable	2,690,864	2,671,509	2,609,727	2,647,093
Unamortized portion of loans issuance fees & Loss from the loan modifications	(82,234)	(88,166)	(81,129)	(88,166)
Total Long-Term Borrowing	**4,255,618**	**4,416,270**	**2,786,859**	**2,931,005**
Less current portion:				
- Bank Loans	253,936	285,909	105,985	139,318
- Bonds Payable	93,579	86,744	85,268	86,754
Unamortized portion of loans issuance fees & Loss from the loan modifications	(19,193)	(19,021)	(19,026)	(19,021)
Total Short-Term portion of loans and borrowings	**328,322**	**353,632**	**172,227**	**207,051**
Total Long- Term portion of loans and borrowings	**3,927,296**	**4,062,638**	**2,614,632**	**2,723,954**
Short – term borrowings	**139,275**	**271,337**	**120,000**	**260,000**
Total Loan borrowings	**4,394,893**	**4,687,607**	**2,906,859**	**3,191,005**

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

12. LOANS AND BORROWINGS (CONTINUED)

The following is a further breakdown of the long-term borrowings of the Group and the Parent Company:

	GROUP		COMPANY	
	30/06/2022	31/12/2021	30/06/2022	31/12/2021
Bank loans and bonds				
- Fixed rate	1,435,000	1,435,000	1,275,000	1,275,000
- Floating rate	1,051,071	1,026,104	987,000	997,841
European Investment Bank				
- Fixed rate	1,412,742	1,597,136	184,015	296,288
Project Financing				
- Floating rate	445,183	454,252	427,728	454,252
Total	**4,343,996**	**4,512,492**	**2,873,743**	**3,023,381**

New loan liabilities from the acquisition of subsidiaries of the RES portfolio
Following the acquisition of subsidiary companies of RES portfolio (Note 3), the Group's long-term borrowings increased as follows:
The subsidiary companies VOLTERRA LYKOVOUNI and VOLTERRA K-R have entered into Jointly Collateralized Bond Loan Agreements with the National Bank of Greece S.A. and NBG BANK MALTA LTD on 16/01/2020 and on 11/12/2017 of up to €46.1 million and €19.4 million respectively, for the financing of the construction of two wind farms of 42.9 MW and 10.8 MW in Viotia for LYKOVOUNI, and two wind farms of 8 MW each in Aitoloakarnania for K-R, the balance of which on June 30, 2022 was € 39.3 million, with expiration date on 06/2033 and €11.1 million with expiration date on 06/2030 respectively.

The subsidiary company HELIOFANEIA has entered into the from 25/08/2021 Program for Issuance of a Jointly Collateralized Bond Loan with NBG of up to €1.45 million for the construction of a 2.64 MW photovoltaic plant in Viotia, the balance of which as of June 30, 2022 was € 1.2 million with an expiration date on 06/2032.

<u>SHORT -TERM BORROWINGS</u>

	Group		Company	
	30.06.2022	31.12.2021	30.06.2022	31.12.2021
Revolving facilities				
Credit lines available	308,750	284,140	268,750	270,000
Unused portion	178,688	13,479	148,750	10,000
Used portion	**130,062**	**271,337**	**120,000**	**260,000**
Short- term bank loans				
Credit lines available	21,000	-	-	-
Unused portion	11,787	-	-	-
Used portion	**9,213**	**-**	**-**	**-**
Short -term borrowing	**139,275**	**271,337**	**120,000**	**260,000**

Credit rating of PPC from rating agencies
On June 30, 2022, PPC's credit rating from S&P is set to "BB-"with stable outlook, from Fitch to "BB-" with stable outlook and from ICAP to "B".

Compliance with financial ratios
On June 30, 2022, the Group is in compliance with the financial ratios included in its loan agreements.

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

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.

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	**30.06.2022**	**31.12.2021**	**30.06.2022**	**31.12.2021**
Financial Assets				
Trade receivables	1,299,281	1,100,625	1,299,281	1,100,625
Restricted cash	47,448	65,856	47,448	65,856
Cash and cash equivalents	2,196,992	2,832,351	2,196,992	2,832,351
Financial Liabilities				
Long-term borrowings	4,255,618	4,416,270	4,255,618	4,416,270
Long- term financial liabilities from the securitization of trade receivables	421,575	229,475	421,575	229,475
Trade payables	1,302,489	970,073	1,302,489	970,073
Financial liability from NCI Put option	1,414,536	-	1,414,536	-
Short- term financial liabilities from the securitization of trade receivables	20,623	150,620	20,623	150,620
Short-term borrowing	139,275	271,337	139,275	271,337

	Carrying amount		**Fair value**	
Company	**30.06.2022**	**31.12.2021**	**30.06.2022**	**31.12.2021**
Financial Assets				
Trade receivables	1,115,031	875,909	1,115,031	875,909
Restricted cash	35,739	48,278	35,739	48,278
Cash and cash equivalents	1,754,379	2,512,204	1,754,379	2,512,204
Financial Liabilities				
Long-term borrowings	2,786,859	2,931,005	2,786,859	2,931,005
Long-term financial liabilities from the securitization of trade receivables	421,575	229,475	421,575	229,475
Trade payables	730,839	480,202	730,839	480,202
Short- term financial liabilities from the securitization of trade receivables	20,623	150,620	20,623	150,620
Short-term borrowing	120,000	260,000	120,000	260,000

The fair value of trade receivables and trade payables approximates their carrying amounts.

The fair value of tangible assets (except mines' lands, lakes and construction in progress which are valued at their cost less accumulated depreciation and impairments) is included in Level 3 of the fair value hierarchy.

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

13. FAIR VALUE AND FAIR VALUE HIERARCHY (CONTINUED)

As of June 30th, 2022, the Group and the Parent Company held the following financial instruments measured at fair value:

	Carrying amount		Fair value Hierarchy
Financial Assets	**30.06.2022**	**31.12.2021**	
Group			
Financial Assets at fair value through Other Comprehensive Income	324	327	Level 1
Derivative Financial Instruments	78,205	76,908	Level 1
Parent Company			
Financial Assets at fair value through Other Comprehensive Income	323	325	Level 1
Derivative Financial Instruments	78,205	76,908	Level 1

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, 100 cadastral lawsuits are pending, out of which 30 are in Athens, for which the relevant judgements have not yet been issued. The posting of temporary cadastral tables in Athens is expected (72 areas under Cadastral), where the Company owns a significant number of properties.
   Pursuant to article 129 of law 4819/ 23.07.2021 and of no. 42352/ 29.11.2021 notarial deed of separation of the Distribution Network Sector, a significant percentage of the above pending lawsuits are legal rights of the Distribution Network and therefore HEDNO is now actively/ passively legalized, as pending lawsuits and rights referred to on the properties and fixed assets of the Distribution Network and the Network of the non- Interconnected Islands are continued by HEDNO SA, without being interrupted and not need for their continuation or repetition, the self-printing or declaration by it, according to with par. 3 of article 70 of law 4601/2019 (law 4001/2011 art. 123A par. 4 g).
   Also, pursuant to articles 106-108 of Law 4821/ 31.07.2021 on the transfer from PPC SA to IPTO SA of the fixed assets of the High Voltage electrical system of the island of Crete that are interconnected with the HETS, in the context of the Peloponnese electrical interconnection - Crete, a significant percentage of the above lawsuits pending in Courts of First Instance of Crete concern High Voltage rights and therefore IPTO is now actively/ passively legalized, as pending lawsuits on the transferred assets, continue automatically by IPTO, without being interrupted and no need to any formulation or statement on its part is required, for their continuation or repetition (Law 4001/2011 art. 108D par. 8).

2. In several cases, expropriated land, as presented in the expropriation statements, differs from the cadastral survey, a reason why the PPC is in the process of cadastral settlement (filing of monitored acts) in collaboration with the Cadastral Offices. In particular, for the properties in question, PPC has the right till December 2022 to proceed with lawsuits for the said land which are mainly located in expropriated lignite-bearing areas and in the official records appear to have an unknown owner or third-party owner. At the pre-trial / preliminary stage, 123 objections are pending, a process which had been suspended due to the pandemic and has started to operate again, commencing from 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 favour of the Greek State and under PPC's expenses and so, those expropriations will be declared in favour and under the expenses of PPC. According to article 29, par. 1 of Law 4872/2021 (OG/A/247/ 10-12-21) PPC after the full payment of the relevant compensations becomes the owner of the expropriation areas with the following data:
   a) Δ9 / Δ / Φ 53/9455/2442 / 2.9.2014 (ΑΑΠ 294), Expropriation ΟΔΠΚ-1
   b) Δ9 / Δ / Φ 53/22337 / ΠΕ / 4095 / 2.9.2014 (ΑΑΠ 294), Expropriation ΟΝΠ-6
   c) Δ9 / Δ / Φ53 / 8773/2272 / 2.9.2012 (ΑΑΠ 294), Expropriation ΟΝΠ-7 and
   d) Δ9 / Δ / Φ53 / 4855/1139 / 28.7.2014 (ΑΑΠ 249), Expropriation ΧΩΡ-6
   decisions declaring the Deputy Minister of Environment, Energy and Climate Change

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

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

LITIGATION AND CLAIMS

The Group is a defendant in several legal proceedings arising from its operations. The total amount claimed as at June 30th, 2022, amounts to € 989 million (31.12.2021: € 999.0 million) as further detailed below:

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

   Third parties and a number of contractors /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 € 423.0 million (31.12.2021: € 416.0 million). In most cases the Group has raised counter claims, which are not reflected in the accounting records, until the time of collection.

2. **Fire incidents and floods:**

   A number of individuals have raised claims against the Group for damages incurred as a result of alleged electricity-generated fires and floods. The total amount involved is € 91.0 million (31.12.2021: € 108.0 million).

3. **Claims by employees:**

   A number of the Groups' Employees are claiming the amount of € 72.0 million (31.12.2021: € 72.0 million), 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.

14. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

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 when the case was discussed, and a decision is pending.

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 million from PPC's participation in the wholesale electricity market for the period January 2018 to August 2018, which have become overdue, plus overdue interest.
- to pay overdue interest amounting to € 83.4 million arising from the overdue payment of PPC's debts from its participation in the wholesale electricity market for the period August 2016 to September 2018.

Of the above amounts, only the amount of € 55.0 million 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 million, for amounts due from the Parent Company's participation in the wholesale electricity market, were discussed before the Multimember Court of First Instance in Athens and a decision is pending. By its first lawsuit IPTO was asking for an amount of € 242.7 million (with interest) for amounts due which PPC collects from electricity bills and transfers to IPTO, that in turn pays them to EMO. By its second lawsuit, IPTO was asking for the payment of € 232.6 million (with interest) for amounts due which PPC collects from electricity bills and pays off 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 million for the period from 03.02.2015 until the payment of each of the legal invoices paid after that date, and b) the amount of € 18.9 million with the legal interest from the service of the lawsuit until the full repayment
- regarding the second lawsuit, to IPTO: a) the legal interest on the amount of € 227.6 million for the period from 03.02.2015 until the payment of each of the legal invoices, paid after that date, and b) the amount of € 40.3 million with the legal interest from the service of the lawsuit until the full payment,
- to HEDNO: a) the legal interest on the amount of €5.0 million for the period from 03.02.2015 until the payment of each of the legal invoices, paid after that date and b) the amount of €244.6 thousands with the legal interest from the service of the lawsuit until the full payment.

The interest corresponding to these overdue receivables amounts to € 62.0 million. PPC has filed an appeal against the above decision, which will be heard on 23.02.2023 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 million for overdue interest on invoices which incorporate debts to PPC from March 2012 until 02.02.2015.

14. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

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 million (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 million.

On 31.12.2021 the lawsuit No.106878/4124/2021 (new fourth lawsuit) was served on PPC by IPTO, as it was filed in the Multi-Member Court of First Instance of Athens on 30.12.2021, for which a trial date has not yet been set and by which IPTO requests the payment of:
a) an amount of € 78.2 million for interest on arrears, with legal interest from the service of the lawsuit until the full payment
b) an amount of € 6.5 million for outstanding capital, with legal interest from the respective declared day, otherwise from the notification, otherwise from the service of the lawsuit until the full repayment.

The above amounts relate to invoices issued by IPTO that PPC allegedly did not pay or paid late and relate to the years 2016 to 2020. Submission of proposals took place on 11.04.2022 and an addition on 19.04.2022.

Until today, all the above lawsuits' principal amounts have been paid, excluding interest amounts for which the Parent Company had established a provision on December 31st, 2021. Although with the recent decision no. 1494/2021 PPC was justified for the non-payment of interest on the amounts owed for the third above lawsuit, the Parent Company continues to maintain the established provision, as taking into account all available information to date, it is not substantiated until now the positive outcome of the case, as a whole, in favor of PPC in the future.

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 million (after a final clearing according to Article 61 of the Power Exchange Code for Electricity) within 2017.

A. Although EMO explicitly accepted the proposed debt settlement, in December 2016 filed a lawsuit against PPC asking the (then) residual amount of € 78.0 million (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 million (plus an amount of € 100 thousands for PPC's moral damages). On these lawsuits, the Multimember Court of First Instance in Athens issued the decision 4810/2018 which accepted EMO's lawsuit and rejected PPC's counterclaim. PPC has filed a relevant appeal which will be discussed after postponement on 19.05.2022 (from initial hearing on 16.09.2021), before the 13th section of the Three-Member Court of Appeal in Athens.

B. In December 2017, EMO sent to PPC two new Information Notes on the Allocation of Monthly Deficits of the Day Ahead Schedule (DAS), totalling to € 833.0 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 decision No. 932/2020, which justifies EMO (now DAPEEP), a reason for which a relevant appeal has already been filed which will be heard on 17.02.2022. It has been agreed to postpone them for co-adjudication with the above initial case on 19.5.2022. The cases have been heard on 19.05.2022 and the decision is pending to be announced.

14. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

7. Claims of third parties against real estate properties

As of June 30th, 2022, there are claims from third parties against the Parent Company's properties with a net book value of € 13.2 mil. (31.12.2021: € 13.2 mil.), for which the Parent Company has established adequate provision.

8. HEDNO lawsuits against PPC

HEDNO has so far filed 4 lawsuits against PPC seeking regulated charges and interest on them, as follows:

Lawsuit 121583/4693/2018
On 31.12.2018, the lawsuit No. 121583/4693/2018 (1st lawsuit) was served on PPC, requesting it to pay the total amount of € 1.9 million with the legal interest of the lawsuit from service of the lawsuit until full payment. This amount refers to interest on arrears due to alleged late payment by PPC of invoices for the year 2013 issued by HEDNO. The case was heard on 1.10.2020, however due to non-issuance of a decision within 8 months and after the submission of a relevant letter of protest by PPC to the Court of First Instance, the case was given to another judge by decision of 19.04.2022 and a new trial is expected.

Lawsuit 1115464/3775/2019
On 30.12.2019 the lawsuit No.1115464/3775/2019 was served (2nd lawsuit), with which PPC is requested to pay to HEDNO the total amount of € 1.4 million with the legal interest from the service until full payment. This amount refers to interest on arrears due to alleged late payment by PPC of invoices for the year 2014 issued by HEDNO. The case was heard on 18.11.2021 and on 18.02.2022 the decision no. 417/2022 was issued which partially accepted the lawsuit of HEDNO and ordered PPC to pay to HEDNO the amount of €1,197,522.90 for interest on payments with delay. The decision was served on PPC on 05.05.2022. PPC filed an appeal on 02.06.2022 that will be heard on 16.11.2023 at the Three-Member Court of Appeal in Athens.

Lawsuits (93423/2020 & 2989/2020)
The case is new and has not been discussed yet. It concerns the payment of interest on arrears due to delays in the payments of regulated charges by PPC.
With this lawsuit, PPC is requested to pay interest on arrears in the total amount of €5,016,821.78 (with legal interest from its delivery on 31.12.2020 - until payment) relating to late payment of invoices of the disputed year 2015. This lawsuit was discussed on 26.05.2022 and no decision has yet been issued.

The above amount of interest relates to invoices for the following charges:
a) Distribution use charges, b) recovery of cost of purchase of electricity from RES NII, c) sale of electricity from PV rooftops in the NII, d) ETMEAR in the NII, e) intra-group contracts SLAs, ie, repetitive projects, branded projects, supply transport services, services to PPC consumers, vehicle maintenance, PPC staff benefits.

Lawsuit 105062/4055/2021 (HEDNO against PPC):
On 29.12.2021, the lawsuit No.105062/4055/2021 (4th lawsuit) was served on PPC by HEDNO, which HEDNO filed before the Athens Multi-Member Court of First Instance on 24.12.2021, requesting the PPC to pay the total amount of € 22.5 million with the legal interest from the litigation from the service of the lawsuit until the full payment. No official trial date has been set. This amount refers to interest on arrears due to alleged late payment by PPC of the invoices for the year 2016. Proposals were submitted at 04.04.2022 and an addition at 18.04.2022. The discussion of the case is expected to be determined.

Against all the above cases 1 to 8, the Group and the Parent Company have established a provision as of June 30th, 2022 that amounts to €399.0 million and €388.0 million respectively (31.12.2021: € 417.0 million for the Group and €393.0 million for the Parent company) which is considered adequate against expected losses that may arise after final settlement of the above cases.

14. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

Lawsuit of former EMO against HEDNO in which a notice was served to PPC

On June 19th, 2017, HEDNO S.A. served a notice to PPC on EMO's lawsuit against HEDNO S.A. With this notice HEDNO S.A. requested PPC S.A. to intervene in favor of HEDNO S.A. in the court in which EMO claims from HEDNO S.A. overdue amounts from invoices issued. In particular, EMO S.A. with its lawsuit claims amounts with interest from partially paid and unpaid invoices which incorporate receivables from the RES Special Account in the Non-Interconnected Islands (mainly debts from ETMEAR, PVs on rooftops, RES Generation in the Non-Interconnected Islands and balancing of the Special Account in the Non-Interconnected Islands).

The claim from EMO's part amounts to approximately € 140.0 million, while interest due for late payment amounts to € 3.9 million.

The Multimember Court of First Instance in Athens, with its decision No.1302/2019, rejected in favor of PPC HEDNO's notice to PPC as unlawful considering that there is no relationship of procedural guarantee between HEDNO and PPC, and that, on the contrary, the only relationship that binds them is a contractual one. In particular, the Court considered that according to the NII Code there is no obligation of PPC to pay-off HEDNO's lenders other than PPC's contractual obligations towards HEDNO regarding the timely payment of invoices under the NII Load Representatives contract.

The decision has not yet been served on PPC, while HEDNO filed an appeal before the Three-Member Court of Appeal in Athens, that will be heard on 22.09.2022.

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.

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 million, which was derived from the retrospective application of the relevant methodology. PPC's lawsuit against IPTO for the invoices in question was accepted by the Multimember Court of First Instance in Athens (Decision No. 2260/2016) and is considered that PPC does not have to pay the invoices issued totalling € 54.4 million, which incorporate claims for the weighted average variable cost of the conventional thermal power plants for the months May to August 2013. IPTO (which, in the meantime, was substituted in this claim by DAPEEP) filed an appeal which was finally dismissed by the Court of Appeal in Athens with its decision 4928/2020. To date, no appeal has been filed by DAPEEP.

Lawsuits from EKPIZO and INKA against PPC S.A.

On May 4, 2022, the collective lawsuit from 3/5/2022 was served on PPC SA. (article 10 par. 16 of L.2251/ 1994) of the non-profit Union with the name UNION OF CONSUMERS THE QUALITY OF LIFE (hereinafter "EKPIZO"). The lawsuit was scheduled to be heard before the Athens Multi-Member Court of First Instance on June 1, 2022, while it was postponed and was heard on 6/07/2022 in which EKPOIZO requested the followings:

1. To oblige PPC to stop using the term "Supply Charge Adjustment Clause" of the Household Tariffs Γ1 and Γ1N, because it was not included in the electricity supply contracts that had been drawn up before 5.9.2021 for the reasons set out in its lawsuit.

14. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

2. To oblige PPC to stop formulating and using in its contracts for the supply of electricity that it concludes with consumers, as well as in those contracts that it has already concluded to date, the general terms of transactions, terms that refer to the history of the lawsuit and more specifically the terms : a) 9, 16.3, 17 and 18 of the TERMS OF CONTRACT OF HOUSEHOLD CUSTOMER OR NON-HOUSEHOLD CUSTOMER WITH PROVISIONED POWER UP TO 25 KVA, b) 6.5.1, 7.2, 7.6 and 9.1 OF THE GENERAL TERMS OF ELECTRICITY SUPPLY TO HOUSEHOLD CUSTOMER OR NON - HOUSEHOLD CUSTOMER WITH PROVISIONED POWER UP TO 25 KVA, (c) " Supply charges Adjustment clause' in household tariffs Γ1 and Γ1N d) 3 of the SPECIAL CONDITIONS OF SUPPLY CONTRACT FOR CUSTOMER INCLUDED in the product "myHome Enter" e) 4 of the SPECIAL CONDITIONS OF SUPPLY CONTRACT FOR CUSTOMER INCLUDED in the product "myHome Enter +" and "myHomeOnLine", because these terms are abusive, illegal and invalid, for the reasons set out in the lawsuit.
3. To oblige PPC to inform in written the customers, with whom it has concluded a contract for the supply of electricity, that the above conditions do not apply.
4. To order the publication of the issued decision in the press as well as the publication of a corrective statement by PPC regarding the illegal practices it used.
5. To threaten PPC with a fine of five thousand eight hundred (5,800) euros in favor of EKPIZO for any violation of the above obligations.
6. To oblige PPC to pay to EKPIZO the amount of three hundred thousand (300,000) euros with legal interest from the filing of the lawsuit until the payment.
7. To declare the issued decision provisionally enforceable.
8. To order PPC to pay the court costs of EKPIZO and the fee of its attorney.

Moreover, on May 5, 2022, the collective lawsuit from 4/5/2022 was served on PPC SA. (article 10 par. 16 of L.2251/ 1994) with an application for precautionary measures of the Second level Consumer Union under the name of “INKA - GENERAL CONSUMER FEDERATION OF GREECE (GOKE)” and of the First level Consumers' Union with the name CONSUMERS UNION OF AETOLOAKARNANIA PREFECTURE (hereinafter "Unions"). The lawsuit was scheduled to be heard before the Athens Multi-Member Court of First Instance on June 1, 2022, while it was postponed and was heard on 6/07/2022. The lawsuit is also against:

A. as a manager of receivables securitized in the special purpose limited liability company under the name "PPC ZEUS DESIGNATED ACTIVITY COMPANY", for its receivables from electricity supply contracts and
B. as manager of receivables securitized under the provisions of Law 3156/2003 to the special purpose company "PPC ENERGY FINANCE DESIGNATED ACTIVITY COMPANY”, for its receivables from electricity supply contracts.

It is crucial that a special mention is made for the announcement of this lawsuit (based on art. 91 KPold), to the following legal entities in order to intervene in favor of the plaintiff Unions:

• In the legal entity of public law with the name "Athens Bar Association",
• to the legal entity under public law under the name "Thessaloniki Bar Association" and
• In the legal entity of public law with the name "Piraeus Bar Association"

Through the application for precautionary measures, the above Unions request the following:

1. Prohibit the termination of electricity supply contracts with the Household tariffs Γ1 and Γ1N, including the Social Tariffs, of the professional tariffs Γ21, Γ22, Γ23, E21, E22, E23, the street lighting & squares tariff (FOP), of the Low Voltage Agricultural Invoice, as well as in the commercial programs of PPC myHome Enter / Online / Enter +, if charges arising from the defendant's adjustment clause are imposed on them, as well as in any commercial program or invoice, with the same characteristics, regardless of any different trade name to be attributed to it by the defendant, if charges are imposed on them arising from the defendant's adjustment clause, if the amount corresponding to the charge arising from the PPC adjustment clause is not paid, until a final decision on the claim is issued.

2. Prohibit the termination of electricity supply for the Household tariffs Γ1 and Γ1N, including the Social Tariffs, for the professional tariffs Γ21, Γ22, Γ23, E21, E22, E23, the street & square lighting tariff (FOP), for the Agricultural Tariff as well as in the PPC commercial programs myHome Enter/ Online / Enter +, if charges are imposed on them arising from the defendant's adjustment clause, as well as in each commercial program or invoice, with the same characteristics, regardless of any different trade name will be attributed by the defendant, if charges arising from the defendant's adjustment clause are imposed on them, if the amount corresponding to the charge arising from the PPC adjustment clause is not paid, until a final decision on the lawsuit is issued.

14. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

3. PPC should refrain from invoicing in any way the amounts corresponding to charges resulting from the adjustment clause in the Household tariffs Γ1 and Γ1N, including the Social Invoices, the professional tariffs Γ21, Γ22, Γ23, E21, E22, E23, of the street & square lighting invoice (FOP), of the Low Voltage Agricultural Invoice, as well as in the PPC commercial programs myHome Enter/ Online / Enter +, if charges are imposed on them resulting from the defendant's adjustment clause, as well as in any commercial program or invoice, with the same characteristics, regardless of any different trade name attributed to it by the defendant, if charges arises from the defendant's adjustment clause are imposed on them, if the amount corresponding to the charge arising from the PPC adjustment clause, until a final decision on the lawsuit is issued.

It is crucial that the application for precautionary measures is not accompanied by a request for a provisional order. The application was co-adjudicated with the main lawsuit on 1/06/2022 (according to article 684 of the Code of Civil Procedure).

Through this lawsuit, the above Unions request the following:
1. The Collective Lawsuit to be accepted.
2. To recognize the invalidity of the General Terms and Conditions of the contested terms in the history of the present lawsuit and to be recited by the Court.
3. To prohibit the defendant from invoking the contested General Conditions of Transactions
4. To prohibit PPC from formulating, invoking and using in its transactions with consumers and in the context of the Γ1 and Γ1N Household tariffs, including the Social Tariffs, the professional tariffs Γ21, Γ22, Γ23, E21, E22, E23, the Street & Square Lighting Invoice (FOP), the Low Voltage Agricultural Invoice, as well as in the PPC commercial programs myHome Enter / Online / Enter +, if charges are imposed on them resulting from the PPC adjustment clause, as well as in any commercial program or invoice , with the same characteristics, regardless of any different brand name given to it, general terms with the following content or any wording, which claims the same result (ie abusive GTC and unfair commercial practices).
5. To prohibit PPC from requesting the payment in any way of the amounts corresponding to charges resulting from the adjustment clause in the Household Invoices Γ1 and Γ1N, including the Social Invoices, in the professional tariffs Γ21, Γ22, Γ23, E21, E22, E23, in the street & square lighting invoice (ΦΟΠ), in the Low Voltage Agricultural Invoice, as well as in the PPC commercial programs myHome Enter / Online / Enter +, if charges are imposed on them arising from the adjustment clause, but also in any other commercial program, with the same characteristics, regardless of the brand name that PPC may give it in the future, since through the payment it tries to reap the benefits of the invalid as abusive General Terms of Transactions and unfair commercial practices.
6. To prohibit PPC from refusing payment by consumers all other charges, except the amounts corresponding to charges from the disputed adjustment clause, as found in Household invoices Γ1 and Γ1N, including Social Invoices, in the professional tariffs Γ21, Γ22, Γ23, E21, E22, E23, in the street & square lighting invoice (ΦΟΠ), in the Low Voltage Agricultural Invoice, as well as in the PPC commercial programs myHome Enter / Online / Enter +, if charges arising from the clause are imposed on them but also in any other commercial program, with the same characteristics, regardless of the trade name given to it.
7. To recognize that PPC has committed and continues to commit against consumers unfair commercial practices (articles 9a - 9g Law 2251/1994), in the sense of unfair acts and omissions, a reason for which is requested, on the one hand their recognition and removal in the future and on the other hand to oblige PPC to pay the amount of one (1.00 €) euros, with the legal interest from the service of the lawsuit until the full payment for the moral damage that exists for the Greek consumers from its tort, illegal and abusive behavior and unfair commercial practices against consumers.
8. To oblige PPC to reverse the debited, but not paid, amounts which correspond to charges arising from the adjustment clause.
9. To recognize as unduly paid the amounts paid in part or in full of the amounts corresponding to charges arising from the adjustment clause.
10. To oblige PPC to offset any amounts unduly paid, which correspond to charges arising from the disputed clause, with future charges that will arise for the supply of electricity to the accounts of consumers.
11. In the event that in the meantime there is a change in the electricity provider, to oblige PPC to credit the amounts unduly paid that correspond to charges from the clause, in the service account of each consumer, through the Network administrator.
12. To oblige PPC to refrain from collecting in any way, (including the compulsory collection), its claims, until it performs a proper recalculation and informs the consumers with a personalized letter, served by a bailiff, on the result of the recalculation, with completeness and transparency for charging until the last euro cent.

14. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

13. To prohibit the unilateral conversion of fixed tariffs into floating tariffs, to which the adjustment clause applies.
14. Otherwise and in the alternative, to recognize and declare the total invalidity of the adjustment clause contract, as it is structured by the contested General Transaction Terms, which is distinct and divisible in relation to the other terms of the electricity supply contract, according to the provisions of articles 371, 372 AK.
15. To threaten PPC with a fine of € 100 thousands for each individual and per consumer but also per day of violation of the operative part of the issued decision, each of the above obligations.
16. To declare the issued decision provisionally enforceable.
17. To order PPC to pay the costs and fees of attorneys.

Currently, the legal evaluation of the above lawsuits is in progress by PPC and any financial impact cannot be measured. Therefore, the financial statements for the period ended June 30, 2022 did not include any provision related to the above lawsuits.

Old Bank of Crete

The dispute with the former “Bank of Crete” is dating back to 1989, when the bank was under liquidation. More specifically, by a mandatory action of the then Trustee of the Bank, PPC’s deposits were mandatorily converted to stake-holding in the share capital of the Bank and to obligatory credit to the Bank. PPC filed a lawsuit in 1991 against the bank asking to be compensated for GRD 2.2 billion approximately, (€6.5 million) because the above-mentioned Act of the Trustee of the Bank was held invalid. Moreover, PPC had outstanding loan balances, received under six (6) loan agreements for which it was agreed upon to be repaid gradually through instalments. However, on June 10th, 1991, although PPC has paid the overdue instalments, the Bank has terminated all the above-mentioned loan agreements and thus on that date the claim against PPC became overdue for the whole amount of the loans.

For that reason, in the context of hearing of PPC’s above mentioned lawsuit, the Bank proposed before the Court an offset of its claim resulting by the above-mentioned loans, amounting to GRD 4 billion. 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 No 3680/2014 which only partially accepts PPC’s lawsuit while essentially it upholds the results of the ordered by the same Court official expert report, as follows: a) the amount due by the Bank of Crete to PPC on July 22nd, 1991, the date PPC filed the lawsuit, amounted to GRD 1,268,027,987 and b) the amount due by PPC to the Bank of Crete on July 1st, 1991, due to the termination of the above loan agreements by the Bank and after the proposed by the Bank offsetting of its counterclaim against the above-mentioned PPC’s claim, amounted to GRD 2,532,936,698.
Therefore, the above decision of the Court of Appeal recognizes that on July 22nd, 1991, the amount due by PPC to the Bank of Crete was 2,532,936,698 - 1,268,027,987 = GRD 1,264,908,711.

In 2017, PPC appealed against the above-mentioned decision of the Court of Appeal in Athens, the appeal was heard on March 9th, 2020 before the Supreme Court and the decision number 1272/2022 was issued on July 12, 2022 that rejected PPC’s appeal.

As such, the decision taken by the Court of Appeal has become irrevocable. The assumptions of the above decision of the Court of Appeal become binding for the court that has heard the second lawsuit, i.e. the Bank's lawsuit against PPC, which is obliged to accept that on 22/07/1991, PPC owed to the Bank of Crete the amount of GRD 1,264,908,711 (€3,7 million) due to the closing of the overdraft facilities on 10/06/1991, and the court will condemn PPC to pay this amount to the Bank with overdue interest (with different interest-bearing dates per loan amount, from the year 1993 until 1995), after deducting from the amount due the payments that PPC made to the Bank in repayment of the loan instalments, when they became overdue (after Bank's lawsuit). In any case, an expert opinion will be needed.

14. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

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 31,12.2021, while PPC has taken appropriate actions to ensure the settlement of recent subsequent energy bills.

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. It is noted that a provision of expected credit losses has been established for the net receivables from LARCO of € 362 million as of June 30th, 2022 (31.12.2021: € 369.2 million).

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

PPC's claims from HALYVOURGIKI S.A.

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

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

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

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

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

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.

14. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

In particular, and according to the operative part of this Decision, all the claims and requests of "HALYVOURGIKI SA" are rejected and "HALYVOURGIKI SA" is ordered to pay to PPC, on the one hand, 350,000 US dollars as well as 288,373.14 euros for court costs and arbitration costs. The decision in question was served by PPC to "HALYVOURGIKI SA" on 1.6.2021. The decision is subject to appeal against annulment before the competent French courts within one month of service. HALYVOURGIKI SA challenged the arbitral award in question with an action for annulment before the Paris Court of Appeal. It should be noted, however, that the action for annulment does not affect the res judicata produced by the above Judgment of the Court, therefore, at the present time it is not registered any provision for a claim against PPC from the case in question, as it no longer exists after the issuance in favor of PPC of the above Judgment of the Arbitration Court. The other party submitted an Opinion before the French Court on 28.1.2022. PPC submitted its Proposals on time.

Furthermore, following an application by the National Bank (of 23 February 2021) before the Single Member Court of First Instance of Athens for the position of "HALYVOURGIKI SA" in a special management regime of articles 68-77 of law 43077/2014 (A'246 / 2014) and against on 5.4.2021, where the case was discussed, PPC, as well as Piraeus Banks and ALPHA, exercised additional intervention in favor of the applicant Bank (National) and against HALYVOURGIKI. Subsequently, the no. 990/2021 decision of the above court which rejected the appeal as abusively exercised and therefore substance unfounded, including the additional interventions exercised. It is noted that, according to the lawyers representing the National Bank, an appeal was to be filed, which it has not been notified so far at PPC.

HELLENIC HALYVOURGIA S.A.
"HELLENIC HALYVOURGIA S.A" had filed the lawsuit dated 31.08.2010 before the Athens Multi-Member Court of First Instance against PPC SA, by which he asked to be recognized that PPC SA must pay to HELLENIC HALYVOURGIA SA the amount of € 4,412,018.86, which corresponds to the amount included in the accounts issued by PPC SA, after the unilateral increase by PPC of the High Voltage tariffs by 10% on the valid ones until 30.06.2008 Invoices, for the period of consumption from 01.07.2008 to 30.04.2010, with the legal interest from the service of the lawsuit.

On the above lawsuit, the decision No. 3863/2014 of the Athens Multi-Member Court of First Instance was issued, which partially accepted the lawsuit against which an Appeal was filed by PPC (as well as Additional Reasons), which Rejection was rejected under No. 4702/2021 of the decision of the Athens Court of Appeal. The decision recognizes that PPC SA must pay to HELLENIC HALYVOURGIA S.A the amount of € 4,412,018.86, with legal interest from the service of the lawsuit until the full payment, as compensation for damage that, according to the Decision in question, the other party suffered due to, inter alia, no previous negotiation with the other party of its supply price electric power.

Following this, and given the recognizable character of the decision No. 3863/2014 of the Athens Multi-Member Court of First Instance, which became final, the other party may request to collect the above awarded amount (of € 4,412,018.86, with legal interest from the service of the lawsuit), if it takes the appropriate actions for its recovery. PPC is going to appeal against the above decision of the Athens Court of Appeals.

Furthermore, "HELLENIC HALYVOURGIA SA" submitted "an application for extension of preventive measures to suspend a complaint of essential conventions on the operation of the undertaking referred to in Article 50 (4) No 4738/2020" before the Athens multimember court during the trial of 12 January 2022, by which it requested within the framework of the already signed from 27.10.2021 Agreement on resolution and transfer of part of the assets of the company which was included in the above petition of its application, to be ordered by the Court "as additional precautionary measures in its favor, the ban on termination of the current electricity supply relationship of "HELLENIC HALYVOURGIA SA" with PPC as well as the ban on PPC declaration of cessation of representation of the company's load meters, until the issuance of the Court decision on the application for ratification of the Resolution Agreement. The Court accepted this request and granted a temporary injunction until the issuance of its decision on the request for ratification of the Resolution Agreement of "HELLENIC HALYVOURGIA SA".

Pricing of other High Voltage Customers (excluding LARCO)
The supply Contracts signed with High Voltage Customers expired on 31.12.2020. Due to this fact and according to the Provisional Code, PPC has already sent its proposal to those customers regarding the terms of pricing for year 2021, while the relevant negotiations started. New Procurement Contracts have already been signed with most of the large High Voltage industrial customers, while the relevant negotiations are in progress with the rest.

14. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

It is noted, however, that regarding the previous invoicing of Aluminum of Greece SA (now MYTILINEOS SA - GROUP OF COMPANIES), on the one hand, the final decision on 11 December 2019 of the EU Court [C-332/18 P] was issued, which confirmed the legality of Commission Decision 2012/339 / EU of 13 July 2011 on State aid SA.26117 - C 2/2010 (ex NN 62/2009), which was implemented by Greece, through PPC, in favor of Aluminum of Greece SA (EU 2012, L 166, p. 83) and ordered the legal recovery of state aid amounting to € 17.4 million, due to the application of the preferential tariff during the disputed period from 5 January 2007 to 6 March 2008. On the other hand, three cases are pending before the General Court of the EU (T-639/14 RENV, T-352/15 and T-740/17) against (corresponding) decisions of the European Commission, with which he filed (corresponding) complaints of PPC for violation of provisions on state aid against the decision of RAE (346/2012, of 9 May 2012) and the Arbitration Court, which set a temporary sale price of electricity of PPC against the then Aluminum A. E., 42 € / MWh and decision of the special Arbitration Court (1/2013, of 31 October 2013), which amended the above decision 346/2012 of RAE reducing the electricity tariff provided to Aluminum for the period from 1 July 2010 to 31 December 2013 in a gross amount of € 40.7 / MWh, ie a net amount of € 36.6 / MWh.

On 8 October 2020, the above three cases were heard before the General Court of the EU. It is pointed out that Mytilineos had intervened in favor of the Commission. On 22 September 2021, the General Court of the European Union issued its Judgment annulling both the TEN-639/14 RENV and T-352/15 and T-740/17 and ordered the Commission to pay PPC's total legal costs.

The Court accepted, in the grounds of the Decision, that in the present case, *“the Commission, ……. could not, on the one hand, not check whether the arbitral award entailed an advantage; of the market. …. in this case, the particular circumstances which should lead the Commission to make a diligent, adequate and complete examination of the possible award, through the arbitral award, of an advantage to the intervener as well as of complex economic and technical considerations in that regard… [paragraphs 164 and 167]”.*
The European Commission then challenged the judgment of the General Court of 22 September 2021 (in Cases T-639/14 RENV, T-352/15 and T-740/17). Similarly, "Mytilineos SA" challenged this Decision. PPC submitted its Memoranda on the above actions within the prescribed period (Case C-739/21 P and C-701/22). Finally, the German Republic has requested to the Court for permission to intervene in the above cases in support of the Commission.

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 based on which PPC was to complete the hydroelectric project and at the same time to carry out protection projects to preserve part of the Messochora Village (Sector D). While it ceased to be valid after the issuance of the 2230/2020 annulment Decision of the Council of State.

   The above decision was issued after an appeal by the association of the Flooded Village of Mesochora "Acheloos" in the Council of State, with its main request to cancel the Decision regarding the Environmental Terms, invoking the historicity of the Village. As it is apparent from the reasoning of the Decision, the contested decision (AEPO) lost its legal basis as it did not grant a reappraisal of the environmental conditions approved by the contested decision as to their compatibility with the approved updates of River Basin Management Plans (RBMP) of Western Central Greece and Thessaly, as well as the forecasts of the Revised Regional Spatial Planning Framework of the Region of Thessaly. It is noted here that the canceled AEPO had examined and documented the environmental, social and economic feasibility of the project, and justified as well as the inclusion of the project in par. 4 in exceptions to the objectives of Directive 2000/60 EC and the construction of the project as a purely energy project and not related to Acheloos Partial Diversion projects.

   PPC 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 opinion that the Hydroelectric Project (HP) in Achelos river is compatible with the Regional Spatial Planning. The positive opinion of the central council of spatial issues and disputes is a necessary step for the process of issuing the new Decision for the Approval of Environmental Terms (AEPO).

   Following the elaboration of the new Environmental Impact Study and its submission for approval to the competent Public Authorities, from April 29, 2021, the new AEPO was issued on 21.12.2021 for the completion of the MESOCHORA HPP.

   Based on the current progress of the actions for the update of the Project Installation Permit and for the completion of the actions by the competent local Agencies and Authorities, regarding the fulfillment by PPC of the Conditions of the AEPO, which are a condition for the Blocking of the Diversion Tunnel, the possibility of blockage and the beginning of filling the Reservoir, are placed within 2025, with estimated operation of the project in the last quarter of 2026.

   However, the effort made by PPC S.A. continues so that, in cooperation with the State and the competent Agencies and Authorities, the Blockage becomes possible within 2024, with the project operating in the last quarter of 2025.

   The total cost for the project on June 30, 2022 (after impairments of € 8 million) amounted to € 282.0 million, while it is estimated that another € 81.4 million will be required, until the completion of the project, including the required expropriations in the area of the project as well as in the area of the relocation of the new Village.

14. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

2. In December 2010, the new Directive (2010/75/EU) was issued for industrial emissions (Industrial Emissions Directive – IED), revising Directives IPPC and 2001/80/EC, which is effective from January 6th, 2011. Following the provisions of Article 32 of Directive 2010/75/EU, a Transitional National Emissions Reduction Plan (TNERP) for the period 2016-2020 was elaborated and officially submitted by Greece to the EU at the end of 2012. The TNERP was approved by the EU on November 26th, 2013.

   The duration of TNERP was from 01.01.2016 until 30.06.2020 and the entire period of its validity PPC fully complied with its objectives. With the expiration of MESME, Units I and II of Agıos Dimitrios were included in a regime of limited operation (from 01.07.2020, 1500 hours per year as a rolling average of five years), while in Units III, IV and V the necessary environmental investments have been completed or are in the final stage of completion to continue their operation. The delay that has occurred in some projects is mainly due to the restrictive measures to deal with the pandemic.

   The Units Amyntaio and Kardia that had joined the restricted operation regime have already ceased permanently operations.

3. In 2011, the process of revising the Reference Document on Best Available Techniques Manual for Large Combustion Plants within the framework of Directive 2010/75/EU and is coordinated by the EIPPCB (European IPPC Bureau) began. With the Commission's decision (EU) 2017/1442 on July 31st, 2017, the Conclusions on Best Available Techniques for Large Combustion Plants – 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. Then, the decision of January 27, 2021 of the General Court annulled the executive decision (EU) 2017/1442 but temporarily maintained its effects until a new executive decision is issued.
   After the settlement of the legal challenge to the Decision of the General Court with the Decision of the Court of the EU of 14.7.2022, the new executive decision (EU) 2021/2326 is in force, issued on 20 November 2021. After the issuance of the legally binding conclusions of the revised Manual, the required investments in the thermal plants were examined.
   In SES Agios Dimitrios no further environmental investments are planned, apart from the investments that have been completed or are already in progress. In the combined cycle units of Komotini and Lavrio V, small-scale upgrades of the combustion systems are implemented (total budget for both Units € 3.6 million with the environmental part corresponding to the DLN Lavrio V upgrade to amount at € 3 million) to reduce NOx emissions.

   To this date, requests for deviation from the emission levels of EA 2017/1442/ EU have been submitted based on Article 15.4 of the IED for specific Units taking into account, inter alia, their remaining life. After correspondence with the Ministry of Environment and Energy, the requests were resubmitted with updated information and finally approved by Decision YPEN/ DIPA/124145/7794 / 27.12.2021 (ΑΔΑ: 9ΨΧ04653Π8-ΞΧΩ): "Approval of requests for inclusion of Atherinolakkos (Units I-II), Melitis (Unit I), Megalopolis (Unit IV), Agios Dimitrios (Units I-II, III-IV, V) of PPC S.A. and its subsidiaries in the provisions of articles 12.4 and 27.1 of JM 36060/1155 / E.103 / 2013 (OG B'1450) as in force". A corresponding request will be considered if necessary, for the new Ptolemaida V Unit.
4. On November 28th, 2015 Directive 2015/2193 of the European Parliament and the Council of November 25th, 2015 was published in the Official Journal of the European Union, on the limitation of emissions of certain pollutants into the air from Medium Combustion Plants, regardless of the type of fuel used. Medium Combustion Plants are defined as plants with a rated thermal input equal to or greater than 1 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.

14. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

All the Aegean islands, starting from Crete, will be interconnected within the period 2020-2030, in accordance with IPTO's Ten-Year Development Plan 2021-2030 and the National Energy and Climate Plan (NECP), while any remaining electricity generation units will operate as a backup solution only in case of emergency in accordance with the provisions of the Directive for these cases. It should be noted that the interconnection of Syros, Mykonos and Paros has been completed since the first months of 2018.

5. The extent of land contamination is assessed by PPC for its liable facilities, following the provisions of art. 22 of Directive 2010/75/EU and Environmental Terms Approval taking all appropriate precautionary measures.

6. PPC has performed studies on the presence of asbestos-containing materials, at its facilities. Upon submission by PPC of a full environmental impact assessment study, the Ministry of Environment issued in May 2004 the environmental permit for the construction and operation by PPC, in its facilities in Ptolemaida area of an environmentally – controlled Industrial Waste Management Area for the management and final disposal of asbestos containing construction materials, from the plants of the Northern System.

   With the real estate transfer contract no. 37244/05.06.2015, which is legally transcribed, PPC transferred full ownership of the Industrial Waste Management Area, located at the Kardia Mine of the Western Macedonia Lignite Centre, in DIADYMA S.A. From the date of signing the contract, DIADYMA S.A. is responsible for the Area's management.
   It should be noted that any dismantling/removal of asbestos-containing materials from PPCs' facilities is carried out by companies licensed for this purpose.

7. In April 2021, a new Decision of Approval of Environmental Conditions of the Amyntaio Mine was issued, replacing the previous one of June 2020.

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

   In particular, they argue that AEPO is flawed because the emission limits it sets for some gaseous pollutants do not comply with the limits set by the European Commission Implementing Decision setting out the best available techniques [(EU) 2017/1442], based on of Directive 2010/75/EU on industrial emissions (IED Directive). According to the applicants, "the operation of the Ptolemaida V Unit, as expected and resulting from its technical specifications, will not be able to meet the new emission limits of the gaseous pollutants in question".

9. In addition to the other environmental obligations arising from the approvals of environmental conditions of the Production Stations and Mines, in 2019 PPC voluntarily undertook the obligation to proceed with the dismantling or alternative utilization of the facilities of all Production Stations and Mines and removal of their equipment, when these facilities cease to be more productive, as well as in the restoration of land areas. For this liability, the required provisions were recognized amounting to € 494.2 million as of June 30, 2022 (31 December 2021: € 491.0 million) for the Group and the Parent Company.

10. 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) from January 1st, 2021 to December 31st, 2030. Emission licenses for 29 of the Group's facilities were issued. No new license was issued for the Amyntaio station, due to its final shutdown on September 1, 2020.

    On 31.03.2022, the verification of the annual emissions reports for the 29 bound plants of PPC Group for 2021 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 2021 amounted to 15.80 Mt including the facilities of subsidiaries. In April 2022, equal amount of CO_2 emissions allowances was delivered (15.80 Mt) for the compliance of year 2021.

14. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

According to the current European and National legislation, during the 3rd and 4th implementation phase of the EU-ETS (period 2013-2020 and 2021- 2030), 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 the first semester of 2022, about 14 thousand free emission allowances CO_2 were allocated to PPC S.A., corresponding to generation of thermal power for district heating.

Based on provisional ex-post data, the CO_2 emissions of the Group's bound plants for the period 01.01.2022 – 30.06.2022 amount to 6.88 Mt. In addition, the total CO_2 emissions of the Group's bound plants for the rest of the year (01.07.2022 – 31.12.2022) are estimated at 7.24 Mt. Consequently, the total CO_2 emissions that PPC will have to deliver for compliance purposes for the period 01.01.2022 – 31.12.2022 are estimated at 14.12 Mt. It is noted that the emissions of year 2022 will be considered final by the end of March 2023, when the verification of the annual emissions reports by accredited third party verifiers has been completed.

INVESTMENTS

Metsovitiko Hydroelectric Power Plant (HPP)
Metsovitiko HPP of an installed capacity of 29 MW is expected to enter commercial operation on 01.01.2024. Future contracted capital expenditures as of June 30, 2022 amounts to € 12.1 million (31.12.2021: €13.48 million).

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 billion. Following the issuance of Supplement No.1 and No.2, the Total Contractual Consideration amounts to €1.389 billion. Future contracted capital expenditures as of June 30, 2022 amounts to €81 million (31.12.2021: €106 million).

Exploration, Development and Exploitation of Geothermal potential
The subsidiary PPC Renewables in agreement with the associate company Geothermal Target Two SA, as described in the relevant Cooperation Agreement, has proceeded with the development plan for the years 2021 and 2022, while working on the development program for the year 2023, which will be finalized by September 30, 2022.

Wind Parks
The construction works of the Wind Park at the locations of "Aeras" of the Municipality of Mouzaki and "Afentiko" of the Municipality of Argithea, of 27,6 MW, are on a full scale and are expected to be completed during 2022.

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

The construction of the Smokovo II SHPP (3.2MW) is almost complete (project progress 95%) and the Project has already been electrified. The operation of the SHPP depends on the release of sufficient irrigation water. The Civil Works have been completed (building, intake pipe F1800, adjustment hopper, etc.), while the Electromechanical Equipment of the Project has been fully installed and the Interconnection Network has been completed by HEDNO S.A.

The construction of the Makrochori II SHPP (5MW) is in full progress. Excavation and foundation works have been completed (tailrace, engine room, etc.), the concreting of the main building is in progress and the Forebay Canal works are complete. Presently, the main part of the Electromechanical Equipment has been constructed (Turbines, Generators, MV – LV, etc.). The project is expected to be electrified in the second quarter of 2023.

14. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

On 14.10.2021 the contract for the construction of the 1.96MW Vermio Small Hydroelectric Station (MHYS) was awarded, with estimated completion in the second quarter 2023.
Ladonas SHPP (10 MW) is located on the Ladonas river, downstream of the existing Ladonas HPP of PPC SA, within the regional unit of Arcadia and the Municipality of Gortynia, about 120km from Tripoli. The Project 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 and grid interconnection works. The Final Civil Works Study was submitted on 19.04.2021. Presently, actions are being taken for the definition of the technical and contractual-economical part of the Project, the selection of the electromechanical equipment supplier and the completion of the EPC Contract.

Theissoa SHPP (5 MW – 16.4GWh) is located on Alfeios river, within the regional unit of Ileia and the Municipality of Andritsaina - Krestena, in the Municipal Community of Theissoa. The Project is realized by the associate NANKO ENERGY SA, which is the owner of the Gitani SHPP (4.2 MW). The Production Permit was issued on Oct 6th, 2021, by the Regulatory Authority of Energy, after the application submission in June 2021.
Currently, the Preliminary Technical Study of the Project are being prepared, alongside with other preliminary supporting studies (topographical, geotechnical, environmental).

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

Photovoltaic Stations
Construction works from the 100% subsidiary of PPC Renewables “ILIAKA PARKA DYTIKIS MAKEDONIAS ENA SINGLE-MEMBER S.A.” for the PV Plant of 14.99MW capacity, of a total budget of € 9.8 million at “Paliampela” plot, in the regional unit of Kozani have been concluded and the PV station was electrified at the beginning of July 2022.

Construction works from the 100% subsidiary of PPC Renewables “ILIAKA PARKA DYTIKIS MAKEDONIAS DYO SINGLE-MEMBER S.A.”, for the PV Plant of 14.99MW capacity, of a total budget of € 11.8 million at “Xiropotamos” plot, in the regional unit of Kozani, have been concluded and the PV station will be electrified at the end of July 2022.

Construction works from the 100% subsidiary of PPC Renewables “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 million at three separate plots of “Lignitiko Kentro Dytikis Makedonias” area, in the regional unit of Kozani, began in June 2021. It is expected that the construction works will have been completed by December 2022.

Construction works of the PV Plants of 39MW and 11MW capacity, from the 100% subsidiaries of PPCR “ARKADIKOS ILIOS I SINGLE-MEMBER S.A.” and “ARKADIKOS ILIOS II SINGLE-MEMBER S.A.” respectively, with horizontal single-axis trackers, and a 33/150kV Substation, of a total budget of € 23.9 mil., at “Megales Lakkes” plot, in the regional unit of Arcadia, began in September 2021. It is expected that the construction works will have been concluded by December 2022.

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

For the construction of “Pteleonas 1”, “Pteleonas 2”, “Charavgi 1” and “Charavgi 5” PV Plants of 94.98122MW in the Municipalities of Eordea and Kozani, Kozani Regional Unit, the tender process has been completed and the Agreement with the contractor company was signed on 4/08/2022 with a contractual amount of € 62.34 million.

14. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

Cooperation with other Groups for the joint development of RES Projects
In January 2022 the process for the establishment of METON ENERGIAKI SA was completed. PPC Renewables contributed in kind its 100% subsidiaries (companies " Amyntaio ") and acquired 49% stake, while RWER contributed cash and acquired 51% stake in METON ENERGIAKI SA. Amyntaio companies develop photovoltaic projects of 940 MW capacity within the boundaries of ex Amyntaio lignite mine. Along with that, RWER has already secured a portfolio of photovoltaic projects of similar capacity in Greece, which is expected to be contributed in 2022 to METON (Note 3).

Local agreements on acquisition of RES portfolio
The subsidiary PPC Renewables purchased a portfolio of renewable energy sources (RES) projects with a total capacity of 112MW from Volterra, a 100% subsidiary of AVAX. More specifically, PPC Renewables acquired 55% of the shares of Volterra K-R SA and Volterra Lykovouni SA, in which PPC Renewables had a 45% stake since 2019. Volterra K-R SA and Volterra Lykovouni SA own wind farms with a total capacity of 69.7MW in Etoloakarnania and Viotia in Central Greece. PPC Renewables also acquired 100% of Heliofaneia SA, which owns a 2,7 MW solar park in Viotia, as well as Volterra Doukas SA and Volterra Koukouli SA, which own installation licenses for wind farms with a total capacity of 39.5MW in Kozani and Kastoria in Northern Greece, the construction of which is scheduled to start shortly in Western Macedonia (Note 3).

15. OTHER DISCLOSURES

Additions - Disposals of Tangible Fixed Assets
For the six-month period ended June 30th, 2022, the Group's and the Parent Company's new tangible assets (excluding works in progress) amounted to € 115.3 million and € 1.6 million respectively (for the period ended June 30th, 2021: Group € 94.7 million, Parent Company € 90.5 million). These amounts for the Group 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 € 11.7 million and 10.0 million respectively (for the period ended June 30th, 2021: Group € 14.9 million, Parent Company € 14.9 million).

The capitalized expenses recorded in the Group's and the Parent Company's works in progress amounted to € 128.3 million and € 67.7 million respectively (for the period ended June 30th, 2021: Group € 95.8 million, Parent Company € 72.5 million) and include capitalized borrowing costs totaling to € 10.3 million (for the period ended June 30th, 2021: € 10.8 million).

On June 30th, 2022, capitalized costs in the Parent Company's works in Progress account were impaired by an amount of € 4.6 million out of which € 1.8 million concern investments that are implemented gradually in order for Unit V of SES Agios Dimitrios to be adapted 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, 2021, the Parent Company recognized an impairment provision based on IAS 37 (onerous contracts) amounting to € 4.0 million for the aforementioned investments that cannot be avoided and are derived from the specific environmental obligation. Therefore, this impairment of the capitalized costs by € 1.8 million, reduced equally the relevant provision recognized on December 31st, 2021 and did not charge the income statement of the period.

Finally, the tangible assets of the Group also include the tangible fixed assets from the new subsidiary companies of the RES portfolio amounting to €79.2 million (Note 3).

Also, the tangible assets of the Parent Company include the tangible assets from the subsidiaries Lignitiki Megalopolis S.A. and Lignitiki Melitis S.A. which on 01.06.2022 (absorption date) amounted to € 33.3 million (Note 6.1).

Intangible assets
As of June 30, 2022, the intangible assets include the intangible assets from the new subsidiaries of the RES portfolio amounting to €52.7 million and the goodwill recognized from the acquisition amounting to €21.2 million (Note 3).

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

15. OTHER DISCLOSURES (CONTINUED)

Derivative Financial Instruments

As of June 30th, 2022, the fair value of derivative financial instruments amounted to € 78.2 million for the Group and the Parent Company compared to € 76.9 million on December 31st, 2021 for the Group and the Parent

Company and relate to gas price swap contracts (buy position) to hedge the risk of future fluctuations in gas prices of the second semester of 2022.

Moreover, on June 30th, 2022, the Group and the Parent Company held buy positions in natural gas and sell positions in electricity through futures contracts of a fair value of € 383.0 million and € (525.7) million respectively in the Hellenic Energy Exchange (Henex) and the European Energy Exchange (EEE) with maturity dates within the second semester of 2022 and in 2023. As futures contracts are valued and settled on a daily basis through the Energy Exchanges, the valuation of open positions on 30.06.2022 has directly affected the cash and cash equivalence of the Group and the Parent Company.

As of June 30th, 2022, the other reserves of the Group and of the Parent Company include reserves from hedging activities (after taxes) amounting to € (82.5) million compared to € 203.5 million on December 31, 2021. The decrease by € 286.0 million compared to December 31, 2021 is mainly due to the significant increase in natural gas and electricity prices on the stock exchange within the first semester of 2022 and to the increase of electricity hedging positions with contracts that mature until 2023.
We present the movement of the hedging reserve for the six-month period ended June 30th, 2022:

Hedging Reserve	Gas commodity SWAP contracts	Gas commodity Futures contracts	Energy commodity Futures contracts	Total	Effect on:
balance 31/12/2021	**59,988**	**227,278**	**(83,776)**	**203,490**	
Gain/(losses) from valuation of effective hedging transactions	60,269	381,065	(492,188)	**(50,854)**	Statement of Comprehensive Income
Ineffective cash flow hedge transferred to Profit &Loss	-	(37,676)	-	**(37,676)**	Income Statement (other income / expenses)
Reclassification of hedging transactions in the Profit &Loss	(60,037)	(187,620)	50,236	**(197,421)**	From statement of comprehensive income to income statement (Electricity purchases, natural gas purchases)
Tax effect	(51)	-	-	**(51)**	Statement of Comprehensive Income
balance 30/06/2022	**60,169**	**383,047**	**(525,728)**	**82,512**	

For the six-month period ended on June 30, 2022, the following amounts arising from hedging transactions against the risk of price fluctuation of electricity and natural gas were reclassified from the Group's and the Parent Company's Statement of Comprehensive Income to the Statement of Income : a) losses before taxes amounting to € (50.2) million in Energy Purchases, b) profits before taxes amounting to €247.6 million in Natural Gas and c) profits amounting to €37.7 million in Other Income, i.e. total profits amounting to €235.0 million.

As of June 30, 2022, gains from hedging transactions against the risk of price fluctuation of natural gas amounting to €37.7 million were transferred to other income as future natural gas contracts were terminated due to the reduction of future needs for the purchase of natural gas (hedged item) for the period August 2022 to December 2022, as a result of the energy efficiency measures implemented in Greece.

Finally, according to the Ministerial Decision YPEN/DIE/70248/2434 (OG B' 3517/06.07.2022) the methodology and the mathematical formula was defined, for the calculation of the administratively determined unit price for each category of production units and for the RES portfolios in the context of the operation of the Temporary Mechanism for Returning Part of Next Day and Intraday Market Revenues Day (Electricity) of article 12A of Law 4425/2016 (A'185). With this mechanism, from July 8th, 2022 the Group's and the Parent Company's exposure as an electricity Producer to price fluctuations due to its participation in the Greek wholesale electricity market, ceases for the period of application of this mechanism, i.e. from July 8th, 2022 to June 1st, 2023.

15. OTHER DISCLOSURES (CONTINUED)

Therefore, the Group and the Parent Company have started "closing" all Electricity Producer open hedging positions relating to the period of application of this mechanism. Accumulated amounts in the reserve from cash flow hedges until the time of “closing” of hedging positions as Producer (08.07.2022), will affect the Group’s and the Parent Company’s results at the time the hedged item affects the results of the Group and the Parent company. Finally, with the new mechanism, as it stands, the Group and the Parent Company have exposure as an Electricity Supplier for the fixed tariffs they provide to their customers.

Securitization of trade receivables from electricity sales for current accounts and accounts overdue up to 60 days

On August 6, 2020, the Parent Company signed a securitization agreement for the sale of its trade receivables from electricity sales for current accounts and accounts overdue up to 60 days and on November 24, 2020 proceeded with the initial withdrawal of € 150.0 million with an interest rate of 3.5% for an amount of securitized receivables with a nominal value of € 206.8 million with investor JP Morgan Chase Bank and issuer PPC Energy Finance DAC, receiving at the same time subordinated Bonds amounting to € 55.7 million.

On June 30, 2021, the Parent Company also received the remaining amount of € 50 million from the securitization contract for trade receivables up to 60 days overdue, resulting to a total financial liability of € 200 million.
The Parent Company reserves the role of the Servicer in the transaction and has assigned specific services for the management of securitized trade receivables to Qualco SA (Sub-Servicer). This line of financing is revolving, allowing the Parent Company to make drawdowns in the future.

On June 29, 2022, the Parent Company came to an agreement with JP Morgan and certain other parties of the transaction to amend the terms of the transaction in connection with, among other things, (i) an increase in the available commitment amount from €200 million to €300 million and on June 30, 2022, it drew down an amount of €30 million (ii) the reduction of the interest rate on drawn capital to 3% and (iii) the extension of the expiration date of the transaction from August 2023 to June 2025.

Finally, two (2) pledge agreements on the Parent's accounts, held by National Bank of Greece, ALPHA BANK, ATTICA BANK, Piraeus Bank and EUROBANK in favor of CITIBANK NA, LONDON BRANCH and JP Morgan Chase Bank still remain in force, as part of the Securitization of trade receivables from electricity sales for current accounts and accounts overdue up to 60 days and above 90 days.

Other receivables
On June 30, 2022, other receivables amounted to € 1,714.7 million and € 1,546.5 million for the Group and the Parent Company and appear increased by € 472.2 million and € 426.5 million respectively, compared to December 31, 2021 mainly due to the €285.9 million increase in Variation Margin requirements for the Group’s and the Parent Company’s participation in the Electricity Markets and the Forward Market arising from futures contracts transactions for the purchase of CO_2 emissions rights, natural gas and electricity.

In addition, the Group’s and the Parent Company’s receivable has increased by € 53.1 million and € 54.5 million respectively compared to December 31, 2021 from VAT credit balances arising mainly from outflows subject to a rate lower than that of input tax. Finally, other receivables of the Group also include other receivables amounting to €12.1 million from the new subsidiary companies of the RES portfolio (Note 3).

Accrued and Other current liabilities
On June 30, 2022, accrued and other current liabilities amounted to € 1,098.6 million and € 1,067.1 million for the Group and the Parent Company and appear decreased by € 579.2 million and € 645.2 million respectively, compared to December 31, 2021 mainly due to the expiry of purchase future contracts for CO2 emission allowances within March 2022 (2021 compliance).

16. SUBSEQUENT EVENTS

In addition to those presented in other notes, the following events occurred from June 30th, 2022 until the date of approval of the Financial Statements:

Repayment of loans
During the period 1.7.2022- 06.09.2022, the Group and the Parent Company proceeded to debt repayments of € 61.7 million and € 38.5 million respectively.

In addition, during the period 1.7.2022- 06.09.2022, the Parent Company drew down an amount of €1.094 million from a Bond Loan amounting to €680 million, with a consortium of foreign banks supported by the German Export Credit Insurance Organization ''Euler Hermes'', for financing part of the construction cost of the new Lignite Unit “Ptolemaida V”.

Shareholders’ agreement for the construction, installation, operation, management, ownership and sale of capacity via East Med Corridor System

On July 27, 2022, PPC signed a Shareholders’ Agreement to set up a joint venture which will construct, install, operate, manage, own and sell capacity via a new submarine cable system and ancillary terrestrial infrastructure and network (the “East Med Corridor System” or EMC project), linking Europe with Asia.

The shareholders being MENA HUB a subsidiary of STC from Saudi Arabia, TTSA a Greek telecoms and satellite applications company, Digimed a subsidiary of Cyprus telecoms operator CYTA and PPC, have agreed to establish the joint venture company under the laws of the Republic of Cyprus. PPC will hold a minority stake with a 25% participation in the joint venture company.

Shareholders’ agreement with Motor oil
On July 7, 2022, PPC signed a Shareholders’ Agreement, which aims at the establishment of a new company “Hellenic Hydrogen S.A.”, in which Motor Oil’s stake will be 51% of its share capital and PPC’s 49%. The Shareholders’ Agreement and the establishment of the new company are subject to the approval of the competent regulatory authorities, to which the transaction will be notified.
The new company will aim at the development of green hydrogen generation and storage projects in the country, thus facilitating Greece’s energy transition to Net Zero CO_2 emissions.

Issuance of new loans
On February 10, 2022 was approved and on July 19, 2022 was signed, a joint secured bond loan of the subsidiary HEDNO with the National Bank of Greece, amounting to € 22.52 million in order to finance the purchase of real estate property to cover the housing needs of its central headquarters with the following basic terms: Loan duration 15 years, EURIBOR interest rate for 6 months plus a margin of 1.75% and repayment in 6 monthly equal installments of capital. Until the date of approval of the financial statements, the Bond loan has not been drawn.

Also, with the same decision, it was decided to enter into an IRS hedging contract for the above loan starting 12 months after the signing of the bond loan and until the end of the loan.

Additionally, within July 2022, a joint secured bond loan of the subsidiary HEDNO was signed with Eurobank, amounting to € 660 million with a floating interest rate, with the possibility of increasing the amount by € 440 million. The purpose of this loan is to finance investments of the Regulated Asset Base (RAB) of the subsidiary and its other business needs including the repayment of existing borrowing. The loan is expected to be covered, apart from Eurobank, by Piraeus Bank and the National Bank of Greece, each participating by 15%. Regarding the duration of the loan, disbursements are foreseen until 31/01/2027, with gradual repayments until 31/12/2033. On August 3, 2022, HEDNO draw down an amount of € 150 million from EUROBANK within the framework of the above contract.

Signing of the Programme Agreement with the Greek State for the hive down of the Post-Lignite Exploitation of the Core Lignite Phase-out Zones of PPC
By Law 4956/2022 (OG A' 140/19.07.2022) the Programme Agreement signed on 7 July 2022 between the Greek State (Ministry of Development and Investments), the public interest company with the distinctive title METAVASI S.A. and PPC S.A. was ratified and acquired the force of law, in the context of the legislative regulations introduced by the provisions of par. 4 of article 155 of Law 4759/2020 (OG A' 245/09.12.2020) and Law 4872/2021 (OG A' 247/10.12.2021), regarding specific issues of lignite phase-out.

16.SUBSEQUENT EVENTS (CONTINUED)

The main object of the Programme Agreement is the regulation of the terms and conditions under which the ownership of land and plots of PPC Mines (estimated at approximately 97 km2) will be transferred to METAVASI S.A., in the context of the lignite phase-out process. It is noted that the rights of exploration and exploitation of the underlying lignite deposit, as well as the responsibility of land restoration remain with PPC. The receipt of the lands by METAVASI S.A. will be made in stages and must have been completed by August 2025, when the restoration works are expected to be completed.

In particular, the programme agreement provides, inter alia, for:

a) the possibility of assigning to PPC the implementation of the new land uses and upgrading of the transferred lands, which are included in the attached topographic diagrams, the terms and conditions for their upgrading, the obligations, the monitoring of the execution of the contract, issues regarding the content of the rehabilitation works to be made by PPC and any other works that will be required for the implementation of the new land uses according to specific urban plans, the method of calculating and covering PPC's management costs, as well as the method of transferring to the State the ownership of the underlying land owned by PPC.
b) the establishment of the company METAVASI S.A. and the transfer to it of all the shares of the company to be established (a 100% subsidiary of PPC) under the name Metalignitiki S.A., to which PPC S.A. will initially transfer, under Law 4872/2021, the Post-Lignite Exploitation of the Core Lignite Phase-out Zones Sector of Kozani, Florina and Megalopolis (hereinafter referred to as the "Sector").

In particular, the terms and conditions of the transfer of the shares, issues concerning the value of the transferred shares in relation to the value of the assets of Metalignitiki S.A., the payment of the consideration for the acquisition of the shares with resources from the Recovery and Resilience Fund programme are regulated and defined.
The consideration for the acquisition of the shares will be paid gradually through the assumption of the exclusive responsibility by METAVASI S.A. to pay the invoices of the contractors and suppliers who will make the restoration works of the lands to be transferred, being a third party to the relevant PPC contracts.
PPC S.A. may continue the activity of lignite-fired power generation and lignite mining for as long as lignite activity is allowed on the lands in question under the National Energy and Climate Plan as in force from time to time.
As of June 30, 2022, the criteria for the classification of the sector (it will consist entirely of fixed assets to be valued by an independent valuator) as assets held for sale under IFRS 5 were not met.

Establishment of treasury shares buyback program
The extraordinary General Meeting of shareholders that took place on August 3, 2022 approved the establishment of s treasury shares program and authorized the Board of Directors of the Parent Company in order to take all the necessary actions for the implementation of said program. The main features of the program are as follows:
-Maximum number of shares: existing common registered shares issued by PPC, which correspond to a maximum of up to 10% of its paid-up share capital, after excluding the 1,856,000 treasury shares that have been already acquired, thus up to 36,344,000 shares.
-Duration of the Buyback Program: up to 24 months from the day immediately after the day of its approval by the general meeting of shareholders. The exact starting date of the Buyback Program will be set by the Board of Directors, following its authorization by the general meeting of the shareholders, subject to market conditions and PPC’s liquidity.
-Range of purchase price of treasury Shares: a minimum price of €2.48, which is equal to the nominal value of the share and a maximum price of € 17, per own Share.
-Funding of the Buyback Program: exclusively through free cash flows and other available cash resources of PPC, expressly excluding funds that a) have been raised through its recent share capital increase, and/or b) are required to be allocated to specific purposes, in accordance with the relevant commitments undertaken by the company.

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, 2021.

There are no changes in the definition of segments or the analysis per segment in comparison with the annual consolidated financial statements for the year ended December 31st, 2021.

Below is an analysis of the Parent Company's sales to third parties and the internal sales as well as the Results (profits / (losses) before taxes) of the four activities, namely Mines, Generation, Supply of Electricity and Supply of Natural Gas.

As regards the Distribution Network, there are no results in 2022 for the respective activity of the Parent Company as the Distribution Network sector was spin-off on 30.11.2021 from the Parent Company and there is no more separate activity (Note 6).

The analysis is prepared separately for the Interconnected System, Crete and the other Non-Interconnected Islands. Furthermore, the sales and Results (profits / (losses) before taxes) concerning PPC's subsidiaries are depicted separately.

The Group's activities, which do not meet the criteria and quantitative limits of IFRS 8 to be an operating segment, are combined and presented under the description "Other Group's Companies".

Sales and inter segment results are as follows:

SUMMARY FINANCIAL RESULTS OF THE GROUP

JUNE 2022

AMOUNTS IN THOUSANDS OF EURO

	Sales		Profit /(Loss) Before Tax	
	01.01.2022 – 30.06.2022	01.01.2021 – 30.06.2021	01.01.2022 – 30.06.2022	01.01.2021 – 30.06.2021
Parent Company	4,203,257	2,054,164	783,259	149,880
HEDNO S.A.	1,074,636	1,314,446	22,566	12,141
Groups' Other Companies	218,365	132,073	80,876	(60,325)
Eliminations (Group)	(1,103,972)	(1,307,244)	(884,826)	(87,919)
Grand total (Group)	**4,392,286**	**2,193,439**	**1,875**	**13,777**

SUMMARY FINANCIAL RESULTS OF THE PARENT COMPANY

JUNE 2022

AMOUNTS IN THOUSANDS OF EURO

	Sales to Third Parties		Internal Sales		Profit /(Loss) Before Tax	
	01.01.2022 - 30.06.2022	01.01.2021 – 30.06.2021	01.01.2022 – 30.06.2022	01.01.2021 – 30.06.2021	01.01.2022 – 30.06.2022	01.01.2021 – 30.06.2021
Interconnected system						
-Mines	8,767	4,097	97,661	89,336	(25,024)	(106,661)
-Generation	1,951,093	803,141	-	-	1,056,603	(88,707)
-Distribution Network*	-	145,380	-	-	-	110,784
-Supply	3,930,543	1,873,902	75,468	22,357	(268,802)	195,750
-Natural Gas (Supply)	4,645	768	-	-	(2,689)	141
	5,895,048	**2,827,288**	**173,129**	**111,693**	**760,088**	**111,307**
Crete Network						
-Generation	266,529	210,032	-	-	73,920	(28,664)
-Distribution Network*	-	11,104	-	-	-	6,241
-Supply	304,792	227,714	1,258	799	(143,711)	23,969
	571,318	**448,850**	**1,258**	**799**	**(69,791)**	**1,546**
Other Non-Interconnected Islands System						
-Generation	257,521	168,306	-	-	94,466	2,223
-Distribution Network*	-	9,980	-	-	-	6,270
-Supply	230,861	174,876	881	765	2,606	17,721
	488,382	**353,162**	**881**	**765**	**97,072**	**26,214**
Eliminations	(2,751,491)	(1,575,136)	(175,268)	(113,257)	(4,110)	10,813
Total Company	**4,203,257**	**2,054,164**	**-**	**-**	**783,259**	**149,880**

* The Distribution Network was spin-off from the Parent Company on 30/11/2021.

V.REPORT ON THE USE OF PROCEEDS

Report on the Use of the Funds raised from the Share Capital Increase for the period 01.01.2022 – 30.06.2022

Pursuant to the provisions of par.4.1.2 of the Athens Stock Exchange Regulation, the 25/17.7.2008 and the 6.12.2017 decisions of the BOD of the Athens Stock Exchange and the Decision 8/754/14.4.2016 of the Capital Market Commission's BOD, it is disclosed that from the share capital increase of "Public Power Corporation S.A." (the Company) by payment in cash, according to the 19.10.2021 decision of the Extraordinary Shareholders Meeting and with the decision no. 1/934/01.11.2021 of the Board of Directors of the Hellenic Capital Markets Commission regarding the approval of the content of the Prospectus, the total amount of €1,350,000,000 was raised. Issuance costs amounted to €65,926 thousand and decreased the total funds raised. From the Share Capital Increase new common registered shares of 150,000,000 were issued with a subscription value of €9,00 each and of a nominal value of €2.48 each, which were listed for trading in the main market of the Athens Stock Exchange on 16.11.2021. The Board of Directors held a meeting on 11.11.2021 and certified the timely and full receipt of the funds raised from the Share Capital Increase.

As of June 30, 2022, the funds raised were allocated according to the use of proceeds as descripted in the Prospectus as follows:

TABLE OF ALLOCATION OF FUNDS RAISED FROM THE SHARE CAPITAL INCREASE (Amounts in '000€)						
A/A	**Allocation of Raised funds Based on the Purposes of the Prospectus (Section 16.2. Reasons for the Share Capital Increase and use of proceeds of the Prospectus)**	**Raised Funds according to the Prospectus**	**Allocated funds for the period 16.11.2021 and up to 31.12.2021**	**Allocated funds for the period 01.01.2022 and up to 30.06.2022**	**Total allocated funds for the period 16.11.2021 up to 30.06.2022**	**Unallocated funds as of 30.06.2022**
1	Allocation of up to €1,284,000 of approximately €3,200,000 that the Company has budgeted for capital expenditures on renewable energy projects through 2024, including hydroelectric power generation and projects in adjacent markets, aiming to reach an installed RES capacity of 7.2 GW by 2024	-	-	62,097	62,097	-
2	Allocation of up to €1,284,000 of approximately €1,700,000 the Company has budgeted for capital expenditures through 2024 on conventional power generation, supply business unit, the construction of a waste-to-energy plant, digitalization, telecommunications, electric vehicle charge-points.	-	-	57,179	57,179	-
3	Allocation for other general corporate and other investment purposes of amounts that are not material for the Group's financial conditions and to the extent reasonably necessary.	-	-	-	-	-
	Total	**1,284,074**	**-**	**119,276**	**119,276**	**1,164,798**
	Plus: Issuance costs	65,926	65,926	-	65,926	-
	Grand Total	**1,350,000**	**65,926**	**119,276**	**185,202**	**1,164,798**

According to the provisions of the decision no. 25 of the Management Committee of the Athens Exchange, the funds used by the Company during the period 01.01.2022 – 30.06.2022 per investment category with Serial Number: 1-3 as depicted in the above table, correspond to cash outflows and not expense accounting entries.

Regarding the investment No 1 of the table, it is noted that the Company proceeded to a capital increase of the 100% subsidiary “PPC Renewables S.A.” of an amount of €150,000 thousand, with issuance costs amounting to €900 thousand “PPC Renewables S.A.” manages the Renewable Energy Sources portfolio of PPC Group (excluding large Hydropower Plants). Further, "PPC Renewables S.A." entered into an agreement to purchase 100% of the shares of subsidiary companies of Volterra (100% subsidiary of AVAX). More specifically, "PPC Renewables S.A." acquired 55% of the shares of "Volterra K-R SA" and "Volterra LYKOVOUNI SA", in which it was already a 45% shareholder in each company since 2019. "Volterra K-R SA" and "Volterra LYKOVOUNI SA" have in operation wind farms with a total capacity of 69.7 MW in Aitoloakarnania and Boeotia. Also, "PPC Renewables S.A." acquired 100% of " Heliofaneia SA" which owns an operational photovoltaic park of a capacity of 2.7 MW in Viotia, as well as the companies "Volterra DOUKAS SA" and "Volterra KOUKOULI SA" which hold licenses to install wind farms of a total capacity of 39.5 MW, whose construction is going to start immediately in Western Macedonia The total price paid for the acquisition of the five (5) companies amounted to €59,670 thousand Finally, the Parent Company during the six-month period of 2022 proceeded to investments relating to hydropower electricity production for an amount of €1,527 thousand.

Regarding the investment No 2 of the table, it is noted that the Company proceeded to investments relating to : a) electricity production from lignite fired plants (mainly for the new Ptolemaida V unit) amounting to €36,327 thousand, b) electricity production through conventional means in the Non Interconnected Islands amounting to €20,234 thousand and c) improvements to existing gas-fired electricity production plants and various reconstructions of plant buildings amounting to €618 thousand.

It is clarified that the temporarily unused funds are kept at bank accounts in the name of the Company and its subsidiary companies.

Athens, September 6 2022

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**